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**LINCOLNSHIRE-RIVERWOODS
FIRE PROTECTION DISTRICT
LAKE COUNTY, ILLINOIS**

ANNUAL FINANCIAL REPORT

MAY 31, 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Lincolnshire-Riverwoods Fire Protection District
Lake County, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT

as of and for the year ended May 31, 2014, and the related notes to the financial statements, which collectively comprise Lincolnshire-Riverwoods Fire Protection 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lincolnshire-Riverwoods Fire Protection District, as of May 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of funding progress, and budgetary comparison information on pages 3 through 7 and 30 through 39 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lincolnshire-Riverwoods Fire Protection District's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Change in Accounting Principle

As discussed in Note 12 to the financial statements, the District implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
November 11, 2014

REQUIRED SUPPLEMENTARY INFORMATION

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
MAY 31, 2014

As management of Lincolnshire-Riverwoods Fire Protection District (District), we offer readers of the District's statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended May 31, 2014.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at May 31, 2014 by \$16,233,179 (net position). Of this amount, \$6,018,017 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased by \$258,983.
- At May 31, 2014, the District's governmental funds reported combined ending fund balances of \$9,357,832, an increase of \$1,084,015 in comparison with the prior year.
- At May 31, 2014, the unassigned fund balance for the General Fund was \$452,424, or 10.6% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

The government-wide financial statements show functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general governmental administrative services and public safety. The District does not conduct business-type activities.

The government-wide financial statements can be found on pages 8 and 9 of this report.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District’s near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Ambulance Fund, and the Audit Fund, all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 10 through 13 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District’s own programs. The accounting used for fiduciary funds is in accordance with accounting principles generally accepted in the United States of America.

The basic fiduciary fund financial statements can be found on pages 14 and 15 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 16 through 29 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District’s progress in meeting its obligation to provide as fully adequate as possible fire protection and emergency medical services to all of its residents.

The District adopts an annual budget and appropriation ordinance that includes all of the governmental funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the adopted budget and appropriation ordinance.

Required supplementary information can be found on pages 30 through 39 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets exceeded liabilities by \$16,233,179 at May 31, 2014.

By far the largest portion of the District’s net position (63%) reflects its investment in capital assets (e.g., land, land improvements, buildings and improvements, furniture and fixtures, vehicles, software, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Lincolnshire-Riverwoods Fire Protection District's Net Position at Year End

	Governmental Activities	
	5/31/14	5/31/13
Assets		
Assets		
Current and Other Assets	\$ 18,535,220	\$ 17,018,397
Capital Assets	10,176,747	10,600,264
Total Assets	\$ 28,711,967	\$ 27,618,661
Liabilities and Deferred Inflows of Resources		
Liabilities		
Long-Term Liabilities Outstanding	\$ 3,301,400	\$ 2,899,885
Other Liabilities	222,944	152,500
Total Liabilities	\$ 3,524,344	\$ 3,052,385
Deferred Inflows of Resources	\$ 8,954,444	\$ 8,592,080
Total Liabilities and Deferred Inflows of Resources	\$ 12,478,788	\$ 11,644,465
Net Position		
Net Investment in Capital Assets	\$ 10,176,747	\$ 10,600,264
Restricted	38,415	35,307
Unrestricted	6,018,017	5,338,625
Total Net Position	\$ 16,233,179	\$ 15,974,196

An additional portion of the District's net position (less than 1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$6,018,017) may be used to meet the District's ongoing obligations to citizens and creditors.

Governmental Activities – Governmental activities increased the District's net position by \$258,983. The key elements of this increase are as follows:

Lincolnshire-Riverwoods Fire Protection District's Change in Net Position

	Governmental Activities	
	FY 2014	FY 2013
Revenues:		
Program Revenues:		
Charges for Services	\$ 666,601	\$ 647,774
Capital Grants and Contributions	-	47,715
Operating Grants and Contributions	180,407	296,110
General Revenues:		
Property Taxes	8,581,796	8,325,165
Personal Property Replacement Tax	27,737	26,538
Foreign Fire Insurance Tax	34,186	35,560
Unrestricted Contributions	-	8,398
Investment Earnings	2,279	8,705
Insurance Refunds	79,257	3,078
Gain on Sale of Fixed Assets	-	61,119
Other	55,190	10,334
Total Revenues	\$ 9,627,453	\$ 9,470,496
Expenses:		
General Government	\$ 644,013	\$ 645,531
Public Safety	8,724,457	8,375,255
Total Expenses	\$ 9,368,470	\$ 9,020,786
Increase in Net Position	\$ 258,983	\$ 449,710
Net Position - Beginning	15,974,196	15,524,486
Net Position - Ending	\$ 16,233,179	\$ 15,974,196

- Operating Grants and Contributions decreased by \$115,703 due to the District receiving a FEMA grant in the prior year for the costs of additional personnel.
- Property Taxes increased by \$256,631. This increase is due to higher tax rates.
- Public Safety Expenses increased by \$349,202. This increase is due primarily to an increase in the insurance expense as well as amounts paid for employee retirement.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

At May 31, 2014, the District's governmental funds reported combined ending fund balances of \$9,357,832, an increase of \$1,084,015 in comparison with the prior year.

The General Fund is the chief operating fund of the District. At May 31, 2014, unassigned fund balance of the General Fund was \$452,424. As a measure of the General Fund's liquidity it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 10.6% of total General Fund expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District did not amend its budget for the fiscal year ended May 31, 2014; therefore, the amounts shown as original and final budget are the same.

Significant differences between the budget and the actual revenues and expenditures are summarized as follows:

- The difference between the estimated revenues and the actual revenues was \$95,834 (favorable), primarily attributable to higher than anticipated property tax revenue.
- The difference between the estimated expenditures and the actual expenditures was \$2,828,960 (favorable), primarily attributable to less than expected salaries and compensation expenditures, and capital expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The District's investment in capital assets for its governmental activities as of May 31, 2014 amounts to \$10,176,747 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, furniture and fixtures, vehicles, software, and equipment. The total decrease in the District's investment in capital assets for the year ended May 31, 2014 was \$423,517 and was due to current year acquisitions offset by current year depreciation and disposals.

Major capital asset events during the year ended May 31, 2014 were the purchase of a thermal image camera for \$9,425, and heating units at Station 51 for \$7,477.

Lincolnshire-Riverwoods Fire Protection District's Capital Assets
(net of depreciation)

	Governmental Activities	
	5/31/2014	5/31/2013
Land	\$ 2,340,192	\$ 2,340,192
Land Improvements	28,547	32,043
Buildings and Improvements	5,743,026	5,939,884
Furniture and Fixtures	9,984	11,813
Vehicles	1,920,593	2,108,036
Equipment	134,405	168,296
Net Capital Assets	\$ 10,176,747	\$ 10,600,264

Additional information on the District's capital assets can be found in Note 3 on page 23 of this report.

Long-Term Debt – At May 31, 2014, the District had no debt outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The equalized assessed valuation (EAV) for the District for 2013 is \$1,139,242,195. That represents a decrease in EAV of \$31,340,972 (3%) over the prior year's EAV.

Annually, the District places a portion of the excess revenues over expenditures into committed funds. These commitments of fund balances will be used to meet future requirements for payment of retiree's benefits; repair and expansion of existing buildings; and replacement of current vehicles and equipment.

The Trustees of the District considered these and other operating factors when preparing the District's budget and appropriation ordinance for the fiscal year ending May 31, 2015.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Trustees, Lincolnshire-Riverwoods Fire Protection District, 115 Schelter Road, Lincolnshire, IL 60069.

BASIC FINANCIAL STATEMENTS

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF NET POSITION
 MAY 31, 2014

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 9,813,826
Property Taxes Receivable, Net of Allowance of \$0	8,357,250
Ambulance Fees Receivable, Net of Allowance of \$15,102	176,208
Prepaid Pension Contribution	93,460
Prepaid Expenses	94,476
Capital Assets (Note 3):	
Land	2,340,192
Other Capital Assets, Net of Depreciation	7,836,555
Total Assets	\$ 28,711,967
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Liabilities	
Accounts Payable	\$ 195,355
Accrued Payroll and Payroll Taxes	27,589
Net Pension Obligation	117,760
Net Other Post Employment Benefit Obligation	2,845,239
Non Current Liabilities	
Due in More Than One Year	338,401
Total Liabilities	\$ 3,524,344
 Deferred Inflows of Resources	
Unavailable Revenue - Property Taxes	\$ 8,954,444
NET POSITION	
Investment in Capital Assets	\$ 10,176,747
Restricted for Audit	38,415
Unrestricted/(Deficit)	6,018,017
Total Net Position	\$ 16,233,179

The Notes to Financial Statements are an integral part of this statement.

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges For Services	Capital Grants and Contributions	Operating Grants and Contributions
Governmental Activities				
General Government	\$ 644,013	\$ 1,532	\$ -	\$ -
Public Safety	8,724,457	665,069	-	180,407
	<u>\$ 9,368,470</u>	<u>\$ 666,601</u>	<u>\$ -</u>	<u>\$ 180,407</u>
				<u>\$ (8,521,462)</u>
General Revenues				
Taxes:				
Property Taxes				\$ 8,581,721
Personal Property Replacement Tax				27,812
Foreign Fire Insurance Tax				34,186
Unrestricted Investment Earnings				2,279
Insurance Refunds				79,257
Other Income				55,190
Total General Revenues				<u>\$ 8,780,445</u>
Change in Net Position				\$ 258,983
Net Position - Beginning of Year				<u>15,974,196</u>
Net Position - End of Year				<u>\$ 16,233,179</u>

The Notes to Financial Statements are an integral part of this statement.

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 MAY 31, 2014

	General Fund	Ambulance Fund	Audit Fund	Total Governmental Funds
ASSETS				
Assets				
Cash and Cash Equivalents	\$ 4,977,147	\$ 4,798,264	\$ 38,415	\$ 9,813,826
Property Taxes Receivable, Net of Allowance of \$0	4,183,933	4,173,317	-	8,357,250
Ambulance Fees Receivable, Net of Allowance of \$15,102	88,104	88,104	-	176,208
Prepaid Pension Contribution	46,730	46,730	-	93,460
Prepaid Expenses	47,238	47,238	-	94,476
Total Assets	\$ 9,343,152	\$ 9,153,653	\$ 38,415	\$ 18,535,220
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 97,793	\$ 97,562	\$ -	\$ 195,355
Accrued Payroll and Payroll Taxes	13,794	13,795	-	27,589
Total Liabilities	\$ 111,587	\$ 111,357	\$ -	\$ 222,944
Deferred Inflows of Resources				
Unavailable Revenue - Property Taxes	\$ 4,482,918	\$ 4,471,526	\$ -	\$ 8,954,444
Fund Balances				
Nonspendable	\$ 47,238	\$ 47,238	\$ -	\$ 94,476
Restricted				
Audit	-	-	38,415	38,415
Committed				
Retiree's Benefits	2,438,851	2,438,851	-	4,877,702
Land and Building	155,000	155,000	-	310,000
Vehicles and Equipment	1,655,134	1,655,134	-	3,310,268
Operations	56,679	56,679	-	113,358
Assigned				
Ambulance Services	-	217,868	-	217,868
Unassigned	395,745	-	-	395,745
Total Fund Balances	\$ 4,748,647	\$ 4,570,770	\$ 38,415	\$ 9,357,832
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,343,152	\$ 9,153,653	\$ 38,415	\$ 18,535,220

The Notes to Financial Statements are an integral part of this statement.

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 MAY 31, 2014

Fund Balances - Total Governmental Funds		\$ 9,357,832
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Capital Assets	\$ 14,365,491	
Less: Accumulated Depreciation	<u>(4,188,744)</u>	10,176,747
<p>Net Pension Asset is not included in the governmental funds.</p>		
		(117,760)
<p>Net OPEB Obligation is not included in the governmental funds.</p>		
		(2,845,239)
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Compensated Absences		<u>(338,401)</u>
Net Position of Governmental Activities		<u><u>\$ 16,233,179</u></u>

The Notes to Financial Statements are an integral part of this statement.

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 YEAR ENDED MAY 31, 2014

	General Fund	Ambulance Fund	Audit Fund	Total Governmental Funds
REVENUES				
Property Taxes	\$ 4,373,235	\$ 4,185,318	\$ 23,168	\$ 8,581,721
Personal Property Replacement Tax	14,173	13,564	75	27,812
Ambulance Billing	273,645	273,643	-	547,288
Other Charges for Services	79,237	38,544	-	117,781
Federal Grants	50,534	103,439	-	153,973
Grant Income	13,217	13,217	-	26,434
Interest Income	1,139	1,140	-	2,279
Insurance Refunds	39,629	39,628	-	79,257
Vending Income	766	766	-	1,532
Foreign Fire Insurance	17,093	17,093	-	34,186
Other Income	7,249	47,941	-	55,190
	<u>\$ 4,869,917</u>	<u>\$ 4,734,293</u>	<u>\$ 23,243</u>	<u>\$ 9,627,453</u>
EXPENDITURES				
Current				
General Government	\$ 285,861	\$ 333,783	\$ 20,135	\$ 639,779
Public Safety	3,917,407	3,866,186	-	7,783,593
Capital Outlay	60,033	60,033	-	120,066
	<u>\$ 4,263,301</u>	<u>\$ 4,260,002</u>	<u>\$ 20,135</u>	<u>\$ 8,543,438</u>
NET CHANGE IN FUND BALANCES	\$ 606,616	\$ 474,291	\$ 3,108	\$ 1,084,015
FUND BALANCES - JUNE 1, 2013	4,142,031	4,096,479	35,307	8,273,817
FUND BALANCES - MAY 31, 2014	<u>\$ 4,748,647</u>	<u>\$ 4,570,770</u>	<u>\$ 38,415</u>	<u>\$ 9,357,832</u>

The Notes to Financial Statements are an integral part of this statement.

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED MAY 31, 2014

Net Change in Fund Balances - Total Governmental Funds \$ 1,084,015

Amounts reported for governmental activities in the Statement of
 Activities are different because:

Governmental funds report capital outlays as expenditures and the
 proceeds from the sale of assets as other financing sources. However,
 in the Statement of Activities, the cost of these assets is depreciated
 over their estimated useful lives and reported as depreciation expense
 and only the gain or loss is recorded when assets are sold.

Capital Outlay	\$ 16,902	
Depreciation Expense	<u>(440,419)</u>	(423,517)

The change in the net pension asset is not included in the governmental funds.		(1,180)
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The change in the net OPEB obligation is not included in the governmental funds.		(414,304)
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Some expenses in the Statement of Activities do not require the use
 of current financial resources and therefore are not reported as
 expenditures in governmental funds.

Compensated Absences		<u>13,969</u>
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Change in Net Position of Governmental Activities		<u><u>\$ 258,983</u></u>
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The Notes to Financial Statements are an integral part of this statement.

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
 FUND FINANCIAL STATEMENTS
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 MAY 31, 2014

	Pension Fund	Foreign Fire Insurance Fund
ASSETS		
Cash and Cash Equivalents	\$ 485,998	\$ 64,174
Investments, at Fair Value	28,531,406	-
Real Estate Tax Receivable, Net of Allowance of \$0	93,461	-
Accrued Interest Receivable, Net of Allowance of \$0	43,483	-
Prepaid Expenses	1,410	-
TOTAL ASSETS	\$ 29,155,758	\$ 64,174
 LIABILITIES		
Accounts Payable	\$ -	\$ 418
Accrued Expenses	5,131	-
Deferred Revenue	93,461	-
TOTAL LIABILITIES	\$ 98,592	\$ 418
 NET POSITION HELD FOR FIDUCIARY FUNDS	 \$ 29,057,166	 \$ 63,756

The Notes to Financial Statements are an integral part of this statement.

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
 FUND FINANCIAL STATEMENTS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED MAY 31, 2014

	Pension Fund	Foreign Fire Insurance Fund
ADDITIONS		
Contributions		
Employer	\$ 1,395,200	\$ 34,187
Plan Members	368,935	-
Other Income	50	10
Total Contributions	\$ 1,764,185	\$ 34,197
Investment and Other Income		
Net Increase/(Decrease) in Fair Value of Investments	\$ 1,737,859	\$ -
Interest	207,628	-
Dividends	542,181	-
	\$ 2,487,668	\$ -
Less: Investment Management Fees	49,527	-
Net Investment and Other Income	\$ 2,438,141	\$ -
TOTAL ADDITIONS	\$ 4,202,326	\$ 34,197
DEDUCTIONS		
Benefits	\$ 987,127	\$ -
Administrative	37,804	-
Station Supplies	-	19,811
TOTAL DEDUCTIONS	\$ 1,024,931	\$ 19,811
CHANGE IN NET POSITION	\$ 3,177,395	\$ 14,386
NET POSITION HELD FOR FIDUCIARY FUNDS - JUNE 1, 2013	25,879,771	49,370
NET POSITION HELD FOR FIDUCIARY FUNDS - MAY 31, 2014	\$ 29,057,166	\$ 63,756

The Notes to Financial Statements are an integral part of this statement.

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lincolnshire-Riverwoods Fire Protection District (District) was organized in June 1940 under the provisions of Chapter 70 of the Illinois Compiled Statutes. The District operates under the direction of a Board of Trustees and employs a full time Fire Chief. Prior to a name change at the end of 1998, the District was known as the Vernon Fire Protection District.

The District's financial statements are prepared in accordance accounting principles generally accepted in the United States of America (GAAP) as applied to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies established in GAAP and used by the District are discussed below.

A. *Reporting Entity*

The accompanying financial statements comply with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District.

The District has determined that the Lincolnshire-Riverwoods Firemen's Pension Plan and Foreign Fire Insurance Fund meet the above criteria. The Lincolnshire-Riverwoods Firemen's Pension Plan and Foreign Fire Insurance Fund are blended into the District's primary government financial statements as Fiduciary Funds although they remain separate legal entities. In addition, the District is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. *Basic Financial Statements – Government-Wide Financial Statements*

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund (reporting the District's major funds) financial statements. Both the government-wide and fund financial statements categorize all of the primary activities of the District as governmental activities. The District's general government and public safety services are classified as governmental activities. The District does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis by column, and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, unrestricted investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. *Basic Financial Statements – Government-Wide Financial Statements (Continued)*

revenues must be directly associated with the function (general government or public safety). Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property taxes, personal property replacement taxes, unrestricted investment earnings, etc.).

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized in a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues and expenditures of all governmental funds) for the determination of major funds. The District electively made all funds major funds.

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

- a. The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Special Revenue Funds (Ambulance Fund and Audit Fund) are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

2. Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and, therefore, are not available to support District programs. The reporting focus is on net position and changes in net position and is reported using generally accepted accounting principles

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Basic Financial Statements – Fund Financial Statements (Continued)*

2. Fiduciary Funds (Continued)

The District's Fiduciary Funds are presented in the Fiduciary Fund financial statements by type. Since by definition these assets are being held for the benefit of third parties and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide financial statements.

The following is a description of the fiduciary funds of the District:

- a. Pension Fund – This fund is used to account for the proceeds from firefighters and from the District that are legally restricted to cash disbursements for retirement, death, and disability benefits.
- b. Foreign Fire Insurance Fund – This fund is used to account for foreign fire insurance revenues that are used to purchase items for the District at the Foreign Fire Insurance Board's discretion.

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements are met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for the District's governmental funds. Instead, the funds maintain their uninvested cash balances in common bank accounts, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. *Cash and Cash Equivalents and Investments (Continued)*

Occasionally certain of the funds participating in the common bank accounts will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from the other District funds and are, therefore, interfund loans which have not been authorized by Board action.

No District fund had a cash overdraft at May 31, 2014.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred.

F. *Receivables*

All receivables are reported net of estimated uncollectible amounts. Property taxes receivable are recognized at the time they are levied.

G. *Prepaid Items*

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

H. *Inventories*

It is the District's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the value of resale or supply items on hand.

I. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

J. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. *Capital Assets* (Continued)

Land Improvements	20 years
Buildings and Improvements	5 - 40 years
Furniture and Fixtures	10 years
Vehicles	8 - 20 years
Software	6 years
Equipment	5 - 15 years

K. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheets and Statements of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource until that time.

L. *Compensated Absences*

Paid time off is granted to full-time employees in varying amounts depending on tenure with the District. A liability for accrued, but unused, paid time off is recorded in the government-wide financial statements at May 31, 2014. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is reported only as a general long-term obligation in the government-wide Statement of Net Position and represents a reconciling item between the fund and government-wide presentations.

M. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. *Government-Wide Net Position*

Government-wide net position is divided into three components:

- Net investment in capital assets – consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. *Government-Wide Net Position (Continued)*

- Restricted net position – consists of net position that is restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted net position – all other net position is reported in this category.

O. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

- Restricted – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of resolution of the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by way of resolution. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- Assigned – Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Trustees has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. Pursuant to Resolution No. 11-12-04 passed by the Board of Trustees, the District Controller has been delegated this authority.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the District itself. All assigned fund balances are the residual amounts of the fund.

- Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. *Governmental Fund Balances (Continued)*

The District permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

P. *Property Tax Calendar and Revenues*

The District's property tax is levied each calendar year on all taxable real property located in the District on or before the last Tuesday in December. The 2013 levy was passed by the board on December 21, 2013. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The District receives significant distributions of tax receipts approximately one month after these dates.

Q. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured and collateralized by securities held in the District's name.

The District is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6, and Chapter 40, Act 5/Article 1 – Pensions.

As of May 31, 2014, the District had the following investments and maturities:

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	5 - 10	More Than 10
State Investment Pool	\$ 9,560,376	\$ 9,560,376	\$ -	\$ -	\$ -
Institutional Government Preferred*	269,771	269,771	-	-	-
Federal Home Loan Bank*	931,941	695,945	235,996	-	-
Federal Home Loan Mortgage Corp.*	3,271,925	256,720	1,307,949	1,707,256	-
Federal National Mortgage Assn.*	2,453,714	-	1,492,887	908,272	52,555
US Treasury Notes and Bonds*	3,369,298	756,441	1,955,028	657,829	-
Governmental Nat'l Mort. Corp.*	259,901	-	1,284	27,929	230,688
Mutual Funds*	18,244,626	18,244,626	-	-	-
Totals	<u>\$ 38,361,552</u>	<u>\$ 29,783,879</u>	<u>\$ 4,993,144</u>	<u>\$ 3,301,286</u>	<u>\$ 283,243</u>

*Pension Fund Assets

The fair value of investments in the State Investment Pool is the same as the value of pool shares. The State Investment Pool is not SEC-registered, but does have regulatory oversight through the State of Illinois.

Interest Rate Risk. The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk. State law limits investments based on credit risk. The District has an investment policy that further limits its investment choices. As of May 31, 2014, the District's investments are rated as follows:

Investments	Credit Rating	Rating Source
State Investment Pool	AAAm	Standard and Poor's
Institutional Government Preferred	Not Rated	N/A
Federal Home Loan Bank	AA+	Standard and Poor's
Federal Home Loan Mortgage Corp.	AA+/ Not Rated	Standard and Poor's
Federal National Mortgage Assn.	Not Rated	Standard and Poor's
US Treasury Notes and Bonds	AA+	Standard and Poor's
Governmental Nat'l Mort. Corp.	Not Rated	N/A
Mutual Funds	Not Rated	N/A

Concentration of Credit Risk. More than 5% of the District's investments are in Federal Home Loan Mortgage Corporation (8.5%).

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended May 31, 2014 was as follows:

	Balance June 1, 2013	Increases	Decreases	Balance May 31, 2014
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 2,340,192	\$ -	\$ -	\$ 2,340,192
Total Capital Assets not being depreciated	<u>\$ 2,340,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,340,192</u>
Other Capital Assets				
Land Improvements	\$ 69,930	\$ -	\$ -	\$ 69,930
Buildings and Improvements	8,079,847	7,477	-	8,087,324
Furniture and Fixtures	42,719	-	-	42,719
Vehicles	3,169,383	-	-	3,169,383
Software	5,430	-	-	5,430
Equipment	641,088	9,425	-	650,513
Total Other Capital Assets at Historical Cost	<u>\$ 12,008,397</u>	<u>\$ 16,902</u>	<u>\$ -</u>	<u>\$ 12,025,299</u>
Less Accumulated Depreciation for				
Land Improvements	\$ 37,887	\$ 3,496	\$ -	\$ 41,383
Buildings and Improvements	2,139,963	204,335	-	2,344,298
Furniture and Fixtures	30,906	1,829	-	32,735
Vehicles	1,061,347	187,443	-	1,248,790
Software	5,430	-	-	5,430
Equipment	472,792	43,316	-	516,108
Total Accumulated Depreciation	<u>\$ 3,748,325</u>	<u>\$ 440,419</u>	<u>\$ -</u>	<u>\$ 4,188,744</u>
Other Capital Assets, Net	<u>\$ 8,260,072</u>	<u>\$ (423,517)</u>	<u>\$ -</u>	<u>\$ 7,836,555</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,600,264</u>	<u>\$ (423,517)</u>	<u>\$ -</u>	<u>\$ 10,176,747</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 11,671
Public Safety	428,748
Total Governmental Activities Depreciation Expense	<u>\$ 440,419</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended May 31, 2014 was as follows:

	Balance June 1, 2013	Additions	Reductions	Balance May 31, 2014	Amounts Due Within One Year
Governmental Activities					
Other Long-Term Liabilities					
Compensated Absences	\$ 352,370	\$ -	\$ 13,969	\$ 338,401	\$ -
Total Long-Term Obligations	\$ 352,370	\$ -	\$ 13,969	\$ 338,401	\$ -

Compensated absences are paid 50% out of the General Fund and 50% out of the Ambulance Fund.

NOTE 5 - DEFICIT FUND BALANCE

There were no funds which reflected a deficit fund balance as of May 31, 2014.

NOTE 6 - PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements are from the 2013 tax levy. The unavailable revenue is 100% of the 2013 levy, net of estimated uncollectible amounts. These taxes are unavailable as only a small portion of the taxes are collected before the end of the fiscal year and the District does not consider the amounts to be available and does not budget for their use in fiscal year 2014. The District has determined that 100% of the amount collected for the 2012 levy is allocable for use in fiscal year 2014. Therefore, 100% of the amounts collected for the 2012 levy (\$8,581,721) are recorded in these financial statements as property taxes revenue. A summary of the assessed valuations, rates and extensions for the years 2013, 2012, and 2011 is as follows:

Tax Year	2013		2012		2011	
	Rate	Extension	Rate	Extension	Rate	Extension
Assessed Valuation	\$1,139,242,195		\$1,170,583,167		\$1,258,819,716	
Corporate	0.332	\$ 3,782,284	0.316	\$ 3,699,043	0.290	\$ 3,650,577
Audit	-	-	0.002	23,412	-	-
Ambulance Service	0.331	3,770,892	0.300	3,511,749	0.290	3,650,577
Firemen's Pension	0.123	1,401,268	0.116	1,357,876	0.082	1,032,233
	0.786	\$ 8,954,444	0.734	\$ 8,592,080	0.662	\$ 8,333,387

NOTE 7 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended May 31, 2014 the Audit Fund expenditures exceeded the budgeted expenditures by \$4,235.

NOTE 8 - RETIREMENT FUND COMMITMENTS

A. *Firefighter's Pension Fund*

Plan Description and Contribution Information

The Lincolnshire-Riverwoods Firemen's Pension Plan (Plan) is a defined benefit single-employer pension plan that covers all full-time firefighters of the District. The Pension Board administers the Plan and the Illinois Department of Insurance is the oversight agency. The Plan provides retirement, disability, and death benefits to plan members and

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)

A. *Firefighter's Pension Fund* (Continued)

Plan Description and Contribution Information (Continued)

their beneficiaries. Chapter 40-Pensions-Act 5/Article 4 of the Illinois Compiled Statutes assigns the authority to establish and amend the benefit provisions of the Plan to the Illinois legislature. The Plan does not issue a stand-alone financial report.

Membership in the Plan consisted of the following at May 31, 2013, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	15
Terminated employees entitled to benefits but not yet receiving them	2
Current employees	
Vested	22
Nonvested	20
Total	<u>59</u>

The required contribution for the year ended May 31, 2014 was \$1,396,380.

Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation/ (Asset)
5/31/2014	\$ 1,396,380	99.99%	\$ 117,760
5/31/2013	1,344,647	82.09%	116,580
5/31/2012	1,018,943	97.42%	(123,331)

Plan members are required to contribute 9.455% of their annual covered salary. The District is required to contribute at an actuarially determined rate. Contribution requirements of both the Plan members and the District are established and may be amended by the Illinois legislature. Administrative costs of the Plan are financed through investment earnings.

Summary of Significant Accounting Policies

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The District contributions to the Plan are recognized when due and when the District has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Any investments that do not have an established market are reported at estimated fair value.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)

A. *Firefighter's Pension Fund* (Continued)

Annual Pension Cost and Net Pension Obligation

The District's annual pension cost and net pension obligation to the Plan as of May 31, 2014 is as follows:

Annual required contribution	\$ 1,395,378
Interest on net pension obligation	7,577
Adjustment to annual required contribution	<u>(6,575)</u>
Annual pension cost	\$ 1,396,380
Contributions made	<u>1,395,200</u>
Increase in net pension obligation	\$ 1,180
Net pension liability beginning of year	<u>116,580</u>
Net pension obligation end of year	<u><u>\$ 117,760</u></u>

The annual required contribution for the current year was determined as part of the May 31, 2013 actuarial valuation using the entry age normal cost actuarial funding method. The actuarial assumptions included (a) 6.5% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5%. Both (a) and (b) include an inflation component. The assumptions include 3% postretirement benefit increases, which are funded by the District's appropriation when granted. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll in accordance with Section 4-118 of the Illinois Pension Code. The remaining amortization period at May 31, 2013 was 29 years.

Schedule of Employer Contributions

Year Ended May 31	Annual Required Contribution	Percentage Contributed
2014	\$ 1,395,378	99.99%
2013	1,345,843	82.09%
2012	1,020,285	97.42%

The information presented in the required supplementary information was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	<u>Single-Employer Pension Plan</u>
Valuation date	5/31/2013
Actuarial cost method	Entry Age Normal (Level %)
Amortization method	Level Percent of Payroll - Closed
Remaining amortization period	29 Years
Asset Valuation Method	5 - Year Smooth Market
Actuarial assumptions:	
Investment rate of return	6.50% per year compounded annually
Projected salary increases	4.50% per year compounded annually
Inflation rate included	3.00% per year compounded annually
Cost-of-Living Adjustments	3.00% per year compounded annually

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Social Security*

All civilian employees are covered under Social Security. The District paid the required contribution for the current fiscal year.

NOTE 9 - POST EMPLOYMENT BENEFIT COMMITMENTS

Health Insurance Plan for Retired Employees

Plan Description and Contribution Information

The Lincolnshire-Riverwoods Fire Protection District Health Insurance Plan for Retired Employees (Plan) is a defined benefit single-employer Other Postemployment Benefit (OPEB) plan that covers all full-time firefighters of the District. The Board administers the Plan. The Plan provides limited health care insurance coverage for its eligible retired employees. The Board has authority to make changes to the Plan only after negotiating with the labor union. The Plan does not issue a stand-alone financial report.

The Governmental Accounting Standards Board (GASB) issued Statement 45 that established generally accepted accounting principles for the annual disclosures for postemployment benefit plans other than pension plans.

Membership in the Plan consisted of the following at May 31, 2014, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	10
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	
Vested	5
Nonvested	40
Total	<u>55</u>

Neither plan members nor the District are required to make contributions. At May 31, 2014 the Plan is not funded. Administrative costs of the Plan are financed by the District.

Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost and net OPEB obligation to the Plan as of May 31, 2014 is as follows:

Annual required contribution	\$ 498,287
Interest on net OPEB obligation	97,237
Adjustment to annual required contribution	<u>(110,497)</u>
Annual OPEB cost	\$ 485,027
Contributions made	<u>70,723</u>
Increase/(decrease) in net OPEB obligation	\$ 414,304
Net OPEB obligation beginning of year	<u>2,430,935</u>
Net OPEB obligation end of year	<u>\$ 2,845,239</u>

Annual Required Contribution

Service Cost	\$ 302,899
Amortization (23 years)	176,223
Interest	<u>19,165</u>
Total	<u>\$ 498,287</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - POST EMPLOYMENT BENEFIT COMMITMENTS (Continued)

Health Insurance Plan for Retired Employees (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

The information presented in the supplementary schedules was determined as part of the actuarial valuations at the dates indicated.

Fiscal Year Ending	Trend Information		
	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
5/31/2014	\$ 485,027	14.60%	\$ 2,845,239
5/31/2013	480,935	11.30%	2,430,935
5/31/2012	290,005	17.20%	2,004,292

Other Information

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The information presented was determined as part of the actuarial valuations at the dates indicated. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Projections of benefits are based on the types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan members. The projections of benefits for financial reporting purposes do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective, and, consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Additional information as of the latest actuarial valuation follows:

	Single-Employer OPEB Plan
Valuation date	5/31/2014
Actuarial cost method	Entry Age
Amortization method	Level percentage of pay, closed
Remaining amortization period	21 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return*	4.00%
Projected salary increases	4.00%
Healthcare Inflation Rate	7.50% Initial, 5.50% Ultimate
Employer Provided Benefit	\$613/month to age 65
(net of 10% charge to Employee if hired before 2009, otherwise 20%)	\$465/month after age 65
*Includes inflation at	3.00%

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 - JOINT VENTURES

On June 1, 1999, the District joined as a new member into an existing agreement between the Village of Buffalo Grove, the Village of Wheeling, and the Long Grove Rural Fire Protection District to jointly develop, construct, and operate a Combined Area Fire Training Facility (CAFT) on land leased from the Village of Buffalo Grove. The District's share of the design and construction budget was \$270,000, of which the final payment of \$45,000 was made on June 1, 2004. In addition, the District must pay an annual maintenance fee to remain part of the agreement and have use of the training facility. The annual maintenance fee for fiscal year 2014 was \$5,000. The usual annual fee is \$5,000 but is dependent on the fiscal needs of CAFT.

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to handle these risks of loss. During fiscal year 2014, there was no significant reduction in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past four fiscal years.

The District is also a member of Illinois Public Risk Fund (IPRF), which has been formed to reduce members' workers' compensation costs. Each member district has a financial responsibility for annual membership contributions, which are calculated to provide for administrative expenses, specific and aggregate excess insurance coverage, and the funding of a portion of anticipated losses and loss adjustment expenses which will be borne directly by the membership. The losses and loss adjustment expenses to be borne by the membership are those which must be incurred prior to the attachment of excess insurance coverage.

NOTE 12 - CHANGE IN ACCOUNTING PRINCIPLE

Effective in the year ended May 31, 2014, the District has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

NOTE 13 - SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 11, 2014, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
 FIREFIGHTER'S PENSION FUND
 SCHEDULE OF FUNDING PROGRESS
 MAY 31, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
5/31/2013	\$ 26,249,704	\$ 35,444,405	\$ 9,194,701	74.06%	\$ 3,807,794	241.47%
5/31/2012	24,337,336	31,614,226	7,276,890	76.98%	3,582,197	203.14%
5/31/2011	22,743,002	27,967,784	5,224,782	81.32%	3,257,703	160.38%

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the District. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

See Accompanying Independent Auditor's Report

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
 HEALTH INSURANCE PLAN FOR RETIREES
 SCHEDULE OF FUNDING PROGRESS
 MAY 31, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
5/31/2014	\$ -	\$ 6,637,908	\$ 6,637,908	-	\$ 4,233,241	156.8%
5/31/2013	-	4,934,242	4,934,242	-	4,016,877	122.8%
5/31/2012	-	4,590,668	4,590,668	-	3,872,994	118.5%

See Accompanying Independent Auditor's Report

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MAY 31, 2014

	BUDGETED AMOUNTS		ACTUAL AMOUNTS
	ORIGINAL AND FINAL		
REVENUES			
Property Taxes	\$ 4,377,981		\$ 4,373,235
Personal Property Replacement Tax	12,739		14,173
Ambulance Billing	310,750		273,645
Other Charges for Services	-		79,237
Federal Grants	40,223		50,534
Grant Income	12,500		13,217
Donations	500		-
Interest Income	3,500		1,139
Insurance Refunds	-		39,629
Vending Income	-		766
Foreign Fire Insurance	-		17,093
Other Income	15,890		7,249
TOTAL REVENUES	\$ 4,774,083		\$ 4,869,917
EXPENDITURES			
Current			
General Government			
Salaries and Compensation			
Clerical	\$ 165,116		\$ 153,001
Trustees	6,000		6,000
	<u>\$ 171,116</u>		<u>\$ 159,001</u>
Taxes and Benefits			
Insurance	\$ 21,237		\$ 21,924
Retirement	19,380		19,447
Payroll Taxes	2,052		1,808
	<u>\$ 42,669</u>		<u>\$ 43,179</u>
Administrative Expenses			
Accounting	\$ 1,500		\$ 225
Commissioners	-		775
Contributions	300		300
Insurance	31,593		20,051
Legal	25,730		5,865
Office	-		9,309
Special Events	4,413		1,238
	<u>\$ 63,536</u>		<u>\$ 37,763</u>
Training and Education			
Books	\$ 900		\$ 72
Conference Fees	11,850		5,147
Membership Fees	8,950		8,520
Subscriptions	-		3
	<u>\$ 21,700</u>		<u>\$ 13,742</u>
Land and Building			
Building Maintenance	\$ 37,349		\$ 17,609
Telephone	4,146		4,332
Utilities	12,898		10,235
	<u>\$ 54,393</u>		<u>\$ 32,176</u>
Total General Government	\$ 353,414		\$ 285,861

See Accompanying Independent Auditor's Report

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MAY 31, 2014

	BUDGETED AMOUNTS <u>ORIGINAL AND FINAL</u>	ACTUAL AMOUNTS
EXPENDITURES (Continued)		
Current (Continued)		
Public Safety		
Salaries and Compensation		
Commissioners	\$ 2,250	\$ 2,250
Fire	4,076,400	2,033,795
Inspector	2,500	3,272
Supplemental	286,921	262,803
	<u>\$ 4,368,071</u>	<u>\$ 2,302,120</u>
Taxes and Benefits		
Insurance	\$ 509,694	\$ 526,166
Retirement	689,458	697,600
Payroll Taxes	49,255	43,393
	<u>\$ 1,248,407</u>	<u>\$ 1,267,159</u>
Administrative Expenses		
Ambulance Billing	\$ 16,260	\$ 16,038
Office	13,901	2,594
Medical	2,500	666
	<u>\$ 32,661</u>	<u>\$ 19,298</u>
Operations and Equipment		
Equipment Maintenance	\$ 1,550	\$ 1,081
Computer Equipment and Support	54,856	47,838
Materials and Supplies	9,000	7,850
Fuel	36,000	30,330
Turnout	-	10,622
Uniform	-	8,003
	<u>\$ 101,406</u>	<u>\$ 105,724</u>
Training and Education		
Outside Training	\$ 167,492	\$ 126,574
	<u>\$ 167,492</u>	<u>\$ 126,574</u>
Land and Building		
Building Maintenance	\$ 112,049	\$ 52,829
Telephone	12,437	12,996
Utilities	38,695	30,707
	<u>\$ 163,181</u>	<u>\$ 96,532</u>
Total Public Safety	<u>\$ 6,081,218</u>	<u>\$ 3,917,407</u>
Total Current	<u>\$ 6,434,632</u>	<u>\$ 4,203,268</u>
Capital Outlay		
Public Safety		
Operations and Equipment		
Vehicles	\$ 370,000	\$ 1,962
Equipment	287,629	58,071
	<u>\$ 657,629</u>	<u>\$ 60,033</u>
Total Capital Outlay	<u>\$ 657,629</u>	<u>\$ 60,033</u>
TOTAL EXPENDITURES	<u>\$ 7,092,261</u>	<u>\$ 4,263,301</u>

See Accompanying Independent Auditor's Report

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED MAY 31, 2014

	BUDGETED AMOUNTS ORIGINAL AND FINAL	ACTUAL AMOUNTS
NET CHANGE IN FUND BALANCE	\$ (2,318,178)	\$ 606,616
FUND BALANCE - JUNE 1, 2013	4,199,856	4,142,031
FUND BALANCE - MAY 31, 2014	\$ 1,881,678	\$ 4,748,647

See Accompanying Independent Auditor's Report

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - AMBULANCE FUND
YEAR ENDED MAY 31, 2014

	BUDGETED AMOUNTS		ACTUAL AMOUNTS
	ORIGINAL AND FINAL		
REVENUES			
Property Taxes	\$	4,190,687	\$ 4,185,318
Personal Property Replacement Tax		12,193	13,564
Ambulance Billing		310,750	273,643
Other Charges for Services		-	38,544
Federal Grants		40,222	103,439
Grant Income		12,500	13,217
Donations		500	-
Interest Income		3,500	1,140
Insurance Refunds		-	39,628
Vending Income		-	766
Foreign Fire Insurance		-	17,093
Other Income		15,890	47,941
TOTAL REVENUES	\$	4,586,242	\$ 4,734,293
EXPENDITURES			
Current			
General Government			
Salaries and Compensation			
Clerical	\$	165,115	\$ 153,000
Trustees		3,000	3,000
	\$	168,115	\$ 156,000
Taxes and Benefits			
Insurance	\$	21,237	\$ 21,924
Retirement		19,379	19,447
Payroll Taxes		2,052	1,797
	\$	42,668	\$ 43,168
Administrative Expenses			
Accounting	\$	1,500	\$ 225
Commissioners		-	775
Computer Equipment and Support		54,855	47,838
Contributions		300	300
Insurance		31,590	20,051
Legal		25,730	5,865
Office		-	9,463
Special Events		4,412	1,238
	\$	118,387	\$ 85,755
Operations and Equipment			
Uniform	\$	-	\$ 8,003
Training and Education			
Books	\$	900	\$ 72
Membership Fees		8,945	8,520
Subscriptions		-	3
	\$	9,845	\$ 8,595

See Accompanying Independent Auditor's Report

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - AMBULANCE FUND
YEAR ENDED MAY 31, 2014

	BUDGETED AMOUNTS	ACTUAL AMOUNTS
	ORIGINAL AND FINAL	
EXPENDITURES (Continued)		
Current (Continued)		
General Government (Continued)		
Land and Building		
Building Maintenance	\$ 37,349	\$ 17,695
Telephone	4,145	4,332
Utilities	12,898	10,235
	<u>\$ 54,392</u>	<u>\$ 32,262</u>
Total General Government	<u>\$ 393,407</u>	<u>\$ 333,783</u>
Public Safety		
Salaries and Compensation		
Commissioners	\$ 2,250	\$ 2,250
Fire	4,048,948	2,033,785
Inspector	2,500	3,272
Supplemental	314,370	262,457
	<u>\$ 4,368,068</u>	<u>\$ 2,301,764</u>
Taxes and Benefits		
Insurance	\$ 509,693	\$ 526,165
Retirement	689,456	697,600
Payroll Taxes	49,255	43,129
	<u>\$ 1,248,404</u>	<u>\$ 1,266,894</u>
Administrative Expenses		
Ambulance Billing	\$ 16,260	\$ 16,038
Medical	2,500	666
	<u>\$ 18,760</u>	<u>\$ 16,704</u>
Operations and Equipment		
Equipment Maintenance	\$ 1,550	\$ 1,081
Materials and Supplies	22,900	10,444
Fuel	36,000	30,330
Turnout	-	10,622
	<u>\$ 60,450</u>	<u>\$ 52,477</u>
Training and Education		
Conference Fees	\$ 12,674	\$ 5,147
Outside Training	167,489	126,009
Subscriptions	-	404
	<u>\$ 180,163</u>	<u>\$ 131,560</u>
Land and Building		
Building Maintenance	\$ 112,047	\$ 53,085
Telephone	12,437	12,996
Utilities	38,693	30,706
	<u>\$ 163,177</u>	<u>\$ 96,787</u>
Total Public Safety	<u>\$ 6,039,022</u>	<u>\$ 3,866,186</u>
Total Current	<u>\$ 6,432,429</u>	<u>\$ 4,199,969</u>

See Accompanying Independent Auditor's Report

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - AMBULANCE FUND
YEAR ENDED MAY 31, 2014

	BUDGETED AMOUNTS	ACTUAL AMOUNTS
	ORIGINAL AND FINAL	
EXPENDITURES (Continued)		
Capital Outlay		
Public Safety		
Operations and Equipment		
Vehicles	\$ 370,000	\$ 1,962
Equipment	286,800	58,071
	\$ 656,800	\$ 60,033
Total Capital Outlay	\$ 656,800	\$ 60,033
TOTAL EXPENDITURES	\$ 7,089,229	\$ 4,260,002
NET CHANGE IN FUND BALANCE	\$ (2,502,987)	\$ 474,291
FUND BALANCE - JUNE 1, 2013	4,195,355	4,096,479
FUND BALANCE - MAY 31, 2014	\$ 1,692,368	\$ 4,570,770

See Accompanying Independent Auditor's Report

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - AUDIT FUND
 YEAR ENDED MAY 31, 2014

	BUDGETED AMOUNTS	
	ORIGINAL AND FINAL	ACTUAL AMOUNTS
REVENUES		
Property Taxes	\$ 23,412	\$ 23,168
Personal Property Replacement Tax	68	75
TOTAL REVENUES	<u>\$ 23,480</u>	<u>\$ 23,243</u>
EXPENDITURES		
Current		
General Government		
Audit	\$ 15,900	\$ 20,135
TOTAL EXPENDITURES	<u>\$ 15,900</u>	<u>\$ 20,135</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 7,580</u>	<u>\$ 3,108</u>
NET CHANGE IN FUND BALANCE	\$ 7,580	\$ 3,108
FUND BALANCE - JUNE 1, 2013	<u>34,852</u>	<u>35,307</u>
FUND BALANCE - MAY 31, 2014	<u><u>\$ 42,432</u></u>	<u><u>\$ 38,415</u></u>

See Accompanying Independent Auditor's Report

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MAY 31, 2014

NOTE 1 - BUDGET

The budget for all governmental funds is prepared on the modified accrual basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. The budget was passed on August 17, 2013.

The fire chief submits an annual budget request to the trustees of the District prior to the end of the fiscal year or as may be requested by the trustees. The trustees provide adequate funding in the annual appropriation ordinance for the operation of the District.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended May 31, 2014, the Audit Fund expenditures exceeded the budget by \$4,235.

SUPPLEMENTAL FINANCIAL INFORMATION

LINCOLNSHIRE-RIVERWOODS FIRE PROTECTION DISTRICT
SCHEDULE OF INDIVIDUAL ACCUMULATED CONTRIBUTIONS FOR
THE MEMBERS IN THE FIREMEN'S PENSION FUND
MAY 31, 2014

Starting Date	Name	Accumulated Total as of May 31, 2013	Contribution Made in Fiscal 2014	Refunds	Member Retired	Accumulated Total as of May 31, 2014
7/1/1976	Kruger, Fred A.	\$ 235,204.67	\$ 14,509.50	\$ -	\$ -	\$ 249,714.17
12/1/1983	Schrems, Richard W.	146,754.95	9,763.71	-	-	156,518.66
12/1/1983	Ugaste, Anthony E.	175,501.65	12,412.36	-	-	187,914.01
10/1/1986	McCormick, William F.	159,945.56	12,412.36	-	-	172,357.92
3/16/1989	Vallejo, Richard	122,724.41	8,306.95	-	-	131,031.36
7/1/1990	Amidei, Raymond C.	131,617.71	9,763.71	-	-	141,381.42
7/1/1990	Lambel, Brian	36,463.82	-	-	-	36,463.82
2/1/1991	Hamilton, Andrew	29,231.81	-	-	-	29,231.81
10/16/1993	Christensen, Duane	119,769.75	11,171.02	-	-	130,940.77
10/16/1993	Knesley, Scott	119,769.75	11,171.02	-	-	130,940.77
7/1/1998	Spicka, James Michael	88,372.71	8,306.95	-	-	96,679.66
1/1/1999	Gibson, Jeffrey A.	86,167.79	8,843.71	-	-	95,011.50
7/1/1999	Brown, Michael P.	87,058.35	9,763.71	-	-	96,822.06
2/1/2000	Krueger, Thomas	95,704.48	12,412.36	-	-	108,116.84
7/1/2000	Carney, James	86,256.64	9,763.71	-	-	96,020.35
7/1/2000	Cook, James	79,529.08	8,306.95	-	-	87,836.03
7/1/2000	Germann, Jeff	79,529.08	8,306.95	-	-	87,836.03
7/1/2000	McWilliams, John	79,529.08	8,306.95	-	-	87,836.03
5/1/2001	Amore, Mark	75,429.08	8,306.95	-	-	83,736.03
5/1/2001	McCaughey, Steven	77,676.32	9,763.71	-	-	87,440.03
5/1/2001	Mckenna, Jason Michael	77,676.32	9,763.71	-	-	87,440.03
8/1/2002	Burrs, Thomas R.	68,903.62	8,101.55	-	-	77,005.17
6/16/2003	Stockton, Jason	64,077.48	8,306.95	-	-	72,384.43
6/16/2004	Sullivan, Ryan	58,318.38	8,306.95	-	-	66,625.33
2/1/2006	Dosch, Gregory	47,757.36	8,306.95	-	-	56,064.31
2/1/2006	Swindler, Ronald	47,757.36	8,170.02	-	-	55,927.38
4/1/2006	Pluda, Joshua	46,651.20	8,306.95	-	-	54,958.15
1/16/2007	Powers, Cory	41,258.04	8,306.95	-	-	49,564.99
1/16/2007	Schebel, Paul	42,195.24	8,446.64	-	-	50,641.88
1/16/2007	Shetsky, Steve	41,258.04	8,306.95	-	-	49,564.99
3/1/2007	Levernier, Eric	40,400.64	8,306.95	-	-	48,707.59
3/1/2007	Peterson, John	4,583.30	-	-	-	4,583.30
8/16/2007	Schmidt, Scott	37,210.99	8,306.95	-	-	45,517.94
11/1/2007	Benson, David	35,736.14	8,306.95	-	-	44,043.09
2/16/2008	Young, Kevin	2,325.24	-	-	-	2,325.24
12/1/2008	Gambro, Nick	28,180.92	8,061.53	-	-	36,242.45
12/1/2008	Sander, Jason	28,180.92	8,061.53	-	-	36,242.45
9/1/2009	Vitale, Michael L.	23,104.86	7,693.04	-	-	30,797.90
10/16/2010	Gilsinger, Craig	15,778.68	7,140.13	-	-	22,918.81
10/16/2010	Schuett, Andrew	15,778.68	7,140.13	-	-	22,918.81
1/1/2011	Shay, Ryan	14,459.28	7,038.07	-	-	21,497.35
6/16/2011	Ruth, Timothy	11,568.17	6,813.46	-	-	18,381.63
8/16/2011	Barcarella, Matthew R.	10,558.93	6,731.81	-	-	17,290.74
8/16/2011	Rhoades, Scott B.	10,558.93	6,731.81	-	-	17,290.74
1/1/2012	Washburn, Brian R.	8,288.14	6,548.11	-	-	14,836.25
11/1/2012	Reynolds, Tyler J.	3,362.94	6,138.78	-	-	9,501.72
		<u>\$ 2,938,166.49</u>	<u>\$ 368,935.45</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,307,101.94</u>

Unaudited