

FIRE GUARD



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Letter from the President



Our last business meeting was the first of several planning sessions structured to determine the future of the NIAFPD and fire districts of the State of Illinois. We identified many past and present issues in need of improving and identified several solutions. Your Board of Directors authorized and delegated these solutions to be implemented immediately and then worked on immediate goals for the organization.

Goals such as more involvement in legislature regarding tax cap restrictions, funding, and tort and pension contributions. Communications amongst our peer groups of the Illinois Fire Chiefs Association and Illinois Association of Fire Protection Districts to better improve consortium efforts on overlapping issues such as education and legislation.

Our first step is to plan our next fiscal year and identify our needs. This is why an extraordinary amount of effort has gone into planning our next meeting to be held on Saturday, November 9th, 2002. Impact topics of legislation, State of Illinois elections, the Blue Ribbon Report and consolidate efforts will all be presented from which the NIAFPD Board will use your input to plan for our future.

I urge you to please attend this meeting. You and your board's participation (please ask your other board members to attend) will help us all work towards the common good of fire districts throughout the State. Help us educate your people and determine a direction for our administrations to obtain the best representation for "everyone".

As always, thanks for doing what you do!

Jack L. Mancione
NIAFPD President



An Update on Fire District Audit and Financial Reporting Requirements

by Shawn P. Flaherty, Ottosen Trevarthen Britz Kelly & Cooper, Ltd.

Over the past eighteen months, the Illinois General Assembly has markedly altered the financial reporting requirements for units of local governments in the State of Illinois, including fire protection districts. The passage of Public Act 92-0354, effective August 15, 2001 and Public Act 92-0582, with an effective date of July 1, 2002 give this writer cause to believe that a review of a fire protection district's auditing and financial reporting responsibilities is in order at this time.

Public Funds Statement Publication Act, 30 ILCS 15/0.01 *et seq.*

The Public Funds Statement Publication Act (the "Act") requires that "each public officer. . . , who by virtue of his office receives for disbursement and disburses public funds in the discharge of governmental or municipal debts and liabilities, shall, at the expiration of each fiscal year, prepare a statement" of accounts listing specified information set forth in detail in the Act. 30 ILCS 15/1. For fire protection districts, the Treasurer of the district is the public officer responsible for compliance under the Act. The Act sets forth with particularity the requisite information to be included in the public statement in pertinent part, as follows:

(1) All monies received and from what sources received, giving items, particulars and details;

- (2) All monies paid out where the total amount paid during the fiscal year exceeds \$2,500 in the aggregate, giving the name of each individual paid and the amounts paid to each person. This requirement would cover all vendors who receive more than \$2,500 from the fire protection district over the course of the fiscal year, but does not specifically cover payments for personal services; and
- (3) All monies paid out as compensation for personal services, giving the name of each individual paid and the total amount paid to each person. The Act provides an alternative means of reporting amounts paid for personal services by listing personnel by name under one of six financial groupings; and
- (4) A summary statement of operations for all funds and account groups.

Subsections (2), (3) and (4) above were all recently amended by the Illinois General Assembly, and the amendments are worth mentioning. Public Act 92-0354 amended Subsection (2) to increase the minimum aggregate floor on reporting payments to vendors under the Act from \$1,000 to \$2,500. Consequently, fire protection districts with fiscal years that ended after August 15, 2001 are not required to report payments to vendors that do not

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An Update on Fire District. . .

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exceed \$2,500, in the aggregate, in the fiscal year. The financial groupings for listing payments to employees for personal services (in Subsection (3)) have also been amended by P.A. 92-0354 to reflect an upward increase in compensation amounts. The current financial groupings are (a) under \$25,000, (b) \$25,000 to \$49,999.99, (c) \$50,000 to \$74,999.99, (d) \$75,000 to \$99,999.99, (e) \$100,000 to \$124,999.99, and (f) \$125,000 and over. Finally, Public Act 92-0582 eliminated the legal requirement formerly in Subsection (4) that mandated that the summary statement of operations for all funds and account groups be excerpted from the annual financial report filed annually with the State of Illinois. It is advisable that all fire protection districts review their public funds statements for compliance with these legislative amendments.

The public statement must be subscribed and sworn to by the Treasurer of the fire protection district and must be filed with the appropriate county clerk or clerks within six months after the end of the fiscal year. 30 ILCS 15/1. Moreover, the statement must be published within six months after the end of the fiscal year audited in an English language newspaper published in the district. 30 ILCS 15/2. The publisher must prepare a certificate of publication and file the certificate with the county clerk within ten days of the publication of the statement. 30 ILCS 15/2.1. The costs of the publication may be paid out of district funds. 30 ILCS 15/4. The statement cannot, by law, disclose the names or addresses of any person to whom child support or maintenance was paid in accordance with a court order for withholding of child support or maintenance from an employee's salary. 30 ILCS 15/2.1. Public officers who fail, neglect or otherwise refuse to discharge the duties under this Act are subject to a fine of not less than \$25 and not more than \$500 per offense and possible criminal liability for a Class A misdemeanor, if convicted. 30 ILCS 15/5 and 30 ILCS 15/6.

Governmental Account Audit Act, 50 ILCS 310/0.01 *et seq.*

In general, all fire protection districts that receive annual revenue of \$850,000 or more are required to cause an audit of the district's accounts to be made by a certified public accountant. 50 ILCS

310/2. The audit is meant to include all of the district's various funds and must be completed within six months after the close of the fiscal year, unless an extension of time is granted by the Illinois State Comptroller. The audit report must be filed with the Comptroller and the County Clerk within the same six month period. 50 ILCS 310/6. Fire protection districts must also make a copy of its audit report available for public inspection. 50 ILCS 310/6. All units of local government, including fire protection districts are legally authorized to pay the expenses of its audit from a special purpose audit fund, or in the alternative, from the general corporate fund. 50 ILCS 310/9. Fire protection districts receiving revenue of less than \$850,000 are not legally required to hire a CPA to undertake an annual audit instead they are only required to file a financial report with the State comptroller. 50 ILCS 310/3. The report shall be completed on reprinted forms provided by the office of the State Comptroller. 50 ILCS 310/3. Even those fire protection districts with revenue in excess of \$850,000 are legally required to comply with the comptroller reporting requirements.

The \$850,000 revenue threshold mandate for the completion of an audit was only recently added by the Act. Previously, those fire protection districts that appropriated \$200,000 or more were required to complete the annual audit. However, this amount was more than tripled by Public Act 92-0582 effective July 1, 2002. Even though the Act has been amended, strong public policy concerns may convince some fire districts to continue with the annual audit notwithstanding the recent amendments to the Act. Hiring an auditing firm separate and apart from a fire protection district's own finance director or bookkeeper is a sound financial practice. It is not advisable that a fire protection district's accountant also be contracted to perform the annual audit. The recent rash of corporate accounting scandals lend further credence to the financial practice of using an independent CPA auditing firm to conduct audits.

Questions concerning the legal requirements for financial reporting are properly directed to your District's legal counsel. Specific requirements about the contents of a fire protection district's annual audit are best addressed directly by your auditor.




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North Palos Fire Protection District Celebrates 50th Anniversary

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 Tel (630) 852-5333
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 1-800-422-1431

Ronald W. Dukes
 Deputy Regional Director



Volunteer Firemen's Insurance Services, Inc.
A SUBSIDIARY OF THE GLAYFELTER INSURANCE GROUP



The North Palos Fire Protection District celebrated its 50th Anniversary on Sunday, August 25, 2002. The day started with a parade through the District with 40 pieces of apparatus from 18 departments. An open house followed with plenty of activities for all, including a fire safety house, Commonwealth Edison's safety city, a clown, dino jumps and water games for the kids. There were plenty of hot dogs, pop, cake and coffee to go around.

The bagpipers of the Chicago Police Department's Emerald Society led a procession to open the ceremony. Representative Zickus and other local dignitaries gave presentations in honor of the District. There were between 350 – 400 people who passed through during the day. All had a great time.



**With our Deepest Sympathy . . .
 The NIAFPD extends our sympathy
 to family and friends of
 Edward Kohlmeyer**

One of Edward Kohlmeyer's greatest contributions was his instrumental role in creating the Greater Round Lake Fire Protection District. During the district's 35 years of operation, Ed first served as secretary of the organization and then took over as President, where he remained for the majority of the district's history.

notes

**Illinois Fire Safety Alliance
 Fire Prevention Lunch**
 Lexington House, Hickory Hills, IL
 October 10, 2002

**Illinois Fire Chiefs Association
 Annual Conference**
 Hotel Pere Marquette
 Peoria Civic Center, Peoria, IL
 October 22-25, 2002

**Illinois Society of Fire Service Instructors
 Annual Conference**
 Holiday Inn
 Peoria Civic Center, Peoria, IL
 October 22-25, 2002

Illinois Municipal Treasurers Institute
 Hawthorn Suites
 Champaign, IL
 November 17-21, 2002

**Illinois Fire Chiefs Secretaries Association
 Conference at University of Illinois**
 Hawthorn Suites
 Champaign, IL
 November 21-22, 2002

**Office of the State Fire Marshal
 2002 Showcase**
 Crowne Plaza Hotel
 Springfield, IL
 November 22-23, 2002

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YOUR FIRE GUARD NEWSLETTER!

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