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Mark Sheldon
CHAMPAIGN COUNTY CLERK

ORDINANCE 49
LINCOLNSHIRE FIELDS FIRE PROTECTION
BUDGET FOR THE FISCAL YEAR COMMENCING MAY 1, 2006

Be it ordained by the Board of Trustees of Lincolnshire Fields Fire Protection District, the following budget be adopted for the fiscal year beginning May 1, 2006.

Balance on hand as of May 1, 2006 \$21,821.55

ESTIMATED EXPENDITURES:

Bondville Fire Department Contract	\$ 29,520.00
Trustee's Bond	\$ 300.00
Fire Hydrant Rental	\$ 0.00
Audit	\$ 1,200.00
Liability Insurance	\$ 495.00
Administrative and Operating Expenses	\$ 4,000.00

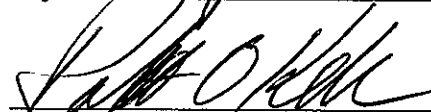
Total \$35,515.00

ESTIMATED RECEIPTS:

Tax distributions (Champaign County)	\$ 35,425.00
Personal Property Tax Replacement	\$ 40.00
Interest Income	\$ 50.00

Total \$35,515.00

Passed and approved this 26th day of September, 2006.



President, Board of Trustees



Secretary, Board of Trustees



Treasurer, Board of Trustees



HAYS & ASSOCIATES, P.C.

Certified Public Accountants
401 East Springfield Avenue
Champaign, IL 61820

(217) 352-4743

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Mark S. Sheldon
CHAMPAIGN COUNTY CLERK

Lincolnsire Fields Fire Protection District
Champaign, Illinois

Audited Financial Statements
April 30, 2006 and 2005

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HAYS & ASSOCIATES, P.C.

THOMAS D. HAYS, C.P.A.
MARY LEE BRADY, C.P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report
June 20, 2006

Trustees
Lincolnshire Fields Fire Protection District
Champaign, Illinois

We have audited the financial statements of Lincolnshire Fields Fire Protection District as of April 30, 2006 as listed in the table of contents. 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 noted in Note 1, Lincolnshire Fields Fire Protection District, prepares its financial statements in accordance to GASB Statement no. 34, which is the standard for Governmental accounting prescribed by the Governmental Accounting Standards Board (GASB).

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Lincolnshire Fields Fire Protection District as of April 30, 2006 and the revenues it received and the expenditures it paid for the year then ended in accordance with GASB Statement no. 34.

Hays & Associates, P.C.
Hays & Associates, P.C.
Certified Public Accountants

**Lincolnshire Fields Fire Protection District
Comparative Statement of Net Assets
As of April 30, 2006 and April 30, 2005**

	<u>2006</u>	<u>2005</u>
ASSETS		
CURRENT ASSETS		
Cash	\$21,822	\$11,796
Property Taxes Receivable	35,114	42,961
TOTAL CURRENT ASSETS	56,936	54,757
TOTAL ASSETS	\$56,936	\$54,757
 LIABILITIES AND NET ASSETS		
NET ASSETS - UNRESTRICTED	\$56,936	\$54,757
TOTAL LIABILITIES & NET ASSETS	\$56,936	\$54,757

These financial statements should be read only in connection with the accompanying
notes to the financial statements

**LINCOLNSHIRE FIELDS FIRE PROTECTION DISTRICT
COMPARATIVE STATEMENT OF ACTIVITIES
AND CHANGES IN NET ASSETS
For the Years Ended April 30, 2006 and April 30, 2005**

	<u>2006</u>	<u>2005</u>
OPERATING REVENUES		
Tax distributions	\$35,218	\$43,024
Total Operating Revenues	35,218	43,024
 OPERATING EXPENSES		
Fire protection	29,440	29,400
Hydrant rental and water	0	7,332
Audit	1,000	850
Insurance	760	495
Administrative expenses	1,960	1,970
Total Operating Expenses	33,160	40,047
 OPERATING INCOME	2,058	2,977
 NON-OPERATING REVENUES (EXPENSES)		
Interest Earnings	121	78
Increase (Decrease) in Net Assets	2,179	3,055
 NET ASSETS AT BEGINNING OF YEAR	54,757	51,702
 NET ASSETS AT END OF YEAR	\$56,936	\$54,757

These financial statements should be read only in connection with the accompanying
notes to the financial statements

COMPARATIVE STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
 For the Years Ended April 30, 2006 and April 30, 2005

	2006		2005		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
REVENUES RECEIVED					
Tax Distributions	\$35,045	\$35,136	\$42,977	\$42,961	(\$16)
Replacement Tax	40	82	40	63	23
Interest	50	121	50	78	28
Total revenues	<u>35,135</u>	<u>35,339</u>	<u>43,067</u>	<u>43,102</u>	<u>35</u>
EXPENDITURES PAID					
Fire protection	29,440	29,440	29,400	29,400	0
Hydrant rental and water	0	0	7,000	7,332	(332)
Audit	900	1,000	900	850	50
Insurance	495	760	767	495	272
Administrative expenses	4,300	1,960	5,000	1,970	3,030
Total expenditures paid	<u>35,135</u>	<u>33,160</u>	<u>43,067</u>	<u>40,047</u>	<u>3,020</u>
Excess (deficit) of revenues received over expenditures paid	<u>\$0</u>	<u>\$2,179</u>	<u>\$0</u>	<u>3,055</u>	<u>\$3,055</u>
NET ASSETS, BEGINNING OF YEAR		<u>54,757</u>		<u>51,702</u>	
NET ASSETS, END OF YEAR		<u>\$56,936</u>		<u>\$54,757</u>	

These financial statements should be read only in connection with the accompanying notes to the financial statements

**LINCOLNSHIRE FIELDS FIRE PROTECTION DISTRICT
COMPARATIVE STATEMENT OF CASH FLOWS
For the Years Ended April 30, 2006 and April 30, 2005**

	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Income (Loss)	<u>2,179</u>	<u>\$3,055</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Decrease (Increase) in Operating Assets:		
Receivables	<u>7,847</u>	<u>8,318</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	10,026	11,373
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	<u>11,796</u>	<u>423</u>
CASH & CASH EQUIVALENTS, END OF YEAR	<u><u>\$21,822</u></u>	<u><u>\$11,796</u></u>

These financial statements should be read only in connection with the accompanying
notes to the financial statements

LINCOLNSHIRE FIELDS FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
April 30, 2006

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES USED TO DETERMINE REPORTING ENTITY

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations of its officials to appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefit to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District's reporting entity include the District's governing board. There are no related organizations for which the District is financially accountable.

FUND ACCOUNTING

The accounts of the Fire Protection District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues or receipts, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds are grouped, in the financial statements in this report, into one fund type and one broad fund category as follows:

GOVERNMENTAL FUNDS

General Fund:

The General Fund is the general fund of the District. It is used to account for all financial resources.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues or receipts and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The District, along with all Governmental bodies, is required to use GASB Statement no. 34 as the model for presentation of its financial statements. This requires that the District use accrual accounting and present the following: 1) Management's Discussion & Analysis; 2) Government-wide financial statements; 3) Fund financial statements; 4) Notes to the financial statements; and 5) Required Supplemental Information including budgetary comparison, infrastructure condition data, and other data required by prior GASB Statements.

FIXED ASSETS AND LONG-TERM LIABILITIES

The District does not have fixed assets or long-term debt.

BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The District is presented with a proposed operating budget for the fiscal year commencing on May 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is held to obtain taxpayer comments.
3. The budget is legally enacted through passage of an ordinance. The Fire Protection District adopted the appropriation ordinance on August 30, 2005.

NOTE 1 (CONTINUED)

4. Budget amendments, which alter total expenditures of any fund, must be approved by a majority vote of the Board of Trustees.
5. Budgets for the District are not prepared in accordance with generally accepted accounting principles (GAAP). Revenues and expenditures are budgeted on the cash basis of accounting. Budgetary comparisons in this report are presented on this non-GAAP basis.
6. Appropriations lapse at the end of the day on April 30.

NOTE 2 - CASH

The District's deposits are entirely insured at year-end.

Deposits

At April 30, the carrying amount of the District's deposits and bank balances were as follows:

	<u>2006</u>		<u>2005</u>	
	<u>Checking</u> <u>Account</u>	<u>Certificate</u> <u>of Deposit</u>	<u>Checking</u> <u>Account</u>	<u>Certificate</u> <u>of Deposit</u>
Carrying amounts of deposits	\$21,822	\$0	\$11,796	\$0
Bank balances at April 30	\$21,822	0	\$11,796	0

NOTE 3 - PROPERTY TAX

Property taxes attach as an enforceable lien on January 1. Taxes are levied on the second Tuesday of September and are payable in two installments on the following June 1 and September 1. Taxes are levied for the fiscal year in progress although the taxes are not received in time to finance that year. The intention of the District is to finance the subsequent fiscal year and the District budgets accordingly.

NOTE 4 - FIRE PROTECTION

The District has entered into an agreement with the Bondville Fire Corporation, Bondville, Illinois to obtain fire protection for residents of the District. This agreement requires annual payment by the District as of April 1 each year and is a four-year renewable contract which began on April 1, 1996. This contract was renewed on April 27, 2005. The rate is \$40 per residence. During the years ended April 30, 2006 and 2005 the District paid \$29,440 and \$29,400 respectively for fire protection.

NOTE 5 - HYDRANT RENTAL

The District had previously automatically renewed an agreement with Illinois-American Water Corporation to lease fire hydrants. During fiscal year 2005, effective July 5, 2004, individuals in the District were assessed a hydrant rental fee on their water bills and the District ceased making payments to Illinois-American Water Corporation. The final payment to them was made August 17, 2004. During the years ended April 30, 2006 and 2005 the District paid \$0 and \$7,332 respectively for hydrant rental and water.

NOTE 6 - MANAGEMENT'S DISCUSSION AND ANALYSIS

Due to the limited activity of this governmental unit, the trustees have elected to omit this document which is required by GASB statement no. 34. The presentation of further discussion is redundant given the lack of activity and the extent of the statements.