

McGladrey & Pullen

Certified Public Accountants

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Mark Sheldon
CHAMPAIGN COUNTY CLERK

CHERRY HILLS FIRE PROTECTION DISTRICT

Financial Report
05.02.07

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CHAMPAIGN COUNTY CLERK

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McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

To the Board of Trustees
Cherry Hills Fire Protection District
Champaign, Illinois

We have audited the accompanying statement of assets and net assets resulting from cash transactions of Cherry Hills Fire Protection District as of May 2, 2007, and the related statement of revenue collected, expenditures paid and changes in net assets - budget and actual - for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and net assets resulting from cash transactions of Cherry Hills Fire Protection District as of May 2, 2007, and its revenue collected, expenditures paid and changes in its net assets for the year then ended on the basis of accounting described in Note 1.

McGladrey & Pullen, LLP

Champaign, Illinois
August 23, 2007

Cherry Hills Fire Protection District

Statement of Assets and Net Assets Resulting from Cash Transactions
May 2, 2007

Asset, cash, interest earning	<u>\$ 28,036</u>
Net assets	<u>\$ 28,036</u>

See Notes to Financial Statements.

Cherry Hills Fire Protection District

Statement of Revenue Collected, Expenditures Paid and Changes in Net Assets - Budget and Actual
Year Ended May 2, 2007

	Budget	Actual
Revenue Collected		
Property taxes	\$ 12,250	\$ 11,863
Other Income - reimbursement from City of Champaign	-	30,366
Interest	-	101
	<u>\$ 12,250</u>	<u>42,330</u>
Expenditures Paid		
Current operating:		
<i>Fire department assessment</i>	\$ 7,150	14,300
Fire hydrant rental	3,100	4,146
Professional services and miscellaneous	2,000	1,918
	<u>\$ 12,250</u>	<u>20,364</u>
Excess of revenue collected over expenditures paid		21,966
Net Assets, Beginning		<u>6,070</u>
Net Assets, Ending		<u>\$ 28,036</u>

CHERRY HILLS FIRE PROTECTION DISTRICT

Notes to Financial Statements

Note 1. Nature of Entity, Financial Reporting Entity and Significant Accounting Policies

Nature of Entity: Cherry Hills Fire Protection District (District) was formed on August 10, 1989. The District levies property taxes on the property in Cherry Hills Subdivision for the purpose of providing fire protection services. For the year ended May 2, 2007, the District retained the firefighting services of Savoy Fire Department.

Financial Reporting Entity: Accounting principles generally accepted in the United States of America require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete. The Board of Trustees has the responsibility to oversee and control all activities related to the District, which is the lowest level of government exercising oversight responsibility.

Significant Accounting Policies: Basis of accounting - The accounts are maintained and these statements were prepared using the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Following this basis of accounting the statement of revenue collected, expenditures paid and changes in net assets reflects only cash received and disbursed and the statement of assets and net assets resulting from cash transactions reflects only those assets resulting from cash transactions. Therefore, receivables and payables, accrued income and expenditures which may be material in amount, are not recognized in these financial statements.

Property tax revenue represents the 2006 tax levy, which was collected in the year ended May 2, 2007. Property taxes are due and collectible in June, August, September and November of the year following the December 31 tax levy.

Note 2. Budget

Reported budget amounts represent the originally adopted budget and are the same as the appropriated amounts. The budget may be amended by passing an additional appropriation ordinance. During the year ended May 2, 2007, there were no amendments to the budget.

Note 3. Lease Commitment

The District leases fire service connections and fire hydrants from Illinois American Water Company. The term of the lease agreement is from January 1, 2007 through December 31, 2007. Thereafter, the agreement is extended automatically for successive one year periods unless terminated by either party. As of May 2, 2007, the total minimum lease commitment under this agreement is \$3,398.40.

Note 4. Cash Deposits

Cash deposits as of May 2, 2007 were fully covered by federal depository insurance.

Note 5. Reimbursement from City of Champaign

During the year ended May 2, 2007, the District received a reimbursement of \$30,366 from the City of Champaign for fire protection revenue collected on properties which had been annexed to the City.