

NAPERVILLE FIRE PROTECTION DISTRICT
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2020

NAPERVILLE FIRE PROTECTION DISTRICT

AUDITED FINANCIAL STATEMENTS

APRIL 30, 2020

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WOMEN BUSINESS ENTERPRISE

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Naperville Fire Protection District
Naperville, IL

We have audited the accompanying financial statements of the governmental activities and the major fund of Naperville Fire Protection District (District) as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Naperville Fire Protection District, as of April 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United State of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has omitted the management's discussion and analysis. Our opinion on the basic financial statements is not affected by this missing information.



August 28, 2020

NAPERVILLE FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET AND
STATEMENT OF NET POSITION

APRIL 30, 2020

| | <u>GENERAL FUND</u> | <u>ADJUSTMENT</u> | <u>STATEMENT OF NET POSITION</u> |
|--|----------------------------|--------------------------|--------------------------------------|
| ASSETS | | | |
| Cash | \$ 424,602 | \$ - | \$ 424,602 |
| Property Taxes Receivable, net | <u>1,219,309</u> | <u>-</u> | <u>1,219,309</u> |
| Total Assets | \$ <u>1,643,911</u> | \$ <u>-</u> | \$ <u>1,643,911</u> |
| LIABILITIES | | | |
| Disbursement Payable | \$ 69,329 | \$ - | \$ 69,329 |
| Accrued Expenses | <u>6,250</u> | <u>-</u> | <u>6,250</u> |
| Total Liabilities | <u>75,579</u> | \$ <u>-</u> | <u>75,579</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Property Tax Revenue | <u>1,219,309</u> | <u>-</u> | <u>1,219,309</u> |
| Total Deferred Inflows of Resources | <u>1,219,309</u> | <u>-</u> | <u>1,219,309</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>1,294,888</u> | <u>-</u> | <u>1,294,888</u> |
| FUND BALANCE/NET POSITION | | | |
| Fund Balance | | | |
| Unassigned | <u>349,023</u> | <u>(349,023)</u> | <u>-</u> |
| Total Fund Balance | <u>349,023</u> | <u>(349,023)</u> | <u>-</u> |
| Total Liabilities and Deferred Inflows of Resources and Fund Balances | \$ <u>1,643,911</u> | | |
| Net Position | | | |
| Unrestricted | | <u>349,023</u> | <u>349,023</u> |
| Total Net Position | | \$ <u>349,023</u> | \$ <u>349,023</u> |

The accompanying notes are an integral part of these financial statements.

NAPERVILLE FIRE PROTECTION DISTRICT

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE 6 BUDGET AND ACTUAL AND STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED APRIL 30, 2020

| | <u>GENERAL FUND</u> | | | |
|--|---|-------------------|--------------------|--|
| | <u>BUDGET- ORIGINAL & FINAL</u> | <u>ACTUAL</u> | <u>ADJUSTMENTS</u> | <u>STATEMENT OF ACTIVITIES</u> |
| REVENUES | | | | |
| Property Taxes | \$ 1,274,309 | \$ 1,264,920 | \$ - | \$ 1,264,920 |
| Interest Income | <u>3,000</u> | <u>5,119</u> | <u>-</u> | <u>5,119</u> |
| Total Revenues | <u>1,277,309</u> | <u>1,270,039</u> | <u>-</u> | <u>1,270,039</u> |
| EXPENDITURES/EXPENSES | | | | |
| Disbursements to Naperville | 1,223,959 | 1,228,332 | - | 1,228,332 |
| Accounting & Audit Fees | 17,000 | 16,700 | - | 16,700 |
| Legal Fees | 16,000 | 13,807 | - | 13,807 |
| Insurance Expense | 14,000 | 6,626 | - | 6,626 |
| Trustee Fees | 3,750 | 3,750 | - | 3,750 |
| Publication Expense | 1,500 | 705 | - | 705 |
| Office Expense | <u>1,100</u> | <u>119</u> | <u>-</u> | <u>119</u> |
| Total Expenditures/Expenses | <u>1,277,309</u> | <u>1,270,039</u> | <u>-</u> | <u>1,270,039</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ <u>0</u> | 0 | 0 | 0 |
| Change in Net Position | | | 0 | 0 |
| FUND BALANCE/NET POSITION | | | | |
| Beginning of Year | | <u>349,023</u> | <u>-</u> | <u>349,023</u> |
| End of Year | | \$ <u>349,023</u> | \$ <u>-</u> | \$ <u>349,023</u> |

The accompanying notes are an integral part of these financial statements.

NAPERVILLE FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Naperville Fire Protection District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

Nature of Organization

The Naperville Fire Protection District (the District) is a governmental body incorporated by the State of Illinois to provide fire protection and ambulance services to citizens of the District located in DuPage and Will Counties. The District receives tax allocations from DuPage and Will counties and after providing for the payment of allowed expenses, disburses the remaining amounts to the city of Naperville per contract with the city. Naperville provides fire protection and ambulance services for all of the District.

Reporting Entity

The financial statements include all funds of the District. Accordingly, the criteria specified by GASB have been applied in determining the scope of the reporting entity for financial reporting purposes. Specifically, those activities over which the District's trustees exercise oversight responsibility are included in the financial statements. The criteria include, but are not limited to, whether the District exercises oversight responsibility over an entity (which includes: financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

Basis of Presentation

The government-wide and fund financial statements are combined, with a reconciliation shown between them. The Governmental Funds Balance Sheet and Statement of Net Position and Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balance ó Budget and Actual and Statement of Activities combines information about the reporting government as a whole and funds statements to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

Major individual government funds are reported as separate columns in the fund financial statements. The only fund of the District is the general fund, which is a major fund. The general fund is the general operating fund of the District. It is used to account for all financial resources.

NAPERVILLE FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS (Continued)

Basis of Accounting

The government-wide statements (the Statement of Net Position and the Statement of Activities) are prepared using the economic resource measurement focus and the accrual basis of accounting. Fund financial statements (the Governmental Funds Balance Sheet and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual) are prepared using the current financial measurement focus and are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

For the 2019 property tax levy, the District has not treated these funds as being available for the year ended April 30, 2020 since these funds are available beyond 60 days after year end. As such, the entire property tax receivable at year end has been treated as deferred inflows of resources.

The District reports deferred inflows of resources on its balance sheet and statement of net position. Deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows can also arise when the District receives resources before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the District has legal claim to the resources, the deferred inflows of resources is removed from the balance sheet and statement of net position and revenue is recognized.

Budgets

A budget is adopted on a basis consistent with generally accepted accounting principles and in accordance with the District's policy and procedure. Unencumbered budget appropriations lapse at the end of the fiscal year.

Cash

Cash includes amounts in a demand deposit account and a money market account. Illinois Revised Statutes authorize the District to invest in securities guaranteed by the full faith and credit of the United States of America, interest bearing savings accounts, certificates of deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, the State Treasurer's investment pool (authorized by ICLS 30, 235-2, e), and other permitted investments under paragraph 902, chapter 85 of the Statutes as amended by Public Act 86-426. Investments may only be made in banks which are insured by the Federal Deposit Insurance Corporation (FDIC).

NAPERVILLE FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS (Continued)

Fund Equity

The District follows GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The fund classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used. They are non-spendable, restricted, committed, assigned, and unassigned.

The District only has unassigned amounts in the fund balance. Unassigned fund balance amounts are amounts that are available for any purpose.

Deferred Inflows of Resources

The District follows GASB Statement 65 which pertains to classification of certain items previously reported as assets and liabilities. The District has only one type of item, under the modified accrual basis of accounting, which is affected by this change in classification; deferred property taxes.

Deferred property taxes do not fit the definition of a liability, that is, the use of resources to satisfy an obligation. Rather deferred property taxes represent a future recognition of revenue, therefore are classified as deferred inflows of resources.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the board of trustees to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as restricted and unrestricted.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors, law or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The District has no restricted net position.

Unrestricted Net Position- This category represents net position of the District not restricted for any project or other purpose.

NAPERVILLE FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 – DEPOSITS

At April 30, 2020, the carrying amounts of the District's deposits were \$424,602 and the bank balance was \$426,700. Of the bank balance, \$161,230, the total bank balance of the checking account, was covered by federal depository insurance and \$250,000 of the money market account balance was covered by federal depository insurance. The excess of \$15,470 of the money market account balance was collateralized with a letter of credit issued by the Federal Home Loan Bank of Cincinnati with the District as the beneficiary to cover deposits in excess of the FDIC limit of \$250,000.

NOTE 3 – PROPERTY TAXES

The District's property tax is levied each year on all taxable property located in the District. The District submits a real estate tax levy to Will and DuPage counties in December of each year. The counties then extend the taxes in the spring of the following year and the taxes are received by the District in June and September. Property taxes for 2019 attached as an enforceable lien on property within the District as of January 1, 2019. The 2019 property tax levy is recorded as Property Taxes Receivable at April 30, 2020. Both 2020 installments paid to the District will be used for year ending April 30, 2021 operations and are reflected as Deferred Property Tax Revenue at April 30, 2020.

NOTE 4 – DISBURSEMENTS PAYABLE

The District revenues less District expenses difference is to being remitted to the City of Naperville. Revenue is described as real estate tax levies, investment interest and payments from the state of Illinois. District expenses include trustee fees, insurance, accounting, legal, dues, postage, office supplies, and publication as well as any other miscellaneous expenses not to exceed \$1,500 a year. The amount due to Naperville at the end of the fiscal year is shown as Disbursements Payable.

NOTE 5 –ADJUSTMENT

There were no adjustments to reconcile the fund financial statements to the government-wide financial statements. The amount in the adjustments column simply changes terminology from the fund financial statements to the government-wide financial statements.