

**Algonquin-Lake in the Hills
Fire Protection District
Lake in the Hills, Illinois
Comprehensive Annual Financial Report
For The Eight Months Ended December 31, 2017**

**Submitted by:
Finance Department**

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ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT

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Lake in the Hills, IL 60156
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WWW.ALFPD.ORG



June 19, 2018

Board of Trustees
Algonquin-Lake in the Hills Fire Protection District
1020 W. Algonquin Rd.
Lake in the Hills, Illinois 60156

Honorable Trustees:

The Comprehensive Annual Financial Report (CAFR) of the Algonquin-Lake in the Hills Fire Protection District for the eight months ending December 31, 2017 is submitted herewith. The report was prepared by the District's Fire Chief and Finance Supervisor, working with the District's auditor, Knutte and Associates, P.C. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Algonquin-Lake in the Hills Fire Protection District. We believe the data presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the Algonquin-Lake in the Hills Fire Protection District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Algonquin-Lake in the Hills Fire Protection District for its comprehensive annual financial report for the fiscal year ended April 30, 2017. This was the third consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish in easily readable and efficiently organized comprehensive annual financial report (CAFR). This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

This letter complements management's discussion and analysis (MD&A), and should be read in conjunction with it. The purpose of this letter of transmittal is to provide an overview of the District and its operations. For detailed information and analysis, please review the MD&A which can be found in the financial section of this report immediately following the report of independent auditors.

This report includes all funds of the District. The District provides a full range of fire services at three fire stations.

ECONOMIC CONDITION AND OUTLOOK

The Algonquin-Lake in the Hills Fire Protection District is a municipal corporation of the State of Illinois. The District is made up of the Village of Algonquin, the Village of Lake in the Hills, and some of the surrounding unincorporated areas. It is located in both Kane and McHenry Counties and is approximately 48 miles northwest of downtown Chicago. The District maintains a total of three fire stations. The main fire station is located at 1020 W. Algonquin Road. Additional fire stations are located at 2440 Harnish Drive and 1691 Cumberland Parkway.

The 2017 estimated census population of 30,947 for the Village represents a 2.9% increase from the 2010 census population of 30,049. Potential for future population growth is slow due to economic factors such as the downturn of the housing market within the District. In the last three tax years ('14 through '17), the District's equalized assessed valuation has increased by 8.5% due to the continued increase in home prices.

The District's annual assessed valuation (EAV) has Increased in the last year. Since 2013, the tax rates have been as follows:

Tax Year	EAV	Tax Rate
2013	937,567,915	0.936
2014	896,929,970	0.999
2015	916,972,747	0.991
2016	973,363,079	1.043
2017	1,028,175,135	1.013

According to the US Census Bureau, in 2010 the total housing units for the District amounted to 10,727 with the median value of a single family home at \$253,700. The average household contained an average of 2.90 individuals and 29% had children under the age of 18 living with them. Additionally, this contributes to the District's strong demand for fire protection from well-trained and strategically positioned firefighters and paramedics located throughout Algonquin and Lake in the Hills.

MAJOR INITIATIVES/HAPPENINGS FOR THE YEAR

The 2017 Budget for Operations remained fairly static for the year. The District's property taxes increased 12.9% due to the passage of the referendum from the prior year and charges for services decreased 2.3%.

FUTURE INITIATIVES/FUTURE DIRECTION

In fiscal 2017, the District passed a 0.10% Rescue Fund Tax referendum. This will allow the District to meet its commitments to capital replacement in addition to increased pension contributions to meet 100% of the actuarial determined contribution.

FINANCIAL INFORMATION

Accounting System and Budgetary Control - The District's records for general governmental operations are maintained on an accrual basis, with the revenues being recorded when earned and expenditures being recorded when the liability is incurred or the economic asset is used.

In developing and maintaining the District's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control is of great importance to the District and has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item, and are distributed monthly to District departmental and divisional management and to others upon request.

Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures (items over \$10,000 and having a useful life of more than 1 year) are monitored and controlled item by item. Revenue budgets are reviewed monthly. Additionally, all expenditures are reviewed by the Board of Trustees prior to the release of payments.

FINANCIAL INFORMATION (CONTINUED)

The Reporting Entity and its Services - This report includes all of the funds, account groups and activities controlled by the District.

The mission of the Algonquin-Lake in the Hills Fire Protection District is to preserve lives and property in our community by providing services directed at the prevention of fires, accidents and other emergencies while maintaining the highest standards of professionalism, efficiency and effectiveness.

The District participates in the Illinois Municipal Retirement Fund, IPRF and the Algonquin Firefighters' Pension Plan. Those organizations are separate governmental units because (1) they are organized entities, (2) have governmental character, and (3) are substantially autonomous. Audited financial statements for these organizations are not included in this report. However, such statements are available upon request from their respective business offices.

General Government Functions - The reporting period covered by these financial statements encompasses twelve months. Funds are provided for services by taxes, user fees, interest income, grants, donations and miscellaneous sources.

Property taxes are a major source of income for general operations. The District's property taxes make up 83% of the total revenue for the major governmental funds.

2017 Property values increased as the overall assessed valuation or EAV of the District also increased to \$1,028,175,135 or a 5.6% increase from the prior year.

Allocation of the property tax levy for 2016 and the preceding three tax years are as follows (amounts for each \$100 of assessed value):

	2016	2015	2014	2013
Purpose				
General Fund	0.3665	0.3830	0.3894	0.3921
Rescue Fund	0.0936	0.0000	0.0000	0.0000
Insurance Fund	0.0672	0.0711	0.0706	0.0450
Audit Fund	0.0013	0.0014	0.0011	0.0011
Ambulance Fund	0.3665	0.3830	0.3894	0.3921
Social Security Fund	0.0070	0.0074	0.0076	0.0000
Medicare Fund	0.0080	0.0094	0.0098	0.0000
Pension Fund	0.1337	0.1370	0.1307	0.1061
Total Tax Rate	1.0438	0.9915	0.9986	0.9364

The maximum tax rate for the Corporate Fund is .4000. The maximum tax rate for the Ambulance Fund is .4000.

FINANCIAL INFORMATION (CONTINUED)

Fund balance increased by \$3,300,365 for a total of \$7,909,088 as of December 31, 2017. Of this amount, \$1,224,219 is unassigned for continuing operations.

Capital Assets Additions - As of December 31, 2017 the capital assets of the Algonquin-Lake in the Hills Fire Protection District amounted to \$8,987,381. The District purchased a new ambulance, cardiac monitors and communication improvements. Depreciation expense for the eight month period was \$401,698.

Independent Audit - Chapter 50, Section 310/2 of the Illinois Revised Statutes requires districts secure a licensed public accountant to perform an annual audit of accounts. The firm of Knutte & Associates, P.C. has performed the audit for the eight month ended December 31, 2017. Their unqualified opinion on the basic financial statements is presented in this report.

OTHER INFORMATION

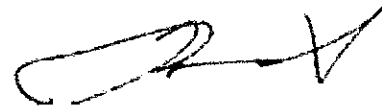
Acknowledgments - The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff. We express our appreciation to the District's employees throughout the organization, especially those instrumental to the successful completion of this report.

We would like to thank the members of the Board of Trustees for their interest and support in planning and conducting the financial operation of the District in a responsible and progressive manner.

Respectfully submitted,



Peter Van Dorpe
Fire Chief



James R. Howard, CPA
Finance



Government Finance Officers Association

**Certificate of
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for Excellence
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**Algonquin Lake in the Hills
Fire Protection District, Illinois**

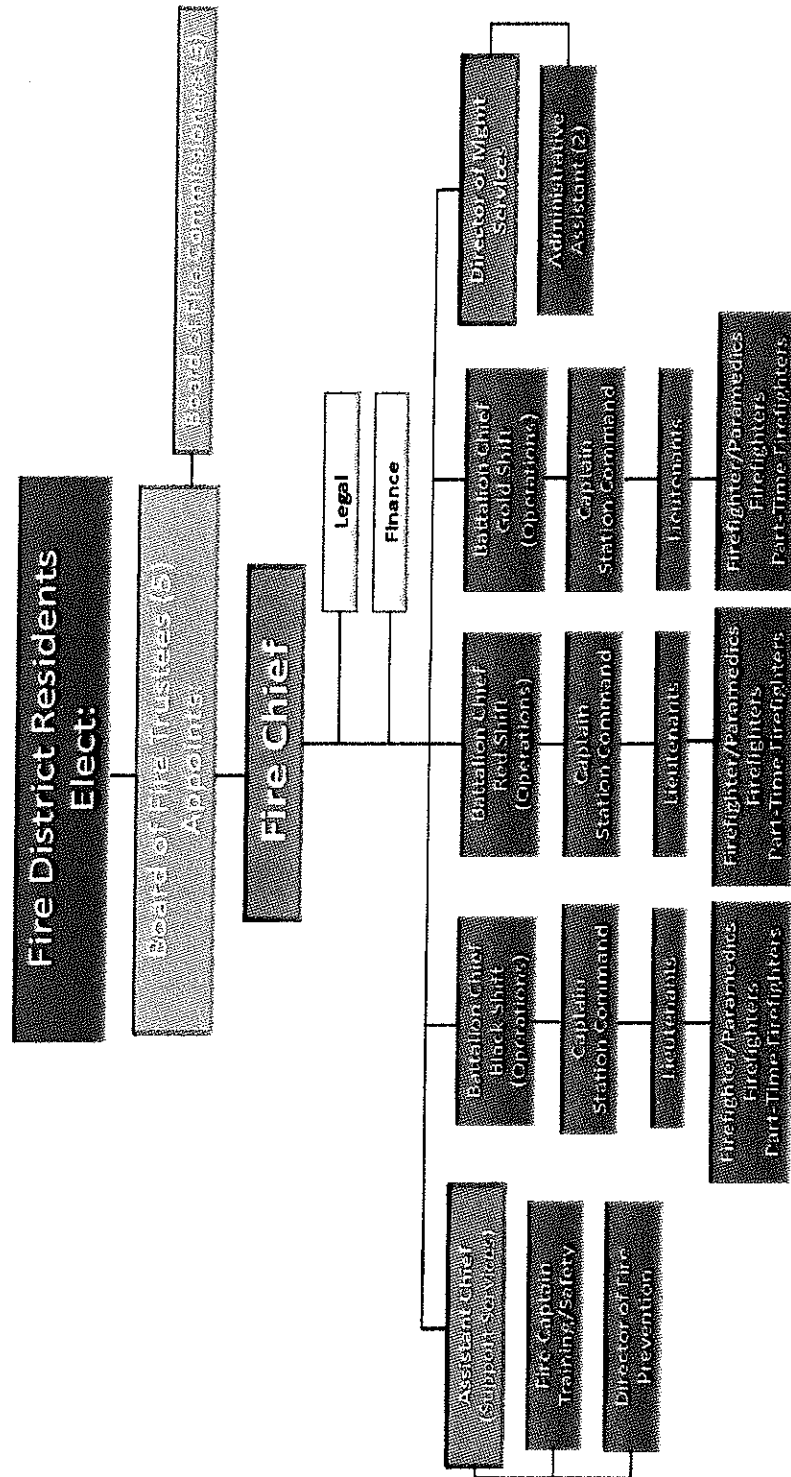
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2017

Christopher P. Morill

Executive Director/CEO

ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT ORGANIZATION CHART



Algonquin-Lake in the Hills Fire Protection District Principal Officers

Board of Fire Trustees

Rick Naatz, President
Michael Markowitz
John Bradach
Charlie Teson
Bruce Toussaint

Board of Fire Commissioners

Jeff Harper, Chairperson
Tamara Miner
Tim Moss

Fire Chief

Peter Van Dorpe

Assistant Fire Chief

Mike Kern

Fire Prevention Bureau Director

Mike Murphy

Captain of Training and Safety

Matt Berg



K&A ASSOCIATES, P.C.

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To The Board of Trustees
Algonquin-Lake in the Hills Fire Protection District
Lake in the Hills, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Algonquin-Lake in the Hills Fire Protection District, including the fiduciary fund, as of and for the eight months ended December 31, 2017, and the related notes to the financial statements which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information, including the fiduciary fund, of the Algonquin-Lake in the Hills Fire Protection District, as of December 31, 2017, and the respective changes in financial position and cash flows, where applicable, thereof for the eight months ended in conformity 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 management's discussion and analysis and certain pension disclosures be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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 inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

The major fund budgetary comparison schedules listed on the table of contents are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. This Required Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the eight months ending December 31, 2017 and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the Algonquin-Lake in the Hills Fire Protection District's basic financial statements. The combining and individual fund financial statements and schedules for the eight months ended December 31, 2017 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements for the eight months ended December 31, 2017 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing procedures generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The "Letter of Transmittal," "Supplementary Information," and "Statistical Section" listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Algonquin-Lake in the Hills Fire Protection District. The information has not been audited by us and, accordingly, we express no opinion on such matters.

Knuttle & Associates, P.C.

**ALGONQUIN LAKE IN THE HILLS FIRE PROTECTION DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
EIGHT MONTHS ENDED DECEMBER 31, 2017**

As the Algonquin Lake in the Hills Fire Protection District (District) management, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the eight months ended December 31, 2017. The management of the District encourages the readers of this financial information presented in conjunction with the financial statements to obtain a better understanding of the District's financial operations.

Financial Highlights

The assets & deferred outflows of the District exceeded its liabilities and deferred inflows by \$724,723 and (\$3,436,549) as of December 31, 2017 and 2016, respectively. This increase in assets from the prior year is due the District changing its fiscal year to a calendar year. The District's net position increased \$3,946,120 in fiscal year 2017. The majority of this increase is due an increase of property taxes in addition to only eight months of expenditures from the change in fiscal year. The District passed a referendum in November of 2016 which will allow the District to meet all its future commitments.

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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information and additional information.

Government-Wide Financial Analysis

The government-wide financial statements are prepared using the full accrual basis of accounting and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector businesses.

The statement of net position presents financial information on all of the District's assets & deferred outflows and liabilities & deferred inflows, 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.

**ALGONQUIN LAKE IN THE HILLS FIRE PROTECTION DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
EIGHT MONTHS ENDED DECEMBER 31, 2017**

Government-Wide Financial Analysis (Continued)

Both of the government-wide financial statements distinguish functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover a portion of the costs through user fees and charges. The governmental activity of the District includes a full range of fire services at three fire stations. Fire services provided are directed at the prevention of fires, accidents and other emergencies while maintaining the highest standards of professionalism, efficiency and effectiveness.

The basic government-wide financial statements are presented on pages 8 through 9 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-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 assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the basic financial statements for the general fund and major special revenue funds. Budgetary comparison schedules for other special revenue funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the District's adopted annual appropriated budget.

The basic governmental fund financial statements are presented on pages 10 through 11 of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the District charges customers a fee. There are two types of proprietary funds. These are enterprise funds and internal service funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the governmental-wide statements. Services are provided to customers external to the District organization. Internal service funds provide services to customers within the District's organization. The District has no proprietary funds.

**ALGONQUIN LAKE IN THE HILLS FIRE PROTECTION DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
EIGHT MONTHS ENDED DECEMBER 31, 2017**

Fund Financial Statements (Continued)

Fiduciary Funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The Fiduciary Funds include the pension fund and foreign fire insurance tax fund.

The basic fiduciary fund financial statements are presented on pages 13 through 14 of this report.

Notes to financial statements

The notes provide 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 begin on page 15 of this report.

Required Supplementary Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning the District's Illinois Municipal Retirement Fund and Firefighters' Pension Fund. Additionally, required supplementary information regarding a statement of revenues, expenditures, and changes in fund balance - budget vs. actual for each major fund is presented in this section. Supplementary information can be found on pages 40 through 47 of this report.

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, asset and deferred outflows exceeded liabilities and deferred inflows by \$724,723 for the year ended December 31, 2017 mostly due to a change in fiscal year. A portion of the District's net assets reflects its net investment in capital assets of \$7,595,552. The District uses these capital assets to provide services, and consequently these assets are not available to liquidate liabilities or for other spending.

**ALGONQUIN LAKE IN THE HILLS FIRE PROTECTION DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
EIGHT MONTHS ENDED DECEMBER 31, 2017**

Financial Analysis (Continued)

*In 2017, the District changed its fiscal year to a calendar year. Only eight months of expenditures are included.

Condensed Statement of Net Position

	Governmental Activities		Total	
	<u>12/31/2017*</u>	<u>4/30/2017</u>	<u>12/31/2017*</u>	<u>4/30/2017</u>
Assets and Deferred Outflows				
Current and Other Assets	\$ 18,559,770	\$ 15,085,657	\$ 18,559,770	\$ 15,085,657
Capital Assets, net of accumulated depreciation	8,987,381	8,781,052	8,987,381	8,781,052
Total Assets	<u>27,547,151</u>	<u>23,866,709</u>	<u>27,547,151</u>	<u>23,866,709</u>
Deferred Outflows	832,235	952,278	832,235	952,278
Liabilities and Deferred Inflows				
Current Liabilities and Non-Current Liabilities	974,446	1,015,883	974,446	1,015,883
	<u>14,579,126</u>	<u>15,605,598</u>	<u>14,579,126</u>	<u>15,605,598</u>
Deferred Inflows	12,101,091	11,418,903	12,101,091	11,418,903
Net Position				
Net Investment in Capital Assets	7,595,552	3,066,562	7,595,552	3,066,562
Restricted Amounts	1,530,479	1,786,657	1,530,479	1,786,657
Unrestricted Amounts	<u>(8,401,308)</u>	<u>(8,074,616)</u>	<u>(8,401,308)</u>	<u>(8,074,616)</u>
Total Net Position	<u>\$ 724,723</u>	<u>\$ (3,221,397)</u>	<u>\$ 724,723</u>	<u>\$ (3,221,397)</u>

	Activities		Total	
	<u>12/31/2017*</u>	<u>4/30/2017</u>	<u>12/31/2017*</u>	<u>4/30/2017</u>
Revenues				
Program Revenues				
Charges for Services	\$ 632,203	\$ 1,159,271	\$ 632,203	\$ 1,159,271
Operating Grants & Contributions	0	25,218	\$ -	\$ 25,218
General Revenues				
Property Taxes	10,141,810	9,057,918	\$ 10,141,810	\$ 9,057,918
Replacement Taxes	15,566	34,142	\$ 15,566	\$ 34,142
Interest Income	23,090	6,965	\$ 23,090	\$ 6,965
Other	49,459	72,930	\$ 49,459	\$ 72,930
Total Revenues	<u>10,862,128</u>	<u>10,356,444</u>	<u>10,862,128</u>	<u>10,356,444</u>
Expenses				
Program Expenses				
Public Safety	6,730,875	9,973,389	6,730,875	9,973,389
Interest on Long-Term Debt	185,133	283,733	185,133	283,733
Total Expenses	<u>6,916,008</u>	<u>10,257,122</u>	<u>6,916,008</u>	<u>10,257,122</u>
Excess (Deficiency) Before Transfers	3,946,120	99,322	3,946,120	99,322
Transfers	0	0	0	0
Change in Net Position	<u>3,946,120</u>	<u>99,322</u>	<u>3,946,120</u>	<u>99,322</u>
Net Position				
Beginning of Year, as Originally Stated	(3,221,397)	(3,436,549)	(3,221,397)	(3,436,549)
Prior Period Adjustment	0	115,830	0	115,830
Beginning of Year, as Restated	<u>(3,221,397)</u>	<u>(3,320,719)</u>	<u>(3,221,397)</u>	<u>(3,320,719)</u>
End of Year	<u>\$ 724,723</u>	<u>\$ (3,221,397)</u>	<u>\$ 724,723</u>	<u>\$ (3,221,397)</u>

**ALGONQUIN LAKE IN THE HILLS FIRE PROTECTION DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
EIGHT MONTHS ENDED DECEMBER 31, 2017**

Budgetary Highlights

During the 2017 Budget short year, the District did not revise the operating budget, although it changed its fiscal year end to a calendar year.

The Corporate Fund is reported as major fund and accounts for the routine operations of the District. Actual revenues in the Corporate fund was \$3,561,280, which outperformed budget estimates by 2.4% due to receiving better than expected property tax collections. Additionally, actual expenditures were \$2,038,915 which underperformed budget estimates by 39.8% due to the short year. The Corporate fund has an operational excess of revenues over expenditures of \$(71,247) due to a reserve transfer to increase capital reserves per fund balance policy. The total Corporate fund balance decreased to \$1,235,102 from \$1,306,349 the previous year in addition to internal transfers to other funds in the amount of \$1,659,968 as mentioned above.

Capital Assets

The following is a summary of capital assets, net of accumulated depreciation. For more information on the District's capital assets, see Note 3 in the notes to the financial statements.

	Governmental Activities	
	<u>12/31/2017*</u>	<u>4/30/2017</u>
Land	\$ 1,416,856	\$ 1,416,857
Building & Improvements	7,429,720	7,329,674
Apparatus & Vehicles	4,291,170	4,068,918
Equipment	1,437,127	983,602
Cost of Capital Assets	14,574,873	13,799,051
Less Accumulated Depreciation	(5,587,492)	(4,954,883)
Net Capital Assets	<u>\$ 8,987,381</u>	<u>\$ 8,844,168</u>

Debt Administration

As of December 31, 2017, the District has future long-term debt and capital lease principal and interest payments outstanding of \$8,075,271 per the debt service schedule. Each year, the District makes internal transfers from the Ambulance Fund to service the debt. See Note 4 for additional information.

Description of Current or Expected Conditions

Currently, management is not aware of any changes in conditions that could have a significant effect on the financial position or results of activities of the District in the near future. The District's primary revenue source continues to be property tax, representing approximately 83% of total revenue. The Property Tax Extension Limitation Law (PTELL) allows a taxing District to receive a limited inflationary increase in tax extensions on existing property, an additional amount for new construction, and additional amounts related to voter-approved rate increases.

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 its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Finance, Algonquin-Lake in the Hills Fire Protection District, 1020 West Algonquin Road, Lake in the Hills, Illinois 60156.

Algonquin-Lake in the Hills Fire Protection District
Statement of Net Position
December 31, 2017

	Governmental Activities
ASSETS	
Cash	\$ 6,201,141
Investments	938,553
Property Taxes Receivable	10,418,190
Ambulance Fees Receivable, Net of Allowance	283,622
Other Accounts Receivable	4,644
Prepaid Expenses	713,620
Capital Assets	
Capital Assets Not Being Depreciated	1,416,856
Other Capital Assets, Net of Depreciation	7,570,525
Total Capital Assets	8,987,381
TOTAL ASSETS	27,547,151
DEFERRED OUTFLOWS	
IMRF Plan Year Adjustment	25,498
Net IMRF Deferred Outflows	118,792
Net Firefighters' Pension Deferred Outflows	687,945
TOTAL DEFERRED OUTFLOWS	832,235
LIABILITIES	
Accounts Payable	122,896
Accrued Interest Payable	134,371
Accrued Liabilities	109,596
Long-Term Liabilities	
Due Within One Year	
Bonds Payable	500,000
Capital Lease Payable	107,583
Due in More Than One Year	
Bonds Payable	5,245,000
Capital Lease Payable	610,451
Accrued Vacation and Sick Leave	602,653
Net IMRF Pension Liability	256,050
Net Firefighters' Pension Liability	7,864,972
TOTAL LIABILITIES	15,553,572
DEFERRED INFLOWS	
Deferred Property Taxes	10,418,190
IMRF Deferred Inflows	75,025
Firefighters' Pension Deferred Inflows	1,607,876
TOTAL DEFERRED INFLOWS	12,101,091
NET POSITION	
Net Investment in Capital Assets	7,595,552
Restricted Amounts	
Ambulance	956,613
Pension Tax Levy	9,158
Insurance	460,953
Audit	2,807
Social Security	43,600
Medicare	51,754
Rescue	5,594
Unrestricted Amounts	(8,401,308)
TOTAL NET POSITION	\$ 724,723

See Accompanying Notes to the Financial Statements

Algonquin-Lake in the Hills Fire Protection District
Statement of Activities
For The Eight Months Ended December 31, 2017

		Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Position
	Expenses			Governmental Activities
FUNCTIONS/PROGRAMS				
Governmental Activities				
Public Safety	\$ 6,730,875	\$ 632,203	\$ 0	\$ (6,098,672)
Interest on Long-Term Debt	185,133	0	0	(185,133)
TOTAL	<u>\$ 6,916,008</u>	<u>\$ 632,203</u>	<u>\$ 0</u>	<u>(6,283,805)</u>

GENERAL REVENUES

Taxes	
Property taxes levied for general purposes	10,141,810
Replacement taxes for general purposes	15,566
Intergovernmental	55,605
Interest Income	23,090
Miscellaneous	5,394
Loss in Value of Ambulatory Receipts	(11,540)
TOTAL GENERAL REVENUES	<u>10,229,925</u>
CHANGE IN NET POSITION	3,946,120
NET POSITION,	
BEGINNING OF YEAR	(3,221,397)
END OF YEAR	<u>\$ 724,723</u>

Algonquin-Lake in the Hills Fire Protection District
Governmental Funds
Balance Sheet
December 31, 2017

	General	Ambulance	Pension Tax Levy	Capital	Other Governmental Funds	Total
ASSETS						
Cash	\$ 378,912	\$ 774,477	\$ 9,158	\$ 1,289,416	\$ 3,749,178	\$ 6,201,141
Investments	938,553	0	0	0	0	938,553
Property Taxes Receivable	3,662,442	3,662,442	1,412,980	0	1,680,326	10,418,190
Ambulance Fees Receivable, Net of Allowance	0	283,622	0	0	0	283,622
Other Accounts Receivable	4,644	0	0	0	0	4,644
Prepaid Expenditures	10,883	18,978	0	630,435	53,324	713,620
TOTAL ASSETS	<u>4,995,434</u>	<u>4,739,519</u>	<u>1,422,138</u>	<u>1,919,851</u>	<u>5,482,828</u>	<u>18,559,770</u>
TOTAL DEFERRED OUTFLOWS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>4,995,434</u>	<u>4,739,519</u>	<u>1,422,138</u>	<u>1,919,851</u>	<u>5,482,828</u>	<u>18,559,770</u>
LIABILITIES						
Accounts Payable	39,250	50,530	0	33,116	0	122,896
Accrued Liabilities	58,640	50,956	0	0	0	109,596
TOTAL LIABILITIES	<u>97,890</u>	<u>101,486</u>	<u>0</u>	<u>33,116</u>	<u>0</u>	<u>232,492</u>
DEFERRED INFLOWS						
Deferred Property Taxes	3,662,442	3,662,442	1,412,980	0	1,680,326	10,418,190
TOTAL DEFERRED INFLOWS	<u>3,662,442</u>	<u>3,662,442</u>	<u>1,412,980</u>	<u>0</u>	<u>1,680,326</u>	<u>10,418,190</u>
FUND BALANCES						
Nonspendable	10,883	18,978	0	630,435	53,324	713,620
Restricted	0	956,613	9,158	0	564,708	1,530,479
Assigned	0	0	0	1,256,300	3,184,470	4,440,770
Unassigned	1,224,219	0	0	0	0	1,224,219
TOTAL FUND BALANCES	<u>1,235,102</u>	<u>975,591</u>	<u>9,158</u>	<u>1,886,735</u>	<u>3,802,502</u>	<u>7,909,088</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 4,995,434</u>	<u>\$ 4,739,519</u>	<u>\$ 1,422,138</u>	<u>\$ 1,919,851</u>	<u>\$ 5,482,828</u>	<u>\$ 18,559,770</u>

See Accompanying Notes to the Financial Statements

Algonquin-Lake in the Hills Fire Protection District
Reconciliation of the Balance Sheet to the Statement of Net Position
For The Eight Months Ended December 31, 2017

Fund Balance of Governmental Funds: (Balance Sheet - Governmental Funds)	\$ 7,909,088
Amounts reported in the Statement of Net Position are different because:	
Capital Assets used in governmental funds are not financial resources and therefore are not reported in the fund financial statements.	8,987,381
IMRF Plan Year Adjustment is not reported as deferred outflows in the fund financial statements.	25,498
Net IMRF Deferred Outflows are not reported as deferred outflows in the fund financial statements.	118,792
Net Firefighters' Pension Deferred Outflows are not reported as deferred outflows in the fund financial statements.	687,945
Accrued Interest Payable is not reported as a liability in the fund financial statements.	(134,371)
Accrued Vacation and Sick Leave are not reported as a liability in the fund financial statements.	(602,653)
Bonds Payable are not reported as a liability in the fund financial statements.	(5,745,000)
Capital Leases Payable are not reported as a liability in the fund financial statements.	(718,034)
Net IMRF Pension Liability is not reported in the fund financial statements.	(256,050)
Net Firefighters' Pension Liability is not reported as a liability in the fund financial statements.	(7,864,972)
Net IMRF Deferred Inflows are not reported as deferred inflows in the fund financial statements.	(75,025)
Firefighters' Pension Deferred Inflows are not reported as deferred inflows in the fund financial statements.	(1,607,876)
NET POSITION OF GOVERNMENTAL FUNDS	\$ 724,723

Algonquin-Lake in the Hills Fire Protection District
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For The Eight Months Ended December 31, 2017

	General	Ambulance	Pension Tax Levy	Capital	Other Governmental Funds	Total
REVENUES						
Property Taxes	\$ 3,561,280	\$ 3,561,280	\$ 1,299,060	\$ 0	\$ 1,720,190	\$10,141,810
Replacement Tax	0	0	15,566	0	0	15,566
Intergovernmental	55,605	0	0	0	0	55,605
Interest	982	0	0	22,108	0	23,090
Charges for Services	8,495	610,009	0	2,159	0	620,663
Miscellaneous	1,274	4,120	0	0	0	5,394
TOTAL REVENUES	<u>3,627,636</u>	<u>4,175,409</u>	<u>1,314,626</u>	<u>24,267</u>	<u>1,720,190</u>	<u>10,862,128</u>
EXPENDITURES						
Fire and Ambulance	2,038,915	2,104,264	0	0	0	4,143,179
Pension	0	0	1,323,221	0	0	1,323,221
Insurance	0	0	0	0	388,265	388,265
Audit	0	0	0	0	12,000	12,000
Social Security	0	0	0	0	41,402	41,402
Medicare	0	0	0	0	49,876	49,876
Rescue	0	0	0	0	903,583	903,583
Debt Service						
Principal	0	0	0	105,846	0	105,846
Interest	0	0	0	147,915	0	147,915
Capital Outlay	0	0	0	605,717	0	605,717
TOTAL EXPENDITURES	<u>2,038,915</u>	<u>2,104,264</u>	<u>1,323,221</u>	<u>859,478</u>	<u>1,395,126</u>	<u>7,721,004</u>
EXCESS (DEFICIENCY) OF						
REVENUES OVER EXPENDITURES	<u>1,588,721</u>	<u>2,071,145</u>	<u>(8,595)</u>	<u>(835,211)</u>	<u>325,064</u>	<u>3,141,124</u>
OTHER FINANCING						
SOURCES (USES)						
Issuance of Debt	0	0	0	159,241	0	159,241
Transfers In	0	0	0	1,867,556	2,393,000	4,260,556
Transfers Out	(1,659,968)	(2,600,588)	0	0	0	(4,260,556)
TOTAL OTHER FINANCING						
SOURCES (USES)	<u>(1,659,968)</u>	<u>(2,600,588)</u>	<u>0</u>	<u>2,026,797</u>	<u>2,393,000</u>	<u>159,241</u>
NET CHANGE IN FUND BALANCE	(71,247)	(529,443)	(8,595)	1,191,586	2,718,064	3,300,365
FUND BALANCES,						
BEGINNING OF PERIOD	<u>1,306,349</u>	<u>1,505,034</u>	<u>17,753</u>	<u>695,149</u>	<u>1,084,438</u>	<u>4,608,723</u>
END OF PERIOD	<u>\$ 1,235,102</u>	<u>\$ 975,591</u>	<u>\$ 9,158</u>	<u>\$ 1,886,735</u>	<u>\$ 3,802,502</u>	<u>\$ 7,909,088</u>

See Accompanying Notes to the Financial Statements

Algonquin-Lake in the Hills Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For The Eight Months Ended December 31, 2017

Net Change in Fund Balances - Total Governmental Funds (Combined Statement of Revenues, Expenditures, and Changes in Fund Balances)	\$ 3,300,365
Amounts reported for governmental activities in the Statement of Activities are different because:	
Depreciation of capital assets is not considered an expenditure in the fund financial statements.	(401,698)
Governmental funds report capital outlay as expenditures, however, they are capitalized and depreciated in the statement of activities.	608,027
The change in the IMRF Plan Year Adjustment is not considered an expenditure in the fund financial statements.	16,454
The change in Net Firefighters' Pension Deferred Outflows is not considered an expenditure in the fund financial statements.	(136,497)
Accrued interest on bonds and capital lease is not considered an expenditure in the fund financial statements.	(37,218)
Proceeds from the issuance of capital lease are considered an other financing source on the fund financial statements.	(159,241)
Payments of capital lease principal are treated as an expenditure in the fund financial statements.	105,846
The annual change in accrued vacation and sick leave is not recorded in the fund financial statements.	68,684
The change in Net Firefighters' Pension Liability is not considered an expenditure in the fund financial statements.	1,003,862
The change in Net Firefighters' Pension Deferred Inflows is not considered an expenditure in the fund financial statements.	<u>(422,464)</u>
Change in Net Assets of Governmental Activities (Statement of Activities)	<u>\$ 3,946,120</u>

See Accompanying Notes to the Financial Statements

Algonquin-Lake in the Hills Fire Protection District
Fiduciary Fund
Statement of Fiduciary Net Position
December 31, 2017

	Firefighters' Pension Fund
ASSETS	
Cash and Cash Equivalents	\$ 39,920
Receivables and Prepaid Expenses	
Accrued Interest Receivable	65,422
Prepaid Expenses	2,643
Total Receivables and Prepaid Expenses	<u>68,065</u>
Investments, at Fair Value	
Money Market Mutual Funds	317,414
U.S. Government Obligations	1,253,078
U.S. Agency Obligations	6,989,639
Corporate Obligations	1,246,394
State and Local Obligations	1,386,745
U.S. Agency Mortgage Pools	44,916
Mutual Funds	13,632,535
Total Investments	<u>24,870,721</u>
TOTAL ASSETS	<u>24,978,706</u>
TOTAL DEFERRED OUTFLOWS	<u>0</u>
LIABILITIES	
Accounts Payable	<u>28,130</u>
TOTAL LIABILITIES	<u>28,130</u>
TOTAL DEFERRED INFLOWS	<u>0</u>
NET POSITION	
Restricted for Pension Benefits	<u>24,950,576</u>
TOTAL NET POSITION	<u>\$ 24,978,706</u>

See Accompanying Notes to the Financial Statements

Algonquin-Lake in the Hills Fire Protection District
Fiduciary Fund
Statement of Changes in Fiduciary Net Position
For The Eight Months Ended December 31, 2017

	Firefighters' Pension Fund
ADDITIONS	
Contributions	
Employer	\$ 1,323,261
Plan Members	276,872
Total Contributions	<u>1,600,133</u>
Investment Income	
Net Appreciation in Fair Value of Investments	842,330
Interest and Dividends	911,232
Total Investment Income	<u>1,753,562</u>
Less: Investment Fees	<u>48,504</u>
Net Investment Income	<u>1,705,058</u>
TOTAL ADDITIONS	<u>3,305,191</u>
DEDUCTIONS	
Benefits and Refunds	634,375
Administrative Expenses	43,436
TOTAL DEDUCTIONS	<u>677,811</u>
NET CHANGE IN NET POSITION	2,627,380
NET POSITION RESTRICTED FOR PENSIONS	
BEGINNING OF PERIOD	<u>22,323,196</u>
END OF PERIOD	<u><u>\$ 24,950,576</u></u>

See Accompanying Notes to the Financial Statements

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements
For The Eight Months Ended December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Algonquin-Lake in the Hills Fire Protection District (the District) was established in 1895 and is located in Lake in the Hills, Illinois. The District operates under a Board-Manager form of government encompassing areas in McHenry and Kane County. The mission of the District is to protect the lives and property within the community in a fiscally sound and responsive manner through fire prevention, public education, fire suppression, emergency medical services, and public safety.

A. Reporting Entity

The District follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 39, "Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14". As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities and meet all of the following criteria:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The District has concluded that no entities meet the criteria of Statement 39 for inclusion as a component unit. Likewise, the District is not required to be included as a component unit of any other entity.

Governmental Accounting Standards Board Statement No. 61, "The Financial Reporting Entity," is an amendment of GASB Statements No. 14 and No. 39, which does not have impact on the current period financial statements.

B. GASB Pronouncements

As of May 1, 2012, the District has implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position.

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GASB Pronouncements (Continued)

As of May 1, 2012, the District has implemented GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities". The objective of this statement is to establish accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The Statement also recognizes as outflows of resources or inflows of resources certain items that were previously reported as assets and liabilities.

As of May 1, 2014, the District has implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" which is an amendment of GASB Statement No. 27. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Under the implementation of GASB 68, the District has also implemented GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date" – an amendment of GASB No. 68.

C. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. They include all non-fiduciary activities of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The District does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include charges to residents who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meeting the operational and capital requirements of a particular function. Taxes and other income items that are not specifically related to a function are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets and deferred outflows, liabilities and deferred inflows, fund equity, revenues, and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

Funds are organized as major funds or non-major funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures/expenses of the individual governmental funds are at least ten percent of the corresponding total for all funds of that category or type, and
- Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

Governmental Fund Types (Governmental Activities)

Governmental fund types are those through which most governmental functions of the District are financed. The District's expendable financial resources are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position rather than upon net income determination. A brief explanation of the District's governmental fund follows:

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required, legally or administratively, to be accounted for in another fund.

Ambulance Fund

The Ambulance Fund is used to account for the real estate taxes, ambulance service fees, and other revenues that are restricted, committed, or assigned to the providing of ambulance services.

Pension Tax Levy Fund

The Pension Tax Levy Fund is used to account for real estate taxes, personal property replacement taxes, and other revenues designated to be used to fund the District's contribution to the Firefighters' Pension Fund.

**Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

Governmental Fund Types (Governmental Activities) (Continued)

Capital Fund

The Capital Fund is used to account for the proceeds of specific revenue sources that are committed to the purchase of and debt retirement on capital items.

Vehicle Fund

The Vehicle Fund is used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to the purchase of vehicles.

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than Ambulance, Pension Tax Levy, or Capital projects.

Funds included in this fund category are:

- Insurance
- Audit
- Social Security
- Medicare
- Rescue

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. Fiduciary funds are not reflected in the governmental-wide financial statements because the resources are not available to support the District's own programs. A brief explanation of the District's fiduciary fund follows:

Firefighters' Pension Fund (Not included in the government-wide statements)

The Firefighters' Pension Fund is used to account for assets held in a trustee capacity. The assets are not available to support District programs. The Firefighters' Pension Fund issues a publically available financial report that includes financial statements and required supplementary information. The report can be obtained by contacting the Algonquin-Lake in the Hills Fire Protection District at 1020 West Algonquin Road, Lake in the Hills, Illinois 60156.

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

MAJOR FUND

The District reports the following major governmental funds:

- General Fund, which accounts for the District's primary operating activities as related to its fire prevention services.
- Ambulance Fund, which accounts for the District's primary operating activities as related to its ambulance services.
- Pension Tax Levy Fund, which accounts for revenues designed for the District's contribution to the Firefighters' Pension Fund.
- Capital Fund, which accounts for capital purchases and improvements.

NON-MAJOR FUNDS

The District reports the following non-major governmental funds:

- Insurance
- Audit
- Social Security
- Medicare
- Rescue
- Vehicle

D. Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental activities and business-type activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, when the liability is due, or the economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the period for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The current financial resources measurement focus and the modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available to finance the District's operations. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Property taxes and charges for services are the primary revenue sources susceptible to accrual. The District considers property taxes available if they are due and collected through the last day of the fiscal period end. The District does not recognize property tax collections within 60 days after period end in the current fiscal period. All other revenues are recognized when cash is received. Expenditures are recorded when the related fund liability is incurred.

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

The District reports deferred revenues on its Governmental Funds Balance Sheet. For governmental fund financial statements, deferred revenues occur when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the Governmental Funds Balance Sheet and revenue is recognized accordingly.

The Firefighters' Pension Fund and Fiduciary Fund Types, are accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan. Fund revenues are recognized when they are earned and expenses are recognized when they are incurred.

E. Measurement Focus

On the government-wide Statement of Net Position and Statement of Activities, both governmental activities and business-type activities are presented using the flow of economic resources measurement focus, which means all assets, deferred outflows, liabilities (whether current or non-current), and deferred inflows are included on the Statement of Net Position and the operating statements present increases and decreases in net position.

In the fund financial statements, the measurement focus of the proprietary funds (if presented) is the flow of economic resources; the same as is used in the government-wide statements. However, the measurement focus of all governmental funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity. Liabilities for claims, judgments, and pension contributions, which will not be currently liquidated using expendable available financial resources are included as liabilities in the government-wide and financial statements, but are excluded from the governmental fund financial statements. Compensated absences are reported in the fund financial statements only if they have matured (i.e., unusable reimbursable leave still outstanding following an employee's resignation or retirement). The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

F. Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. The District follows these procedures in establishing a budget:

1. The Fire Chief prepares a tentative budget for all funds of the District.
2. The budget document is submitted to the Board of Trustees for review.
3. The Budget and Appropriation Ordinance must be enacted into law prior to the end of the first quarter of the fiscal period (March 31).
4. All unspent budgetary amounts lapse at period end.
5. Expenditures legally may not exceed the total appropriations at the fund level. No amendments to the budget at this level are allowed without Board approval. Expenditures may not legally exceed appropriations at the fund level.
6. Notice is given and public meetings are conducted to obtain taxpayer comments.

The budget is prepared for all funds on the same basis as the basic financial statements. The budget is prepared in accordance with the Illinois Fire District Code and is derived from the combined annual budget and appropriation ordinance of the District. All budgets are prepared based on the fiscal period of the District. All budgetary funds are controlled by an integrated budgetary accounting system in accordance with the various legal requirements which govern the District. The operating budget does not exceed the appropriations for the period.

H. Budget Basis of Accounting

Budgetary information for individual funds is prepared on the same basis as the general purpose financial statements. The budget is prepared in accordance with the Illinois Fire District Code and is derived from the combined annual budget and appropriation ordinance of the District. Working budgets are prepared for all governmental fund types and prepared based on the annual fiscal period of the District. Budgetary funds are controlled by an integrated budgetary accounting system in accordance, where applicable, with various legal requirements governing the District.

I. Cash and Cash Equivalents

For purpose of reporting cash flows, cash and cash equivalents are defined as cash on hand, amounts held at financial institutions, and short-term highly liquid investments that are readily convertible to known amounts of cash. Investments with an original maturity of three months or less are considered short-term for these purposes.

J. Interfund Receivables and Payables

Amounts due to and due from other funds may arise during the course of the District's operations because of numerous transactions between funds to finance operations, provide services, construct assets, and service debt. Interfund receivables and payables between funds within governmental activities are eliminated in the government-wide financial statements. At December 31, 2017, the District does not report interfund receivables or payables.

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Receivables

Receivables consist of all revenues earned at period-end and not yet received. Major receivable balances for governmental activities include ambulance fees and property taxes. There are no receivables for business-type activities. The District carries its receivables at cost less an allowance for doubtful accounts. On a periodic basis, the District evaluates its accounts receivable and establishes the amount of its allowance for doubtful accounts based on a history of past write-offs and collections. The allowance for doubtful accounts amounts to \$3,000 for ambulance fees receivable and \$0 for other receivables.

L. Prepaid Expenses/Expenditures

Payments are made to vendors for services that will benefit periods beyond December 31, 2017 are recorded as prepaid expenses/expenditures.

M. Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations, and whether they are reported in the government-wide or fund financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual cost is unavailable. Donated capital assets are stated at their acquisition value as of the date donated. The District policy is to capitalize assets that have an original cost of \$10,000 or greater.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building & Improvements	10 to 40 years
Apparatus & Vehicles	7 to 20 years
Equipment	5 to 15 years

FUND FINANCIAL STATEMENTS

In the fund financial statements, assets used in governmental fund operations are accounted for as capital outlays in the fund from which the expenditure was made.

The costs of normal maintenance and repairs that do not add value to the value of the asset or materially extend asset lives are not included as capital assets or capitalized in the proprietary funds. Capital assets used in proprietary fund operations are accounted for the same in the fund financial statements as they are in the government-wide statements.

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Accrued Vacation and Sick Leave

It is District policy to permit employees to accumulate earned, but unused vacation, personal, and sick days. Vacation leave and personal time off are expected to be taken by the end of the calendar period following the period earned and may not be carried forward between calendar period. Accumulated sick leave may be carried forward between periods. Accumulated vacation and a portion of accumulated sick leave are paid upon termination of employment. The general & ambulance funds have been typically used in prior years to liquidate compensated absences. The portion of the liability related to sick leave is recorded as long-term on the Statement of Net Position.

	Balance at 5/1/2017	Additions	Reductions	Balance at 12/31/2017
Current Portion	\$ 34,226	\$ 0	\$ (34,226)	\$ 0
Long-Term Portion	637,111	602,653	(637,111)	602,653

O. Long-Term Liabilities

In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt principal payments of governmental funds are recognized when paid.

P. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied each year and are payable in two installments, generally due in June and September of the following year. McHenry County and Kane County bill and collect all property taxes and remit them to the District. The District has a statutory tax rate limit in various operating funds subject to change only by approval of the voters of the District. Also, the District is subject to the Property Tax Extension Limitation Act, which, in general, limits the amount of taxes to be extended to the lesser of 5% or the percentage increase in the consumer price index for the year preceding the levy. Certain bond issue levies and referendum increases are exempt from this limitation. The District recognizes property taxes on a levy year basis. The uncollected portion of the 2017 levy has been recorded as a receivable at December 31, 2017.

Q. Equity Classifications

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Equity is classified as Net Position and displayed in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation and related debt, if applicable.
- Restricted Amounts – consists of amounts with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted Amounts – consists of all other amounts that do not meet the definition of restricted or invested in capital assets.

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Equity Classifications (Continued)

FUND FINANCIAL STATEMENTS

Governmental fund equity is classified as fund balance. The components of fund balance are:

- Non-spendable – consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.
- Restricted – consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either; a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
- Committed – consists of resources constrained (issuance of an ordinance) to specific purposes by a government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- Assigned – amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by (a) the Board of Trustees itself or (b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specified purpose.
- Unassigned – consists of the residual net resources of a fund that has not been restricted, committed, or assigned within the general fund and deficit fund balances of other governmental funds.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. If different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned and, lastly, unassigned funds.

Fund	General	Ambulance	Pension Tax Levy	Capital	Non-Major Funds	Total
Non-spendable						
Prepaid Items	\$ 10,883	\$ 18,978	\$ 0	\$ 630,435	\$ 53,324	\$ 713,620
Restricted						
Ambulance	0	956,613	0	0	0	956,613
Pension Tax Levy	0	0	9,158	0	0	9,158
Insurance	0	0	0	0	460,953	460,953
Audit	0	0	0	0	2,807	2,807
Social Security	0	0	0	0	43,600	43,600
Medicare	0	0	0	0	51,754	51,754
Rescue	0	0	0	0	5,594	5,594
Assigned						
Capital	0	0	0	1,256,300	0	1,256,300
Vehicle	0	0	0	0	3,184,470	3,184,470
Unassigned	1,224,219	0	0	0	0	1,224,219
	<u>\$ 1,235,102</u>	<u>\$ 975,591</u>	<u>\$ 9,158</u>	<u>\$ 1,886,735</u>	<u>\$ 3,802,502</u>	<u>\$ 7,909,088</u>

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Transfers

Transfers during the eight months ended December 31, 2017 are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 0	\$ (1,659,968)
Ambulance	0	(2,600,588)
Capital	1,867,556	0
Vehicle	2,393,000	0
	<u>\$ 4,260,556</u>	<u>\$ (4,260,556)</u>

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Bank Deposits and Investments

At December 31, 2017, the carrying amount of the District's deposits was \$6,200,991 not including a petty cash fund of \$150 and the bank balance was \$5,984,918. The deposits are categorized in accordance with risk factors created by governmental reporting standards.

At December 31, 2017, the carrying amount and bank balance of the Firefighters' Pension Fund's deposits was \$39,920.

B. Policies for Investments

It is the policy of the District to invest public funds in a manner to conform to all state and local statutes governing the investment of public funds; ensure prudent money management; provide for daily cash flow requirements; and meet the objectives, in priority order, of safety, liquidity, return on investment and public trust.

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The following table categorizes the investments held by the District according to risk level.

<u>Category</u>	<u>Fair Value</u>	<u>< 1 Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>> 10 Years</u>
Certificates of Deposit	\$ 395,674	\$ 0	\$ 395,674	\$ 0	\$ 0
U.S. Agency Obligations	296,608	74,463	222,145	0	0
Municipal Bonds	81,051	30,186	50,865	0	0
Treasury Notes	149,390	99,898	49,492	0	0
Total	<u>\$ 922,723</u>	<u>\$ 204,547</u>	<u>\$ 718,176</u>	<u>\$ 0</u>	<u>\$ 0</u>

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

D. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government.

<u>S&P Rating</u>	<u>U.S. Treasury Bonds</u>	<u>U.S. Agency Obligations</u>	<u>Municipal Bonds</u>
AA+	\$ 149,390	\$ 88,318	\$ 24,861
Not Rated	0	208,290	56,190
	<u>\$ 149,390</u>	<u>\$ 296,608</u>	<u>\$ 81,051</u>

E. Custodial Credit Risk

In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At December 31, 2017, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The District's investment policy requires pledging of collateral of all bank balances in excess of federal depository insurance.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Illinois Funds, money market mutual funds, and equity mutual funds are not subject to custodial credit risk. In accordance with the District's investment policy, the District limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the District, to act as a custodian for its securities and collateral.

F. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District does not have a formal written policy with regards to custodial credit risk for investments. Agency investments represent a large portion of the portfolio; however the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. The District does not have any investments with balances that represent over 5% of net position.

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 3 - CAPITAL ASSETS

A summary of the changes in capital assets for the period follows. Total depreciation expense for the period charged for governmental activities was \$401,698.

	Balance at 5/1/2017	Additions	Retirements	Balance at 12/31/2017
Governmental Activities				
Capital Assets, Not Subject to Depreciation				
Land	\$ 1,416,856	\$ 0	\$ 0	\$ 1,416,856
Capital Assets Subject to Depreciation				
Buildings & Improvements	7,421,202	8,518	0	7,429,720
Apparatus & Vehicles	4,019,495	271,675	0	4,291,170
Equipment	1,109,293	327,834	0	1,437,127
	<u>12,549,990</u>	<u>608,027</u>	<u>0</u>	<u>13,158,017</u>
Less Accumulated Depreciation				
Buildings & Improvements	(2,711,875)	(134,340)	0	(2,846,215)
Apparatus & Vehicles	(1,963,988)	(188,007)	0	(2,151,995)
Equipment	(509,931)	(79,351)	0	(589,282)
	<u>(5,185,794)</u>	<u>(401,698)</u>	<u>0</u>	<u>(5,587,492)</u>
Net Capital Assets - Governmental Activities	<u>\$ 8,781,052</u>	<u>\$ 206,329</u>	<u>\$ 0</u>	<u>\$ 8,987,381</u>

NOTE 4 - LONG-TERM DEBT

A summary of changes in long-term debt for the period ended December 31, 2017 is as follows:

Type	Balance at 5/1/2017	Advances	Repayments	Balance at 12/31/2017	Amount Due Within One Year
General Obligation Bonds					
Series 2002	\$ 1,125,000	\$ 0	\$ 0	\$ 1,125,000	\$ 0
Series 2010	4,620,000	0	0	4,620,000	500,000
	<u>\$ 5,745,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,745,000</u>	<u>\$ 500,000</u>
Capital Leases					
2015 Pierce Arrow	\$ 664,639	\$ 0	\$ (66,036)	\$ 598,603	\$ 67,773
Communication System	0	159,241	(39,810)	119,431	39,810
	<u>\$ 664,639</u>	<u>\$ 159,241</u>	<u>\$ (105,846)</u>	<u>\$ 718,034</u>	<u>\$ 107,583</u>

Long-term debt at December 31, 2017 is comprised of the following:

General Obligation Bonds, Series 2002 - \$1,125,000 original principal; dated April 17, 2002; with balloon principal payments due in 2024 and 2025; interest payable semi-annually on January 1 and July 1 at rates ranging from 4.90% to 6.40%.

General Obligation Bonds, Series 2010 - \$7,745,000 original principal; dated May 18, 2010; due in annual installments through January 1, 2028; interest payable semi-annually on January 1 and July 1 at rates ranging from 3.00% to 4.30%.

Capital Leases

2015 Pierce Arrow - \$914,639 original principal, dated September 28, 2016; due in annual installments with the final balloon payment of unpaid principal on October 28, 2023; interest payable annually on September 28 at a rate of 2.63%.

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 4 – LONG-TERM DEBT (CONTINUED)

Capital Leases (Continued)

Communication Systems - \$159,241 original principal, dated December 13, 2016; due in annual installments through December, 2020. The lease bears no interest.

The assets acquired through the existing capital leases for governmental activities have a cost of \$1,073,880, accumulated depreciation of \$125,436, and a net book value of \$948,444 as of December 31, 2017.

Future payments of long-term debt at December 31, 2017 consist of the following:

Fiscal Year	Bonds Payable		Capital Lease Payable	
	Principal	Interest	Principal	Interest
2018	\$ 500,000	\$ 250,870	\$ 107,583	\$ 15,743
2019	500,000	230,870	109,365	13,961
2020	525,000	210,370	111,195	12,132
2021	435,000	191,170	73,262	10,254
2022	450,000	173,470	75,189	8,327
2023 - 2027	2,735,000	475,465	241,440	6,705
2028	600,000	12,900	0	0
	<u>\$ 5,745,000</u>	<u>\$ 1,545,115</u>	<u>\$ 718,034</u>	<u>\$ 67,122</u>

NOTE 5 – DEFERRED COMPENSATION PLAN

The District offers its employees deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits eligible District employees to contribute a portion of their earnings to a retirement fund established by the District. The deferred compensation is not available to employees until their termination, retirement, death, or unforeseeable emergency.

Plan assets are held in a trust for the exclusive benefits of participants and their beneficiaries. Under provisions of Governmental Accounting Standards Board Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the assets and liabilities of the deferred compensation plan are not included in the accompanying basic financial statements as assets and liabilities of the District.

NOTE 6 – DEFICIT BALANCES

At December 31, 2017, none of the individual funds has a deficit fund balance.

NOTE 7 – EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

At December 31, 2017, the following funds had excesses of actual expenditures over legally enacted budgeted and appropriated amounts for the period.

Fund	Actual Expenditures	Budgeted Expenditures
Pension Tax Levy	<u>\$ 1,323,221</u>	<u>\$ 1,289,742</u>

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 8 – RISK MANAGEMENT

The District is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; net income losses, and natural disasters. In order to protect against such losses, the District has joined the Illinois Public Risk Fund. The fund currently operates as a common risk management and insurance program for local governmental entities in the State of Illinois. The District pays annual premiums to the fund for its worker's compensation and employer liability insurance coverage. The employer liability insurance coverage amounts are as follows:

Bodily Injury by Accident	\$2,500,000 each accident
Bodily Injury by Disease	\$2,500,000 policy limit
Bodily Injury by Disease	\$2,500,000 each employee

NOTE 9 – ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description. The employer's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publically available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at www.imrf.org.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 9 – ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Funding Policy. As set by statute, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2016 was 11.88 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for the period from May 1, 2017 through December 31, 2017 was \$17,128.

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 9 – ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Executive Summary

Actuarial Valuation Date	December 31, 2016
Measurement Date of the Net Pension Liability	December 31, 2016
Fiscal Year End	December 31, 2017

Membership

Number of	
- Retirees and Beneficiaries	5
- Inactive, Non-Retired Members	3
- Active Members	3
- Total	<u>11</u>

Covered Valuation Payroll	<u>\$ 254,654</u>
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Net Pension Liability

Total Pension Liability/(Asset)	\$ 968,445
Plan Fiduciary Net Position	<u>712,395</u>
Net Pension Liability/(Asset)	<u>\$ 256,050</u>

Plan Fiduciary Net Position as a Percentage

of Total Pension Liability	73.56%
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Net Pension Liability as a Percentage

of Covered Valuation Payroll	100.55%
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Development of the Single Discount Rate as of December 31, 2016

Long-Term Expected Rate of Investment Return	7.50%
Long-Term Municipal Bond Rate	3.78%
Last year December 31 in the 2017 to 2116 projection period for which projected benefit payments are fully funded	2116
Resulting Single Discount Rate based on the above development	7.50%

Single Discount Rate calculated using December 31, 2015

Measurement Date	7.42%
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Total Pension Expense/(Income)	<u>\$ 86,997</u>
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Deferred Outflows and Deferred Inflows of Resources by Source
(to be recognized in Future Pension Expenses)

	Outflows of Resources	Inflows of Resources
1. Difference between expected and actual experience	\$ 86,816	\$ 69,637
2. Assumption Changes	2,590	5,388
3. Net Difference between projected and actual earnings on pension plan investments	29,386	0
4. Total	<u>\$ 118,792</u>	<u>\$ 75,025</u>

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 9 – ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

The District's Plan Year Adjustment of \$25,498 as of December 31, 2017 is reported as a deferred outflow of resources and represents all contributions made subsequent to the measurement date of December 31, 2016.

**DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES
BY YEAR TO BE RECOGNIZED IN FUTURE PENSION EXPENSES**

Plan Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ 28,934
2019	26,530
2020	(12,315)
2021	618
2022	0
Thereafter	0
Total	<u>\$ 43,767</u>

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 9 – ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CURRENT PERIOD

Calendar Year Ended December 31, 2016

A. Total pension liability	
1. Service cost	\$ 37,036
2. Interest on the total pension liability	73,844
3. Changes of benefit terms	0
4. Difference between expected and actual experience of the total pension liability	(94,291)
5. Changes of assumptions	(7,295)
6. Benefit payments, including refunds of employee contributions	(35,065)
7. Net change in total pension liability	(25,771)
8. Total pension liability— beginning	994,216
9. Total pension liability – ending	<u>\$ 968,445</u>
B. Plan fiduciary net position	
1. Contributions – employer	\$ 30,254
2. Contributions – employee	11,459
3. Net investment income	46,904
4. Benefit payments, including refunds of employee contributions	(35,065)
5. Other (net transfer)	(8,628)
6. Net change in plan fiduciary net position	44,924
7. Plan fiduciary net position – beginning	667,471
8. Plan fiduciary net position – ending	<u>\$ 712,395</u>
C. Net pension liability/(asset)	<u>\$ 256,050</u>
D. Plan fiduciary net position as a percentage of the total pension liability	73.56%
E. Covered Valuation Payroll	\$ 254,654
F. Net pension liability as a percentage of covered valuation payroll	100.55%

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 9 – ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

**SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
 USED IN THE CALCULATION OF THE TOTAL PENSION LIABILITY**

Methods and Assumptions Used to Determine Total Pension Liability

Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). the IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). the IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality table applying the same adjustment that was applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information: There were no benefit changes during the year.

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 9 – ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

CALCULATION OF THE SINGLE DISCOUNT RATE

GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required, as described in the following paragraph.

The single discount rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78%; and the resulting single discount rate is 7.50%.

SENSITIVITY OF NET PENSION LIABILITY/(ASSET) TO THE
SINGLE DISCOUNT RATE ASSUMPTION

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 1,065,790	\$ 968,445	\$ 886,229
Plan Fiduciary Net Position	712,395	712,395	712,395
Net Pension Liability/(Asset)	\$ 353,395	\$ 256,050	\$ 173,834

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57%; and the resulting single discount rate is 7.50%.

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65% - 7.35%
Cash Equivalents	1%	2.25%
	<u>100%</u>	

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 10 – FIREFIGHTERS’ PENSION FUND

The District participates in the Firefighters’ Pension Employer Retirement System (FPERS). The Firefighters’ Pension Plan (the Plan) is a single-employer defined benefit plan sponsored by the District. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The District accounts for the Plan as a pension trust fund. The Plan issues a separate report that includes financial statements, note disclosures, and requirement supplementary information. The report may be obtained by contacting the District.

The Plan is governed by a five-member Board of Trustees. Two members of the Board are appointed by the District’s President, one member is elected by pension beneficiaries, and two members are elected by active firefighter employees.

At December 31, 2017, the measurement date, membership consisted of:

Inactive Plan Members of Beneficiaries Currently Receiving Benefits	19
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	<u>46</u>
Total	<u>65</u>
Payroll of Active Plan Members	<u>\$ 4,076,603</u>

The Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date or retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 10 – FIREFIGHTERS’ PENSION FUND (CONTINUED)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters’ salary for pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}\%$ for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Employees are required by ILCS to contribute 9.455% of their base salary to the Firefighter’s Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The District is required to contribute the remaining amounts necessary to finance the plan, as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the District to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. The District has adopted a policy to fund 90% of the past service costs by 2040 using the entry-age normal actuarial cost method. For the period ended December 31, 2017, the District’s contribution was 31.4% of covered payroll.

Investment Policy

The Firefighters’ Pension Plan’s investment policy authorizes the Plan to invest in all investments allowed by ILCS. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, “investment grade” corporate bonds, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds. The Plan’s investment policy does limit their deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance. Additionally, the Plan will not invest in any institution in which the Plan’s investments are in excess of 75% of the institutions capital stock and surplus.

It is the policy of the Plan to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Plan and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity and rate of return.

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 10 – FIREFIGHTERS’ PENSION FUND (CONTINUED)

The Plan’s investment policy in accordance with ILCS establishes the following target allocation across asset classes:

	<u>Normal Allocation</u>	<u>Range of Allocation</u>
<u>Fixed Income</u>		
U.S. Treasury Bills/Notes/Bonds	30%	0-100%
U.S. Government Agency Securities (non-MBS)	35%	0-70%
U.S. Government Agency Securities - Callable	20%	0-30%
U.S. Government Agency Securities (MBS)	5%	0-10%
Taxable Municipal Securities	10%	0-20%
Certificates of Deposit	0%	0-20%
Investment Grade Corporate Bonds	0%	0-30%
<u>Equities</u>		
U.S. Large Company Stocks	70%	40-100%
U.S. Small Company Stocks	20%	0-40%
International Stocks	10%	0-20%

The long-term expected real rates of return are net of a 2.5% factor for inflation and investment expense. ILCS limit the Fund’s investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund’s investments was determined using an asset allocation study conducted by the Fund’s investment management consultant in January 2013 in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund’s target asset allocation as of December 31, 2017 are listed in the table above.

Concentrations

The Fund had the following concentrations of investments as of December 31, 2017 that represent 5% or more of the Plan’s net position restricted for pension benefits.

<u>Entity</u>	<u>Percentage</u>
Federal Home Loan Bank	13%
Federal Farm Credit Bank	12%

Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 10 – FIREFIGHTERS’ PENSION FUND (CONTINUED)

Interest Rate Risk

The following table presents the investments and maturities of the Plan's debt securities as of December 31, 2017:

Category	Fair Value	< 1 Year	1 - 5 Years	6 - 10 Years	> 10 Years
U.S. Governmental Obligations	\$ 1,253,078	\$ 249,852	\$ 627,941	\$ 375,285	\$ 0
U.S. Agency Obligations	6,989,639	198,644	2,425,057	4,365,938	0
Corporate Obligations	1,246,394	314,883	506,393	425,118	0
State & Local Obligations	1,386,745	70,494	878,984	437,267	0
U.S. Agency Mortgage Pools	44,916	0	0	0	44,916
Total	<u>\$ 10,920,772</u>	<u>\$ 833,873</u>	<u>\$ 4,438,375</u>	<u>\$ 5,603,608</u>	<u>\$ 44,916</u>

In accordance with its investment policy, the Plan limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Firefighters' Pension Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Firefighters' Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in securities of U.S. government agencies were all rated triple A by Moody's Investors Services or Standard and Poor's. In August 2011, U.S. Treasury and government agency security ratings were downgraded by Standard & Poor's rating agency to AA+.

Mutual funds and U.S. Government obligations are not subject to credit risk.

S&P Rating	U.S. Agency Obligations	Corporate Obligations	State & Local Obligations	Total	Percentage of Debt Portfolio
AAA	\$ 0	\$ 172,910	\$ 108,770	\$ 281,680	2.68%
AA+	6,989,639	201,828	353,964	7,545,431	78.52%
AA	0	150,896	226,022	376,918	2.70%
AA-	0	51,791	156,596	208,387	3.09%
A+	0	352,543	52,463	405,006	3.58%
A	0	201,587	0	201,587	2.94%
A-	0	114,839	0	114,839	0.76%
BBB	0	0	0	0	0.59%
Not Rated	0	0	488,930	488,930	5.14%
	<u>\$ 6,989,639</u>	<u>\$ 1,246,394</u>	<u>\$ 1,386,745</u>	<u>\$ 9,622,778</u>	<u>100.00%</u>

Custodial Credit Risk

In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the Firefighters' Pension Fund deposits may not be returned to it. At December 31, 2017, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Firefighters' Pension Fund's investment policy requires pledging of collateral of all balances in excess of federal depository insurance.

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 10 – FIREFIGHTERS’ PENSION FUND (CONTINUED)

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Firefighters’ Pension Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Illinois Funds, money market mutual funds, and equity mutual funds are not subject to custodial credit risk. In accordance with the Firefighters’ Pension Fund’s investment policy, the Firefighters’ Pension Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Firefighters’ Pension Fund, to act as a custodian for its securities and collateral.

Schedule of Total Pension Liability

	<u>2017</u>
Total Pension Liability - Ending (a)	<u>\$ 32,815,548</u>
Plan Fiduciary Net Position - Ending (b)	<u>24,950,576</u>
Employer Net Pension Liability - Ending (a) - (b)	<u>7,864,972</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.03%

Changes in Net Pension Liability

	<u>Increase (Decrease)</u>		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at May 1, 2017	\$ 31,192,030	\$ 22,323,196	\$ 8,868,834
Changes for the year:			
Service Cost	786,629	0	786,629
Interest	1,440,826	0	1,440,826
Actuarial Experience	30,438	0	30,438
Assumption Changes	0	0	0
Plan Changes	0	0	0
Contributions - Employer	0	1,323,261	(1,323,261)
Contributions - Employee	0	276,872	(276,872)
Contributions - Other	0	0	0
Net Investment Income	0	1,705,058	(1,705,058)
Benefit Payments, Including Refunds	(634,375)	(634,375)	0
Administrative Expenses	0	(43,436)	43,436
Net Changes	<u>1,623,518</u>	<u>2,627,380</u>	<u>(1,003,862)</u>
Balances at December 31, 2017	<u>\$ 32,815,548</u>	<u>\$ 24,950,576</u>	<u>\$ 7,864,972</u>

Changes in assumptions related to mortality table, retirement rates, disability rates, and termination rates may occur after the prior measurement date.

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 10 – FIREFIGHTERS’ PENSION FUND (CONTINUED)

Actuarial Assumptions

Actuarial Assumptions (Economic)

Discount Rate used for the Total Pension Liability	7.00%
Long-Term Expected Rate of Return on Plan Assets	7.00%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.44%
Projected Individual Salary Increases	4.00% - 14.77%
Projected Increase in Total Payroll	3.25%
Consumer Price Index (Urban)	2.50%
Inflation Rate Included	2.50%

Actuarial Assumptions (Demographic)

Mortality Table	L&A 2016 Illinois Firefighters Mortality Rates
Retirement Rates	L&A 2016 Illinois Firefighters Retirement Rates Capped at age 60
Disability Rates	125% of L&A 2016 Illinois Firefighters Disability Rates
Termination Rates	125% of L&A 2016 Illinois Firefighters Termination Rates
Percent Married	80.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments of 7.00% was blended with the index rates ranging from 3.44% to 3.82% for tax exempt general obligation municipal bonds rated AA or better at December 31, 2017 to arrive at a discount rate of 7.00% used to determine the total pension liability.

Discount Rate Sensitivity

The table below presents the net pension liability calculated using the discount rate of 7.00% as well as what the District’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer Net Pension Liability	\$ 13,528,005	\$ 7,864,972	\$ 3,343,719

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 10 – FIREFIGHTERS’ PENSION FUND (CONTINUED)

Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
1. Differences Between Expected and Actual Experience	\$ 28,375	\$ 306,535
2. Changes of Assumptions	120,648	354,423
3. Net Difference Between Projected and Actual Earnings on Pension Plan Investments	538,922	946,918
4. Contributions Subsequent to the Measurement Date*	0	0
5. Total	<u>\$ 687,945</u>	<u>\$ 1,607,876</u>

*Contributions subsequent to the measurement date may be recognized as a reduction to the NPL. There were no contributions subsequent to the measurement date.

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a 5 year period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in pension expense as follows:

For the Year Ended December 31, 2018	\$ (78,584)
2019	(78,584)
2020	(232,563)
2021	(231,409)
2022	(106,766)
Thereafter	(192,025)
	<u>\$ (919,931)</u>

NOTE 11 – AGGREGATE PENSION DISCLOSURES

The following chart includes disclosures for the District’s pension disclosures in aggregate as of or for the period ended December 31, 2017.

	IMRF	Firefighters’ Pension	Total
Net Pension Assets	\$ 0	\$ 0	\$ 0
Deferred Outflows	144,290	687,945	832,235
Net Pension Liabilities	256,050	7,864,972	8,121,022
Deferred Inflows	75,025	1,607,876	1,682,901

The general & fire pension funds have been typically used in prior years to liquidate the net pension obligation.

Algonquin-Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Eight Months Ended December 31, 2017

NOTE 12 – POST-EMPLOYMENT HEALTH PLAN

By resolution on December 13, 2006, the District adopted the Post-Employment Health Plans for Public Employees and Collectively Bargained Public Employees of the Algonquin-Lake in the Hills Fire Protection District. Nationwide Retirement Solutions administers the Plan as a defined contribution plan. The plan was established as a good attendance incentive. Employees, whose sick leave usage qualifies, shall receive good attendance incentive payments into their PEHP account based on the number of sick leave hours used during the preceding calendar year. Employee benefits are in individual accounts and employees are responsible for administrative fees only when eligible to participate.

NOTE 13 – CHANGE OF FISCAL YEAR END

In August 2017, the District passed an ordinance to change its fiscal year end from April 30 to December 31.

NOTE 14 – SUBSEQUENT EVENTS

The date to which events occurring after December 31, 2017, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is June 18, 2018, the date the financial statements were available to be issued.

**Algonquin-Lake in the Hills Fire Protection District
Illinois Municipal Retirement Fund (IMRF) Disclosures
For The Eight Months Ended December 31, 2017**

In accordance with GASB Statement No. 68, "Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27," the financial statements of employers also include required supplementary information showing the 10-year financial history of:

- * Sources of changes in the net pension liability;
- * Information about the components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percent of covered-employee payroll, and
- * Comparison of actual employer contributions to the actuarially determined contributions based on the plan's funding policy.

**Multiyear Schedule of Employer Contributions
Illinois Municipal Retirement Fund (IMRF)**

Fiscal Year Ending,	Actuarially Determined Contribution		Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
4/30/2017	26,482	2)	28,763	(2,281)	222,912	12.90%
4/30/2016	35,945	3)	32,983	2,962	298,048	11.07%

1) Estimated based on contribution rate of 11.88% and covered valuation payroll of \$222,912

2) Estimated based on contribution rate of 12.06% and covered valuation payroll of \$298,048

GASB Pronouncements 67 and 68 require the presentation of the last ten prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented in this schedule.

**Algonquin-Lake in the Hills Fire Protection District
Illinois Municipal Retirement Fund (IMRF) Disclosures (Continued)
For The Eight Months Ended December 31, 2017**

NOTES TO THE SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes

Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2016 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10 year-rolling period. Taxing bodies (Regular, SLEP and ECO groups): 27-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 22 years for most employers (two employers were financed over 31 years). 5-Year smoothed market; 20% corridor
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.50%
Price Inflation	2.75% – approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes

There were no benefit changes during the year.

Algonquin-Lake in the Hills Fire Protection District
Illinois Municipal Retirement Fund (IMRF) Disclosures (Continued)
For The Eight Months Ended December 31, 2017

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
 Illinois Municipal Retirement Fund

Plan Year Ending,	12/31/2016	12/31/2015
Total Pension Liability		
Service Cost	\$ 37,036	\$ 34,488
Interest on the Total Pension Liability	73,844	56,237
Benefit Changes	0	0
Differences Between Expected and Actual Experience	(94,291)	175,968
Assumption Changes	(7,295)	5,248
Benefit Payments and Refunds	(35,065)	(26,628)
Net Change in Total Pension Liability	(25,771)	245,313
Total Pension Liability-- Beginning	994,216	748,903
Total Pension Liability -- Ending (a)	<u>\$ 968,445</u>	<u>\$ 994,216</u>
Plan Fiduciary Net Position		
Employer Contributions	\$ 30,254	\$ 35,133
Employee Contributions	11,459	34,500
Pension Plan Net Investment Income	46,904	3,194
Benefit Payments and Refunds	(35,065)	(26,628)
Other	(8,628)	3,886
Net Change in Plan Fiduciary Net Position	44,924	50,085
Plan Fiduciary Net Position		
Beginning	667,471	617,386
Ending (b)	<u>\$ 712,395</u>	<u>\$ 667,471</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u>\$ 256,050</u>	<u>\$ 326,745</u>
Plan Fiduciary Net Position as		
a Percentage of Total Pension Liability	73.56%	67.14%
Covered Valuation Payroll	254,654	291,327
Net Pension Liability as a Percentage		
of Covered Valuation Payroll	100.55%	112.16%

GASB Pronouncements 67 and 68 require the presentation of the last 10 prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented in this schedule.

**Algonquin-Lake in the Hills Fire Protection District
Firefighters' Pension Employer Retirement System Disclosures
For The Eight Months Ended December 31, 2017**

Multiyear Schedule of Employer Contributions
Firefighters' Pension Employer Retirement System

Fiscal Year Ended,	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution (Excess)/ Deficiency	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/2017	\$ 1,370,207	\$ 1,323,261	\$ 46,946	\$ 4,209,093	31.4%
4/30/2017	1,263,289	1,282,711	(19,422)	4,076,603	31.5%
4/30/2016	1,267,113	1,138,707	128,406	3,924,431	29.0%
4/30/2015	1,120,837	1,038,605	82,232	3,769,792	27.6%

Actuarial Assumptions (Economic)

Valuation Date	May 1, 2017
Discount Rate used for the Total Pension Liability	7.00%
Long-Term Expected Rate of Return on Plan Assets	7.00%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.44%
Projected Individual Salary Increases	4.00 - 14.77%
Projected Increase in Total Payroll	3.25%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%

Actuarial Assumptions (Demographic)

Valuation Date	May 1, 2017
Mortality Table	L&A 2016 Illinois Firefighters Mortality Rates
Retirement Rates	L&A 2016 Illinois Firefighters Retirement Rates Capped at Age 60
Disability Rates	125% of L&A 2016 Illinois Firefighters Disability Rates
Termination Rates	125% of L&A 2016 Illinois Firefighters Termination Rates
Percent Married	80.00%

GASB Pronouncements 67 and 68 require the presentation of the last 10 prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented in this schedule.

**Algonquin-Lake in the Hills Fire Protection District
Firefighters' Pension Employer Retirement System Disclosures (Continued)
For The Eight Months Ended December 31, 2017**

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios

Firefighters' Pension Employer Retirement System

Plan Year Ending,	12/31/2017	4/30/2017	4/30/2016	4/30/2015
Total Pension Liability				
Service Cost	\$ 786,629	\$ 1,102,751	\$ 1,013,003	\$ 1,057,753
Interest	1,440,826	2,031,742	1,891,599	1,742,830
Change of Benefit Terms	0	0	0	0
Differences Between Expected and Actual Experience	30,438	(134,839)	(264,800)	0
Changes in Assumptions	0	(426,696)	164,224	0
Benefit Payments and Refunds	(634,375)	(811,638)	(792,325)	(558,280)
Net Change in Total Pension Liability	1,623,518	1,761,320	2,011,701	2,242,303
Total Pension Liability-- Beginning	31,192,030	29,430,710	27,419,009	25,176,706
Total Pension Liability -- Ending	<u>\$ 32,815,548</u>	<u>\$ 31,192,030</u>	<u>\$ 29,430,710</u>	<u>\$ 27,419,009</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 1,323,261	\$ 1,282,711	\$ 1,138,707	\$ 1,038,605
Contributions - Member	276,872	367,203	363,559	376,984
Net Investment Income	1,705,058	1,982,512	178,428	1,305,653
Benefit Payments and Refunds	(634,375)	(811,638)	(792,325)	(558,279)
Administrative Expense	(43,436)	(55,737)	(43,684)	(48,497)
Net Change in Plan Fiduciary Net Position	2,627,380	2,765,051	844,685	2,114,466
Plan Fiduciary Net Position				
Beginning	22,323,196	19,558,145	18,713,460	16,598,994
Ending	<u>\$ 24,950,576</u>	<u>\$ 22,323,196</u>	<u>\$ 19,558,145</u>	<u>\$ 18,713,460</u>
Employer Net Pension Liability	<u>\$ 7,864,972</u>	<u>\$ 8,868,834</u>	<u>\$ 9,872,565</u>	<u>\$ 8,705,549</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability				
	76.03%	71.57%	66.45%	68.25%
Covered-Employee Payroll	4,209,093	4,076,603	3,924,431	3,769,792
Employer Net Pension Liability as a Percentage of Covered Employee-Payroll				
	186.86%	217.55%	251.57%	230.93%

GASB Pronouncements 67 and 68 require the presentation of the last 10 prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented in this schedule.

Algonquin-Lake in the Hills Fire Protection District
Firefighters' Pension Employer Retirement System Disclosures (Continued)
For The Eight Months Ended December 31, 2017

Schedule of Investment Returns
Firefighters' Pension Employer Retirement System

	<u>12/31/2017</u>	<u>4/30/2017</u>	<u>4/30/2016</u>	<u>4/30/2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	7.05%	9.83%	(a)	7.62%

(a) - This information is not readily available.

GASB Pronouncements 67 and 68 require the presentation of the last 10 prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented in this schedule.

Algonquin-Lake in the Hills Fire Protection District
General Fund
Budgetary Comparison Schedule
For The Eight Months Ended December 31, 2017

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
REVENUES				
Property Taxes	\$ 3,516,111	\$ 3,516,111	\$ 3,561,280	\$ 45,169
Intergovernmental	0	0	55,605	55,605
Interest Earned	1,400	1,400	982	(418)
Charges for Services	22,000	22,000	8,495	(13,505)
Grants	0	0	0	0
Miscellaneous	4,800	4,800	1,274	(3,526)
TOTAL REVENUES	3,544,311	3,544,311	3,627,636	83,325
EXPENDITURES				
Personnel Services				
Salaries and Wages	2,281,615	2,281,615	1,407,320	874,295
Unemployment Taxes	6,000	6,000	738	5,262
Other Payroll	37,709	37,709	12,534	25,175
Life Insurance	1,150	1,150	0	1,150
Hospital / Medical Insurance	499,413	499,413	258,185	241,228
Operations & Supplies				
Administrative	48,881	48,881	9,373	39,508
Buildings & Grounds	42,341	42,341	25,903	16,438
Commission	8,125	8,125	1,954	6,171
Communications / IT	111,475	111,475	83,781	27,694
Fire Prevention / Pub Ed	4,137	4,137	2,177	1,960
Protective Clothing & Equipment	29,011	29,011	34,333	(5,322)
Professional Services	48,800	48,800	31,910	16,890
Special Teams	4,016	4,016	2,713	1,303
Training	23,090	23,090	9,358	13,732
Travel & Conference	19,606	19,606	8,839	10,767
Utilities	57,215	57,215	40,800	16,415
Vehicle & Equipment	161,760	161,760	77,985	83,775
Foreign Fire Expenditures	0	0	31,012	(31,012)
TOTAL EXPENDITURES	3,384,344	3,384,344	2,038,915	1,345,429
EXCESS OF REVENUES OVER EXPENDITURES	159,967	159,967	1,588,721	1,428,754
OTHER FINANCING USES				
Transfers Out	0	0	(1,659,968)	(1,659,968)
TOTAL OTHER FINANCING USES	0	0	(1,659,968)	(1,659,968)
NET CHANGE IN FUND BALANCE	\$ 159,967	\$ 159,967	(71,247)	\$ (231,214)
FUND BALANCES, BEGINNING OF PERIOD			1,306,349	
END OF PERIOD			\$ 1,235,102	

Algonquin-Lake in the Hills Fire Protection District
Ambulance Fund
Budgetary Comparison Schedule
For The Eight Months Ended December 31, 2017

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
REVENUES				
Property Taxes	\$ 3,516,111	\$ 3,516,111	\$ 3,561,280	\$ 45,169
Interest Earned	1,400	1,400	0	(1,400)
Charges for Services	1,082,162	1,082,162	610,009	(472,153)
Grants	0	0	0	0
Miscellaneous	7,000	7,000	4,120	(2,880)
TOTAL REVENUES	4,606,673	4,606,673	4,175,409	(431,264)
EXPENDITURES				
Personnel Services				
Salaries and Wages	2,290,212	2,290,212	1,406,365	883,847
Unemployment Taxes	6,000	6,000	738	5,262
Other Payroll	37,709	37,709	12,534	25,175
Life Insurance	1,150	1,150	0	1,150
Hospital / Medical Insurance	499,412	499,412	258,185	241,227
Operations & Supplies				
Administrative & Commodity	48,881	48,881	43,256	5,625
Buildings & Grounds	42,339	42,339	27,431	14,908
Commission	8,125	8,125	1,954	6,171
Communications / IT	252,343	252,343	126,732	125,611
EMS / CPR	32,466	32,466	19,219	13,247
Fire Prevention / Pub Ed	4,138	4,138	2,655	1,483
Protective Clothing & Equipment	29,010	29,010	25,851	3,159
Employee Wellness	32,765	32,765	24,229	8,536
Professional Services	48,800	48,800	26,532	22,268
Special Teams	4,015	4,015	6,867	(2,852)
Training	23,090	23,090	18,456	4,634
Travel & Conference	20,855	20,855	8,751	12,104
Utilities	57,215	57,215	40,626	16,589
Vehicle & Equipment	67,560	67,560	53,883	13,677
TOTAL EXPENDITURES	3,506,085	3,506,085	2,104,264	1,401,821
EXCESS OF REVENUES OVER EXPENDITURES	1,100,588	1,100,588	2,071,145	970,557
OTHER FINANCING USES				
Transfers Out	(1,100,588)	(1,100,588)	(2,600,588)	(1,500,000)
TOTAL OTHER FINANCING USES	(1,100,588)	(1,100,588)	(2,600,588)	(1,500,000)
NET CHANGE IN FUND BALANCE	\$ 0	\$ 0	(529,443)	\$ (529,443)
FUND BALANCES, BEGINNING OF PERIOD			1,505,034	
END OF PERIOD			\$ 975,591	

Algonquin-Lake in the Hills Fire Protection District
Pension Tax Levy Fund
Budgetary Comparison Schedule
For The Eight Months Ended December 31, 2017

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
REVENUES				
Property Taxes	\$ 1,269,742	\$ 1,269,742	\$ 1,299,060	\$ 29,318
Replacement Tax	20,000	20,000	15,566	(4,434)
TOTAL REVENUES	<u>1,289,742</u>	<u>1,289,742</u>	<u>1,314,626</u>	<u>24,884</u>
EXPENDITURES				
Payments to Pension Fund	<u>1,289,742</u>	<u>1,289,742</u>	<u>1,323,221</u>	<u>(33,479)</u>
TOTAL EXPENDITURES	<u>1,289,742</u>	<u>1,289,742</u>	<u>1,323,221</u>	<u>(33,479)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	<u>(8,595)</u>	<u>\$ (8,595)</u>
FUND BALANCES,				
BEGINNING OF PERIOD			<u>17,753</u>	
END OF PERIOD			<u>\$ 9,158</u>	

Algonquin-Lake in the Hills Fire Protection District
Capital Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Eight Months Ended December 31, 2017

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
REVENUES				
Interest Earned	\$ 500	\$ 500	\$ 22,108	\$ 21,608
Charges for Services	10,000	10,000	2,159	(7,841)
Grants	38,000	38,000	0	(38,000)
TOTAL REVENUES	48,500	48,500	24,267	(24,233)
EXPENDITURES				
Debt				
Principal	293,000	293,000	105,846	187,154
Interest	541,200	541,200	147,915	393,285
Capital				
Buildings / Lands	120,650	120,650	27,306	93,344
Information Systems	120,000	120,000	207,016	(87,016)
EMS Equipment	0	0	371,395	(371,395)
TOTAL EXPENDITURES	1,074,850	1,074,850	859,478	215,372
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,026,350)	(1,026,350)	(835,211)	191,139
OTHER FINANCING SOURCES				
Issuance of Debt	0	0	159,241	159,241
Transfers In	0	0	1,867,556	1,867,556
TOTAL OTHER FINANCING SOURCES	0	0	2,026,797	2,026,797
NET CHANGE IN FUND BALANCE	\$ (1,026,350)	\$ (1,026,350)	1,191,586	\$ 2,217,936
FUND BALANCES, BEGINNING OF PERIOD			695,149	
END OF PERIOD			\$ 1,886,735	

Algonquin-Lake in the Hills Fire Protection District
Non-Major Governmental Funds
Combining Balance Sheet
December 31, 2017

	Special Revenue Funds					Capital Projects	
	Insurance	Audit	Social Security	Medicare	Rescue	Vehicle	Total
ASSETS							
Cash	\$ 460,953	\$ 2,807	\$ 43,600	\$ 51,754	\$ 5,594	\$ 3,184,470	\$ 3,749,178
Property Taxes Receivable	610,407	7,814	70,800	78,131	913,174	0	1,680,326
Prepaid Expenditures	53,324	0	0	0	0	0	53,324
TOTAL ASSETS	1,124,684	10,621	114,400	129,885	918,768	3,184,470	5,482,828
TOTAL DEFERRED OUTFLOWS	0	0	0	0	0	0	0
TOTAL ASSETS AND DEFERRED OUTFLOWS	1,124,684	10,621	114,400	129,885	918,768	3,184,470	5,482,828
TOTAL LIABILITIES	0	0	0	0	0	0	0
DEFERRED INFLOWS							
Deferred Property Taxes	610,407	7,814	70,800	78,131	913,174	0	1,680,326
TOTAL DEFERRED INFLOWS	610,407	7,814	70,800	78,131	913,174	0	1,680,326
FUND BALANCES							
Non-spendable	53,324	0	0	0	0	0	53,324
Restricted	460,953	2,807	43,600	51,754	5,594	0	564,708
Assigned	0	0	0	0	0	3,184,470	3,184,470
TOTAL FUND BALANCES	514,277	2,807	43,600	51,754	5,594	3,184,470	3,802,502
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 1,124,684	\$ 10,621	\$ 114,400	\$ 129,885	\$ 918,768	\$ 3,184,470	\$ 5,482,828

**Algonquin-Lake in the Hills Fire Protection District
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Eight Months Ended December 31, 2017**

	Special Revenue Funds						Capital Projects	
	Social					Rescue	Vehicle	Total
	Insurance	Audit	Security	Medicare				
REVENUES								
Property Taxes	\$ 652,862	\$ 12,576	\$ 68,193	\$ 77,382	\$ 909,177	\$	0	\$ 1,720,190
TOTAL REVENUES	<u>652,862</u>	<u>12,576</u>	<u>68,193</u>	<u>77,382</u>	<u>909,177</u>		<u>0</u>	<u>1,720,190</u>
EXPENDITURES								
Insurance	388,265	0	0	0	0	0	0	388,265
Audit	0	12,000	0	0	0	0	0	12,000
Social Security	0	0	41,402	0	0	0	0	41,402
Medicare	0	0	0	49,876	0	0	0	49,876
Rescue	0	0	0	0	903,583	0	0	903,583
TOTAL EXPENDITURES	<u>388,265</u>	<u>12,000</u>	<u>41,402</u>	<u>49,876</u>	<u>903,583</u>		<u>0</u>	<u>1,395,126</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>264,597</u>	<u>576</u>	<u>26,791</u>	<u>27,506</u>	<u>5,594</u>		<u>0</u>	<u>325,064</u>
OTHER FINANCING SOURCES								
Transfers In	0	0	0	0	0	0	2,393,000	2,393,000
TOTAL OTHER FINANCING SOURCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,393,000</u>	<u>2,393,000</u>
NET CHANGE IN FUND BALANCE	<u>264,597</u>	<u>576</u>	<u>26,791</u>	<u>27,506</u>	<u>5,594</u>		<u>2,393,000</u>	<u>2,718,064</u>
FUND BALANCES, BEGINNING OF PERIOD	<u>249,680</u>	<u>2,231</u>	<u>16,809</u>	<u>24,248</u>	<u>0</u>		<u>791,470</u>	<u>1,084,438</u>
END OF PERIOD	<u>\$ 514,277</u>	<u>\$ 2,807</u>	<u>\$ 43,600</u>	<u>\$ 51,754</u>	<u>\$ 5,594</u>	<u>\$</u>	<u>\$ 3,184,470</u>	<u>\$ 3,802,502</u>

Algonquin-Lake in the Hills Fire Protection District
Insurance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Eight Months Ended December 31, 2017

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
REVENUES				
Property Taxes	\$ 645,740	\$ 645,740	\$ 652,862	\$ 7,122
TOTAL REVENUES	<u>645,740</u>	<u>645,740</u>	<u>652,862</u>	<u>7,122</u>
EXPENDITURES				
Salaries & Wages	176,207	176,207	128,599	47,608
Workers Compensation	390,000	390,000	215,441	174,559
General Liability	88,000	88,000	40,273	47,727
Accident & Sickness	7,800	7,800	3,952	3,848
TOTAL EXPENDITURES	<u>662,007</u>	<u>662,007</u>	<u>388,265</u>	<u>273,742</u>
NET CHANGE IN FUND BALANCE	<u>\$ (16,267)</u>	<u>\$ (16,267)</u>	<u>\$ 264,597</u>	<u>\$ 280,864</u>
FUND BALANCES,				
BEGINNING OF PERIOD			<u>249,680</u>	
END OF PERIOD			<u>\$ 514,277</u>	

Algonquin-Lake in the Hills Fire Protection District
Audit Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Eight Months Ended December 31, 2017

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
REVENUES				
Property Taxes	\$ 12,415	\$ 12,415	\$ 12,576	\$ 161
TOTAL REVENUES	<u>12,415</u>	<u>12,415</u>	<u>12,576</u>	<u>161</u>
EXPENDITURES				
Audit	12,000	12,000	12,000	0
TOTAL EXPENDITURES	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	<u>\$ 415</u>	<u>\$ 415</u>	576	<u>\$ 161</u>
FUND BALANCES, BEGINNING OF PERIOD			<u>2,231</u>	
END OF PERIOD			<u>\$ 2,807</u>	

Algonquin-Lake in the Hills Fire Protection District
Social Security Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Eight Months Ended December 31, 2017

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
REVENUES				
Property Taxes	\$ 67,324	\$ 67,324	\$ 68,193	\$ 869
TOTAL REVENUES	<u>67,324</u>	<u>67,324</u>	<u>68,193</u>	<u>869</u>
EXPENDITURES				
Social Security	67,324	67,324	41,402	25,922
TOTAL EXPENDITURES	<u>67,324</u>	<u>67,324</u>	<u>41,402</u>	<u>25,922</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	26,791	<u>\$ 26,791</u>
FUND BALANCES,				
BEGINNING OF PERIOD			16,809	
END OF PERIOD			<u>\$ 43,600</u>	

Algonquin-Lake in the Hills Fire Protection District
Medicare Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Eight Months Ended December 31, 2017

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
REVENUES				
Property Taxes	\$ 76,396	\$ 76,396	\$ 77,382	\$ 986
TOTAL REVENUES	<u>76,396</u>	<u>76,396</u>	<u>77,382</u>	<u>986</u>
EXPENDITURES				
Medicare	76,396	76,396	49,876	26,520
TOTAL EXPENDITURES	<u>76,396</u>	<u>76,396</u>	<u>49,876</u>	<u>26,520</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	27,506	<u>\$ 27,506</u>
FUND BALANCES,				
BEGINNING OF YEAR			<u>24,248</u>	
END OF YEAR			<u>\$ 51,754</u>	

Algonquin-Lake in the Hills Fire Protection District
Rescue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Eight Months Ended December 31, 2017

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
REVENUES				
Property Taxes	\$ 932,882	\$ 932,882	\$ 909,177	\$ (23,705)
TOTAL REVENUES	<u>932,882</u>	<u>932,882</u>	<u>909,177</u>	<u>(23,705)</u>
EXPENDITURES				
Salaries and Wages	878,191	878,191	898,353	(20,162)
Administrative and Commodity:				
Special Teams	13,220	13,220	1,236	11,984
Vehicle & Equipment Expenses	39,464	39,464	3,994	35,470
TOTAL EXPENDITURES	<u>930,875</u>	<u>930,875</u>	<u>903,583</u>	<u>27,292</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,007</u>	<u>\$ 2,007</u>	5,594	<u>\$ 3,587</u>
FUND BALANCES,				
BEGINNING OF PERIOD			<u>0</u>	
END OF PERIOD			<u>\$ 5,594</u>	

Algonquin-Lake in the Hills Fire Protection District
Vehicle Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Eight Months Ended December 31, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
TOTAL REVENUES	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES				
Vehicle/Apparatus	393,000	393,000	0	393,000
TOTAL EXPENDITURES	393,000	393,000	0	393,000
OTHER FINANCING SOURCES				
Transfers In	393,000	393,000	2,393,000	2,000,000
TOTAL OTHER FINANCING SOURCES	393,000	393,000	2,393,000	2,000,000
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	2,393,000	<u>\$ 2,393,000</u>
FUND BALANCES,				
BEGINNING OF PERIOD			791,470	
END OF PERIOD			<u>\$ 3,184,470</u>	

Algonquin-Lake in the Hills Fire Protection District
Debt Service Requirements
General Obligation Bonds, Series 2002 & Series 2010
December 31, 2017

Series: Series 2002
Date of Issue: April 17, 2002
Authorized Issue: \$7,595,000
Interest Rates: 4.90% - 6.40%
Interest Dates: January 1 and July 1
Principal Maturity Date: January 1, 2025

Fiscal Year	Requirements			Interest Due On			
	Principal Payments	Interest	Total	July 1	Amount	January 1	Amount
2018	\$ 0	\$ 72,000	\$ 72,000	2018	\$ 36,000	2018	\$ 36,000
2019	0	72,000	72,000	2019	36,000	2019	36,000
2020	0	72,000	72,000	2020	36,000	2020	36,000
2021	0	72,000	72,000	2021	36,000	2021	36,000
2022	0	72,000	72,000	2022	36,000	2022	36,000
2023	0	72,000	72,000	2023	36,000	2023	36,000
2024	535,000	54,880	589,880	2024	18,880	2024	36,000
2025	590,000	18,880	608,880			2025	18,880
	<u>\$ 1,125,000</u>	<u>\$ 505,760</u>	<u>\$ 1,630,760</u>		<u>\$ 234,880</u>		<u>\$ 270,880</u>

Series: Series 2010
Date of Issue: May 18, 2010
Authorized Issue: \$7,745,000
Interest Rates: 3.00% - 4.30%
Interest Dates: January 1 and July 1
Principal Maturity Date: January 1, 2028

Fiscal Year	Requirements			Interest Due On			
	Principal Payments	Interest	Total	July 1	Amount	January 1	Amount
2018	\$ 500,000	\$ 178,870	\$ 678,870			2018	\$ 94,435
2019	500,000	158,870	658,870	2018	84,435	2019	84,435
2020	525,000	138,370	663,370	2019	74,435	2020	74,435
2021	435,000	119,170	554,170	2020	63,935	2021	63,935
2022	450,000	101,470	551,470	2021	55,235	2022	55,235
2023	475,000	82,970	557,970	2022	46,235	2023	46,235
2024	0	73,470	73,470	2023	36,735	2024	36,735
2025	0	73,470	73,470	2024	36,735	2025	36,735
2026	555,000	61,815	616,815	2025	36,735	2026	36,735
2027	580,000	37,980	617,980	2026	25,080	2027	25,080
2028	600,000	12,900	612,900	2027	12,900	2028	12,900
	<u>\$ 4,620,000</u>	<u>\$ 1,039,355</u>	<u>\$ 5,659,355</u>		<u>\$ 472,460</u>		<u>\$ 566,895</u>

Algonquin-Lake in the Hills Fire Protection District
Government-Wide Net Position by Component
Last Ten Years
December 31, 2017

<u>Fiscal Year</u>	<u>Net Investment in Capital Assets</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
<u>Government Activities</u>				
2009	\$ 1,391,869	\$ 870,234	\$ 863,835	\$ 3,125,938
2010	1,664,291	31,854	1,402,553	3,098,698
2011	1,910,612	32,343	820,143	2,763,098
2012	2,012,807	32,385	982,080	3,027,272
2013	2,426,357	1,371,527	(119,802)	3,678,082
2014	2,441,816	1,467,662	(246,030)	3,663,448
2015^^	2,718,432	1,246,308	(7,640,051)	(3,675,311)
2016	4,003,697	1,407,726	(8,847,972)	(3,436,549)
2017*	3,066,562	1,786,657	(8,074,616)	(3,221,397)
2017**	7,595,552	1,530,479	(8,401,308)	724,723
<u>Business Activities</u>				
2009	225,350	0	130,636	355,986
2010	274,691	0	114,579	389,270
2011	290,919	0	95,852	386,771
2012	274,247	0	106,077	380,324
2013	213,152	0	149,037	362,189
2014	10,308	0	39,972	50,280
2015	0	0	0	0
2016	0	0	0	0
2017	0	0	0	0
2017**	0	0	0	0
<u>Total</u>				
2009	1,617,219	870,234	994,471	3,481,924
2010	1,938,982	31,854	1,517,132	3,487,968
2011	2,201,531	32,343	915,995	3,149,869
2012	2,287,054	32,385	1,088,157	3,407,596
2013	2,639,509	1,371,527	29,235	4,040,271
2014	2,452,124	1,467,662	(206,058)	3,713,728
2015^^	2,718,432	1,246,308	(7,640,051)	(3,675,311)
2016	4,003,697	1,407,726	(8,847,972)	(3,436,549)
2017*	3,066,562	1,786,657	(8,074,616)	(3,221,397)
2017**	7,595,552	1,530,479	(8,401,308)	724,723

^^ Fiscal Year 2015 has been restated for to comply with the requirements of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions."

* Fiscal Year 2017 has been restated to report foreign fire insurance activity in the general fund.

** Indicates eight month audit period ended December 31.

Data Source

Fire district records

Algonquin-Lake in the Hills Fire Protection District
Government-Wide Expenses, Program Revenues, and Net Expense
Last Ten Years
December 31, 2017

EXPENSES				
Fiscal Year	Governmental Activities			
	Interest on Long-Term			Subtotal
	Public Safety	Debt		
2009	\$ 8,752,364	(a)	\$	8,752,364
2010	9,072,228	(a)		9,072,228
2011	9,606,867	(a)		9,606,867
2012	9,289,204	(a)		9,289,204
2013	9,113,243	335,020		9,448,263
2014	8,524,617	326,820		8,851,437
2015	8,774,548	303,970		9,078,518
2016	8,764,917	291,870		9,056,787
2017	9,973,389	283,733		10,257,122
2017**	6,730,875	185,133		6,916,008

PROGRAM REVENUES				
Fiscal Year	Governmental Activities			
	Operating Grants and			Subtotal
	Charges for Services	Contributions		
2009	\$ 933,992	\$ 2,295	\$	936,287
2010	845,512	48,889		894,401
2011	1,033,568	50,681		1,084,249
2012	1,098,891	105,935		1,204,826
2013	945,451	219,692		1,165,143
2014	836,148	130,121		966,269
2015	1,200,832	318,251		1,519,083
2016	1,186,651	29,871		1,216,522
2017	1,159,271	25,218		1,184,489
2017**	632,203	0		632,203

TOTAL NET EXPENSE	
Governmental Activities	
2009	(7,816,077)
2010	(8,177,827)
2011	(8,522,618)
2012	(8,084,378)
2013	(8,283,120)
2014	(7,885,168)
2015	(7,559,435)
2016	(7,840,265)
2017	(9,072,633)
2017**	(6,283,805)

(a) - Data not readily available for the indicated years

** Indicates eight month audit period ended December 31

Data Source

Fire district records

Algonquin-Lake in the Hills Fire Protection District
Government-Wide Expenses, Program Revenues, and Net Expense
Last Ten Years (Continued)
December 31, 2017

Fiscal Year	<u>EXPENSES</u>	
	Business Type Activities	
		Radio Fire Frequency Alarm Services
2009		\$ 213,583
2010		264,995
2011		333,811
2012		393,565
2013		429,418
2014		519,929
2015		210,773
2016		0
2017		0
2017**		0

	<u>PROGRAM REVENUES</u>		
	Business Type Activities		
	Charges for Services	Operating Grants and Contributions	Subtotal
2009	\$ 293,748	\$ 0	\$ 293,748
2010	297,934	0	297,934
2011	330,903	0	330,903
2012	386,730	0	386,730
2013	407,236	0	407,236
2014	207,315	0	207,315
2015	245	0	245
2016	0	0	0
2017	0	0	0
2017**	0	0	0

	<u>TOTAL NET EXPENSE</u>
	Business Type Activities
2009	80,165
2010	32,939
2011	(2,908)
2012	(6,835)
2013	(22,182)
2014	(312,614)
2015	(210,528)
2016	0
2017	0
2017**	0

** Indicates eight month audit period ended December 31

Data Source

Fire district records

Algonquin-Lake in the Hills Fire Protection District
Government-Wide Revenue and Other Changes in Net Position
Last Ten Years
December 31, 2017

GENERAL REVENUES AND TRANSFERS

Governmental Activities

Fiscal Year	Property Taxes	Replacement Taxes	Interest Income	Miscellaneous	Transfers	Subtotal
2009	\$ 7,604,634	\$ 32,651	\$ 67,742	\$ 36,737	\$ 0	\$ 7,741,764
2010	7,992,978	28,901	15,714	112,994	0	8,150,587
2011	8,067,024	32,125	24,327	63,542	0	8,187,018
2012	8,333,180	28,980	20,437	(34,045)	0	8,348,552
2013	8,357,885	28,732	10,624	16,257	0	8,413,498
2014	7,820,930	32,881	4,879	11,844	0	7,870,534
2015	7,926,824	32,081	5,503	17,731	(160,209)	7,821,930
2016	8,025,323	30,724	9,885	13,095	0	8,079,027
2017	9,057,918	34,142	6,965	72,930	0	9,171,955
2017**	10,141,810	15,566	23,090	49,459	0	10,229,925

TOTAL CHANGE IN NET POSITION

Governmental Activities

2009	\$ (74,313)
2010	(27,240)
2011	(335,600)
2012	264,174
2013	130,378
2014	(14,634)
2015	(262,495)
2016	238,762
2017	99,322
2017**	3,946,120

** Indicates eight month audit period ended December 31

Data Source

Fire district records

Algonquin-Lake in the Hills Fire Protection District
Government-Wide Revenue and Other Changes in Net Position
Last Ten Years (Continued)
December 31, 2017

GENERAL REVENUES AND TRANSFERS

<u>Business Type Activities</u>						
<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Replacement Taxes</u>	<u>Interest Income</u>	<u>Miscellaneous</u>	<u>Transfers</u>	<u>Subtotal</u>
2009	\$ 0	\$ 0	\$ 2,760	\$ 0	\$ 0	\$ 2,760
2010	0	0	345	0	0	345
2011	0	0	409	0	0	409
2012	0	0	388	0	0	388
2013	0	0	434	3,613	0	4,047
2014	0	0	141	564	0	705
2015	0	0	8	31	160,209	160,248
2016	0	0	0	0	0	0
2017	0	0	0	0	0	0
2017**	0	0	0	0	0	0

TOTAL CHANGE IN NET POSITION

<u>Business Type Activities</u>	
2009	\$ 82,925
2010	33,284
2011	(2,499)
2012	(6,447)
2013	(18,135)
2014	(311,909)
2015	(50,280)
2016	0
2017	0
2017**	0

** Indicates eight month audit period ended December 31

Data Source

Fire district records

**Algonquin-Lake in the Hills Fire Protection District
Fund Balances of Other Governmental Funds
Major Funds and Other Governmental Funds
Last Ten Years
December 31, 2017**

Fiscal Year	MAJOR FUNDS							
	General							
	Reserved	Unreserved	Total	Non-spendable	Restricted	Assigned	Unassigned	Total
2009	\$ 15,755	\$ 966,742	\$ 982,497	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2010	15,927	762,644	778,571	0	0	0	0	0
2011	0	725,433	725,433	0	0	0	0	0
2012	n/a	n/a	n/a	0	0	0	904,956	904,956
2013	n/a	n/a	n/a	0	0	0	1,018,809	1,018,809
2014	n/a	n/a	n/a	0	0	0	1,082,897	1,082,897
2015	n/a	n/a	n/a	0	0	0	955,240	955,240
2016	n/a	n/a	n/a	0	0	0	991,475	991,475
2017	n/a	n/a	n/a	0	0	0	1,306,349	1,306,349
2017**	n/a	n/a	n/a	10,883	0	0	1,224,219	1,235,102
Ambulance								
Fiscal Year	Reserved	Unreserved	Total	Non-spendable	Restricted	Assigned	Unassigned	Total
2009	\$ 15,755	\$ 1,254,388	\$ 1,270,143	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2010	15,927	1,340,551	1,356,478	0	0	0	0	0
2011	0	1,536,540	1,536,540	0	0	0	0	0
2012	n/a	n/a	n/a	0	1,477,803	0	0	1,477,803
2013	n/a	n/a	n/a	0	1,320,168	0	0	1,320,168
2014	n/a	n/a	n/a	0	1,370,612	0	0	1,370,612
2015	n/a	n/a	n/a	0	1,185,104	0	0	1,185,104
2016	n/a	n/a	n/a	0	1,271,303	0	0	1,271,303
2017	n/a	n/a	n/a	0	1,505,034	0	0	1,505,034
2017**	n/a	n/a	n/a	18,978	956,613	0	0	975,591

Note: Starting in fiscal year 2012, the District implemented Governmental Accounting Standards Board Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions.

Note: The general fund for fiscal year 2017 has been restated to report foreign fire insurance activity in the general fund.

** Indicates eight month audit period ended December 31

Data Source
Fire district records

**Algonquin-Lake in the Hills Fire Protection District
Fund Balances of Other Governmental Funds
Major Funds and Other Governmental Funds
Last Ten Years (Continued)
December 31, 2017**

MAJOR FUNDS (CONTINUED)										
Fiscal Year	Pension Tax Levy									
	Reserved	Unreserved	Total	Non-spendable	Restricted	Assigned	Unassigned	Total		
2009	\$ 0	\$ 0	0	\$ 0	\$ 0	0	0	\$ 0	0	0
2010	0	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0	0
2012	n/a	n/a	n/a	0	0	0	0	0	0	0
2013	n/a	n/a	n/a	0	14,893	0	0	14,893	0	14,893
2014	n/a	n/a	n/a	0	34,443	0	0	34,443	0	34,443
2015	n/a	n/a	n/a	0	22,270	0	0	22,270	0	22,270
2016	n/a	n/a	n/a	0	14,969	0	0	14,969	0	14,969
2017	n/a	n/a	n/a	0	17,753	0	0	17,753	0	17,753
2017**	n/a	n/a	n/a	0	9,158	0	0	9,158	0	9,158
Capital										
Fiscal Year	Reserved	Unreserved	Total	Non-spendable	Restricted	Assigned	Unassigned	Total		
2009	\$ 0	\$ 0	0	\$ 0	\$ 0	0	0	\$ 0	0	0
2010	0	832,943	832,943	0	0	0	0	0	0	0
2011	32,343	135,890	168,233	0	0	0	0	0	0	0
2012	n/a	n/a	n/a	0	32,385	345,254	0	377,639	0	377,639
2013	n/a	n/a	n/a	0	0	573,720	0	573,720	0	573,720
2014	n/a	n/a	n/a	0	0	560,234	0	560,234	0	560,234
2015	n/a	n/a	n/a	0	0	592,697	0	592,697	0	592,697
2016	n/a	n/a	n/a	0	0	588,061	0	588,061	0	588,061
2017	n/a	n/a	n/a	0	0	695,149	0	695,149	0	695,149
2017**	n/a	n/a	n/a	630,435	0	1,256,300	0	1,886,735	0	1,886,735

Note: Starting in fiscal year 2012, the District implemented Governmental Accounting Standards Board Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions.

** Indicates eight month audit period ended December 31

Data Source

Fire district records

**Algonquin-Lake in the Hills Fire Protection District
Fund Balances of Other Governmental Funds
Major Funds and Other Governmental Funds
Last Ten Years (Continued)
December 31, 2017**

MAJOR FUNDS (CONTINUED)										
Fiscal Year	Other Governmental Funds									
	Reserved	Unreserved	Total	Non-spendable	Restricted	Assigned	Unassigned	Total		
2009	\$ 838,724	\$ 73,466	\$ 912,190	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
2010	0	151,343	151,343	0	0	0	0	0	0	0
2011	0	176,106	176,106	0	0	0	0	0	0	0
2012	n/a	n/a	n/a	0	130,620	0	0	0	0	130,620
2013	n/a	n/a	n/a	33,102	3,364	0	0	0	0	36,466
2014	n/a	n/a	n/a	33,342	29,265	0	0	0	0	62,607
2015	n/a	n/a	n/a	35,228	38,934	400,000	0	0	0	474,162
2016	n/a	n/a	n/a	30,816	121,454	791,470	0	0	0	943,740
2017	n/a	n/a	n/a	29,098	263,870	791,470	0	0	0	1,084,438
2017**	n/a	n/a	n/a	53,324	564,708	3,184,470	0	0	0	3,802,502
	Total									
Fiscal Year	Total									
	Reserved	Unreserved	Total	Non-spendable	Restricted	Assigned	Unassigned	Total		
2009	\$ 870,234	\$ 2,294,596	\$ 3,164,830	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
2010	31,854	3,087,481	3,119,335	0	0	0	0	0	0	0
2011	32,343	2,573,969	2,606,312	0	0	0	0	0	0	0
2012	n/a	n/a	n/a	0	1,640,808	345,254	904,956	2,891,018		
2013	n/a	n/a	n/a	33,102	1,338,425	573,720	1,018,809	2,964,056		
2014	n/a	n/a	n/a	33,342	1,434,320	560,234	1,082,897	3,110,793		
2015	n/a	n/a	n/a	35,228	1,246,308	992,697	955,240	3,229,473		
2016	n/a	n/a	n/a	30,816	1,407,726	1,379,531	991,475	3,809,548		
2017	n/a	n/a	n/a	29,098	1,786,657	1,486,619	1,306,349	4,608,723		
2017**	n/a	n/a	n/a	713,620	1,530,479	4,440,770	1,224,219	7,909,088		

Note: Starting in fiscal year 2012, the District implemented Governmental Accounting Standards Board Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions.

Note: The general fund for fiscal year 2017 has been restated to report foreign fire insurance activity in the general fund.

** Indicates eight month audit period ended December 31

Data Source
Fire district records

Algonquin-Lake in the Hills Fire Protection District
Summary of Changes in Total Governmental Fund Balances
With Beginning and Ending Total Fund Balances
Last Ten Years
December 31, 2017

Fiscal Year	Revenues	Expenditures	Other Financing Sources (Uses)	Net Change in Fund Balance	Beginning Fund Balance	Prior Period Adjustment	Ending Fund Balance
2009	\$ 8,669,488	\$ 8,654,603	\$ 10,964	\$ 25,849	\$ 3,138,981	\$ 0	\$ 3,164,830
2010	8,985,019	9,132,840	102,326	(45,495)	3,164,830	0	3,119,335
2011	9,259,577	10,988,673	1,216,073	(513,023)	3,119,335	0	2,606,312
2012	9,599,134	9,346,478	32,050	284,706	2,606,312	0	2,891,018
2013	9,585,224	9,848,599	6,000	(257,375)	2,891,018	330,413	2,964,056
2014	8,836,803	8,690,066	0	146,737	2,964,056	0	3,110,793
2015	9,501,222	9,222,333	(160,209)	118,680	3,110,793	0	3,229,473
2016	9,301,656	8,721,581	0	580,075	3,229,473	0	3,809,548
2017	10,961,660	11,192,954	914,639	683,345	3,809,548	115,830	4,608,723
2017**	10,862,128	7,721,004	159,241	3,300,365	4,608,723	0	7,909,088

** Indicates eight month audit period ended December 31

Data Source:

Fire district records

Algonquin-Lake in the Hills Fire Protection District
Governmental Funds Revenue
Last Ten Years
December 31, 2017

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2017**
Taxes										
Property Taxes	\$ 7,580,019	\$ 7,955,964	\$ 8,030,694	\$ 8,294,131	\$ 8,357,885	\$ 7,820,930	\$ 7,926,824	\$ 8,025,323	\$ 9,057,918	\$ 10,141,810
Replacement Taxes	32,651	28,901	32,125	28,980	28,732	32,881	32,081	30,724	34,142	15,566
Intergovernmental	24,615	37,014	36,330	39,049	0	0	0	0	48,091	55,605
Charges for Services	933,992	845,512	1,033,568	1,098,891	945,451	836,148	1,200,832	1,186,651	1,159,271	620,663
Grants & Contributions	0	48,889	50,681	105,935	219,692	130,121	318,251	29,871	25,218	0
Interest Income	67,742	15,714	24,327	20,437	10,624	4,879	5,503	9,885	6,965	23,090
Miscellaneous	30,469	53,025	51,852	11,711	22,840	11,844	17,731	19,202	630,055	5,394
Total Revenues	\$ 8,669,488	\$ 8,985,019	\$ 9,259,577	\$ 9,599,134	\$ 9,585,224	\$ 8,836,803	\$ 9,501,222	\$ 9,301,656	\$ 10,961,660	\$ 10,862,128

Note: Includes General, Ambulance, Pension Tax Levy, Capital, Insurance, Audit, Social Security, Medicare, and Vehicle Funds.

** Indicates eight month audit period ended December 31

Data Source
Fire district records

Algonquin-Lake in the Hills Fire Protection District
Governmental Funds Expenditures
Last Ten Years
December 31, 2017

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2017**
General										
Government (1)	\$ 4,437,295	\$ 4,301,714	\$ 4,343,504	\$ 3,388,868	\$ 3,548,472	\$ 4,123,705	\$ 4,071,989	\$ 4,168,912	\$ 4,203,024	\$ 3,431,731
Ambulance	4,217,308	3,729,467	3,846,900	3,954,443	4,116,375	3,502,960	3,773,902	3,542,653	3,545,697	2,104,264
Pension	0	0	0	935,737	908,331	165,022	202,028	229,246	1,282,696	1,323,221
Capital Outlay	0	(a)	(a)	(a)	510,685	80,090	351,501	0	1,131,858	608,027
Other Capital	0	(a)	(a)	(a)	15,616	51,469	59,293	32,900	24,809	0
Debt Service										
Principal	0	(a)	(a)	(a)	410,000	440,000	450,000	450,000	725,000	105,846
Interest	0	(a)	(a)	(a)	339,120	326,820	313,620	297,870	279,870	147,915
Combined Capital & Debt Service (a)	0	1,101,659	2,798,269	1,067,430	0	0	0	0	0	0
Total Expenditures	\$ 8,654,603	\$ 9,132,840	\$ 10,988,673	\$ 9,346,478	\$ 9,848,599	\$ 8,690,066	\$ 9,222,333	\$ 8,721,581	\$ 11,192,954	\$ 7,721,004

Ratio of Debt Service Expenditures to Total Non Capital Outlay Expenditures

Debt Service Total	0	(a)	(a)	(a)	749,120	766,820	763,620	747,870	1,004,870	253,761
Non Capital Total	8,654,603	(a)	(a)	(a)	9,337,914	8,609,976	8,870,832	8,721,581	10,061,096	7,112,977
	0.0000	(a)	(a)	(a)	0.0802	0.0891	0.0861	0.0857	0.0999	0.0357

** - Indicates eight month fiscal period ended December 31

(1) - Includes General, Insurance, Audit, Social Security, Medicare, and Vehicle Funds.

(a) - Data not readily available for the indicated years

Data Source

Fire district records

**Algonquin-Lake in the Hills Fire Protection District
Property Tax Levies and Collections
Last Ten Years
December 31, 2017**

Fiscal Year Tax Year (a)	2009 2008	2010 2009	2011 2010	2012 2011	2013 2012	2014 2013	2015 2014	2016 2015	2017 2016	2017** 2017
Total Tax Levy	\$ 7,971,819	\$ 8,038,614	\$ 8,316,031	\$ 8,378,335	\$ 8,612,244	\$ 8,768,590	\$ 8,957,487	\$ 9,091,537	\$ 10,158,465	\$ 10,418,190
Tax Collections	7,955,964	8,030,694	8,294,131	8,357,813	8,592,258	8,763,435	8,934,783	9,057,933	10,141,848	n/a
Percentage of Taxes Collected	99.80%	99.90%	99.74%	99.76%	99.77%	99.94%	99.75%	99.63%	99.84%	n/a
Collections in Subsequent Years	0	0	0	0	0	0	0	0	0	n/a
Total Collections to Date	7,955,964	8,030,694	8,294,131	8,357,813	8,592,258	8,763,435	8,934,783	9,057,933	10,141,848	n/a
Total Collections to Date as a % of the Levy	99.80%	99.90%	99.74%	99.76%	99.77%	99.94%	99.75%	99.63%	99.84%	n/a

(a) - Represents year of levy

** - Indicates eight month fiscal period ended December 31

Data Source
McHenry County Clerk's Office
Kane County Clerk's Office

Algonquin-Lake in the Hills Fire Protection District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years
December 31, 2017

Tax Levy Year	Taxable Real Property		Percentage of Equalized Assessed Value to Estimated Actual Value (a)	Total Direct Tax Rate
	Equalized Assessed Valuation	Estimated Actual Value		
2008	\$ 1,377,114,055	\$ 4,131,342,165	33.3	0.578
2009	1,372,833,784	4,118,501,352	33.3	0.586
2010	1,297,988,001	3,893,964,003	33.3	0.638
2011	1,166,278,667	3,498,836,001	33.3	0.721
2012	1,040,958,344	3,122,875,032	33.3	0.827
2013	937,567,915	2,812,703,745	33.3	0.936
2014	896,929,970	2,690,789,910	33.3	0.999
2015	916,972,747	2,750,918,241	33.3	0.991
2016	973,363,079	2,920,089,237	33.3	1.043
2017	1,028,175,135	3,084,525,405	33.3	1.013

(a) - Assessed value is set by the County Assessor on an annual basis. The assessment level is then adjusted by the state with a County Multiplier based on the factor needed to bring the average prior years' up to the 33-1/3% of market value. Every three years there is a tri-annual assessment when all property is assessed.

**Algonquin-Lake in the Hills Fire Protection District
Property Tax Rates - Direct & Overlapping Governments
Tax Years 2007 - 2016**

Tax Rates Per \$100 Equalized Assessed Valuation

Levy Years	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Fire District Rates										
Algonquin-Lake in the Hills										
Fire Protection District	33.300	33.300	33.300	33.300	33.300	33.300	33.300	33.300	33.300	33.300
Overlapping Rates										
Fire Districts (4)	2.149	(31.193)	(31.170)	(31.153)	(30.953)	(30.824)	(29.790)	3.852	4.011	3.931
Village	0.464	0.470	0.485	0.484	0.523	0.564	0.621	0.678	0.705	0.716
Kane County	0.345	0.332	0.334	0.340	0.373	0.399	0.434	0.462	0.468	0.448
Kane County Forest Preserve	0.175	0.197	0.193	0.200	0.220	0.261	0.271	0.304	0.313	0.294
McHenry County	0.706	0.687	0.701	0.716	0.793	0.888	0.996	1.096	1.141	1.078
McHenry County Conservation	0.143	0.174	0.173	0.178	0.196	0.219	0.248	0.275	0.284	0.277
Park Districts (3)	0.712	0.686	0.658	0.696	0.824	0.867	0.765	1.077	1.128	1.062
Public Libraries (4)	0.870	0.846	0.844	0.869	0.992	1.027	1.152	1.231	1.363	1.323
Road & Bridge (4)	0.228	0.221	0.224	0.228	0.255	0.279	0.394	0.439	0.455	0.437
Schools (4)	8.797	8.533	8.489	8.735	9.961	10.451	12.042	13.149	14.001	13.488
Townships (4)	0.241	0.253	0.252	0.262	0.298	0.323	0.417	0.432	0.447	0.428

Data Source

McHenry County Clerk's Office

**Algonquin-Lake in the Hills Fire Protection District
Principal Taxpayers
December 31, 2017**

	2017			2008		
	Taxpayer	Taxable Assessed Value	Rank	Percentage of District Taxable Assessed Valuation	Taxable Assessed Value	Rank
	In Retail Fund Algonquin Commons LLC	\$ 22,503,690	1	2.64%	\$ 31,805,337	1
	Marquette EJP Algonquin LLC	8,273,410	2	0.97%	(a)	(a)
	Rubloff Oakridge Algonquin LLC	7,097,957	3	0.83%	9,412,240	2
	Oakridge Court LLC	4,731,385	4	0.56%	(a)	(a)
	Wal-Mart Real Estate	4,061,791	5	0.48%	(a)	(a)
	Meijer Stores LTD Partnership	4,022,424	6	0.47%	3,976,726	6
	Target Corporation	3,853,395	7	0.45%	4,504,060	4
	LTF USA Real Estate LLC	3,675,389	8	0.43%	4,835,791	3
	Randall Holdings LLC	3,496,729	9	0.41%	4,086,415	5
	RPA Shopping Center Ph. 1-LLC	2,725,124	10	0.32%	3,246,450	9
	HD Development of MD Inc.	(a)	(a)	(a)	3,651,457	7
	Nickles Quarters LLC	(a)	(a)	(a)	3,602,690	8
	Algonquin State Bank	(a)	(a)	(a)	3,066,196	10
		<u>\$ 64,441,294</u>		<u>7.56%</u>	<u>\$ 72,187,362</u>	

Data Source:

Village of Algonquin

(a) - Not ranked in the top ten for the indicated year.

**Algonquin-Lake in the Hills Fire Protection District
Direct and Overlapping Governmental Activities Debt
December 31, 2017**

	Governmental Activities Debt	Percentage Applicable to Village	Amount Applicable to Village
Direct			
Algonquin-Lake in the Hills Fire Protection District	\$ 6,463,034	100%	\$ 6,463,034
Subtotal	<u>6,463,034</u>		<u>6,463,034</u>
Overlapping			
Kane County	41,760,000	1.80%	751,680
McHenry County Conservation Debt	104,580,000	8.24%	8,617,392
Kane County Forest Preserve	148,904,648	1.80%	2,680,284
Dundee Township Park District	19,734,000	15.23%	3,005,488
Huntley Park District	10,810,000	9.39%	1,015,059
Dundee Township	3,505,000	15.03%	526,802
Algonquin Library	3,090,000	80.44%	2,485,596
Schools			
District No. 300	280,341,296	32.43%	90,914,682
District No. 158	86,990,104	9.85%	8,568,525
District No. 509	181,805,261	8.73%	15,871,599
Subtotal	<u>881,520,309</u>		<u>134,437,107</u>
Total	<u>\$ 887,983,343</u>		<u>\$ 140,900,141</u>

Notes

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of Algonquin-Lake in the Hills Fire Protection District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Date Source

Village of Algonquin

Algonquin-Lake in the Hills Fire Protection District
Ratios of Outstanding Debt
Last Ten Years
December 31, 2017

Fiscal Year Tax Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2017**
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016
Population	30,347	30,076	30,049	29,968	30,467	30,046	30,410	30,571	30,947	30,947
Estimated Personal Income of Population	706,356,772	700,048,976	699,420,524	697,535,168	1,199,424,856	1,192,850,928	1,197,180,880	1,203,519,128	1,218,321,496	1,218,321,496
Estimated Actual Value of Property	4,131,342,165	4,118,501,352	3,893,964,003	3,498,836,001	3,122,875,032	2,812,703,745	2,690,789,910	2,750,918,241	2,920,089,237	2,920,089,237
General Obligation Bonds	(a)	(a)	(a)	(a)	7,560,000	7,120,000	6,670,000	6,220,000	5,745,000	5,745,000
Capital Leases	0	0	0	0	0	0	0	0	664,639	718,034
Total Outstanding Debt	7,310,000	7,110,000	8,370,000	7,970,000	7,560,000	7,120,000	6,670,000	6,220,000	6,409,639	6,463,034
Debt as a Percentage of Personal Income of Population	0.0103	0.0102	0.0120	0.0114	0.0063	0.0060	0.0056	0.0052	0.0053	0.0053
Debt as a Percentage of Estimated Actual Property Value	0.0018	0.0017	0.0021	0.0023	0.0024	0.0025	0.0025	0.0023	0.0022	0.0022
Debt Per Capita	240.88	236.40	278.55	265.95	248.14	236.97	219.34	203.46	207.12	208.84

** - Indicates eight month fiscal period ended December 31

(a) - Indicates data is not readily available

Data Source

Fire district records

Algonquin-Lake in the Hills Fire Protection District
Debt Limit Information
Last Ten Years
December 31, 2017

Fiscal Year Tax Year	2009 2008	2010 2009	2011 2010	2012 2011	2013 2012	2014 2013	2015 2014	2016 2015	2017 2016	2017** 2016
Equalized Assessed Valuation (EAV)	\$ 1,377,114,055	\$ 1,372,833,784	\$ 1,297,988,001	\$ 1,166,278,667	\$ 1,040,958,344	\$ 937,567,915	\$ 896,929,970	\$ 916,972,747	\$ 973,363,079	\$ 1,028,175,135
Debt Limit 5.75% of EAV	79,184,058	78,937,943	74,634,310	67,061,023	59,855,105	53,910,155	51,573,473	52,725,933	55,968,377	59,120,070
Debt Outstanding Applicable to Limit	7,310,000	7,110,000	8,370,000	7,970,000	7,560,000	7,120,000	6,670,000	6,220,000	5,745,000	5,745,000
Legal Debt Margin	71,874,058	71,827,943	66,264,310	59,091,023	52,295,105	46,790,155	44,903,473	46,505,933	50,223,377	53,375,070
Legal Debt Margin as a Percentage of Debt Limit	90.8%	91.0%	88.8%	88.1%	87.4%	86.8%	87.1%	88.2%	89.7%	90.3%

** - Indicates eight month fiscal period ended December 31

Data Source

Fire district records

Algonquin-Lake in the Hills Fire Protection District
Debt Service Information
Last Ten Years
December 31, 2017

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2017**
Principal	\$ 0	(b)	(b)	(b)	\$ 410,000	\$ 440,000	\$ 450,000	\$ 450,000	\$ 725,000	\$ 0
Interest & Fees	0	(b)	(b)	(b)	339,120	326,820	313,620	297,870	279,870	185,133
Total Debt Service	0	1,101,659	2,798,269	1,067,430	749,120	766,820	763,620	747,870	1,004,870	185,133
Total General Governmental Expenditures (a)	8,654,603	9,132,840	10,988,673	9,346,478	9,848,599	8,690,066	9,222,333	8,721,581	11,192,954	7,721,004
Less Capital Outlay	0	(b)	(b)	(b)	510,685	80,090	351,501	0	1,131,858	608,027
Non Capital Governmental Expenditures	\$ 8,654,603	\$ 9,132,840	\$ 10,988,673	\$ 9,346,478	\$ 9,337,914	\$ 8,609,976	\$ 8,870,832	\$ 8,721,581	\$ 10,061,096	\$ 7,112,977
Ratio of Debt Service Expenditures to Non Capital Governmental Expenditures	0.00%	(b)	(b)	(b)	8.02%	8.91%	8.61%	8.57%	9.99%	2.60%

(a) - Includes General, Ambulance, Pension Tax Levy, Capital, Insurance, Insurance, Audit, Social Security, Medicare, and Vehicle funds.

(b) - Data not readily available for the indicated years.

** - Indicates eight month fiscal period ended December 31

Data Source

Fire district records

Algonquin-Lake in the Hills Fire Protection District
Demographic and Economic Information
December 31, 2017

Composite Socio Statistics for the Algonquin-Lake in the Hills Fire Protection District

	<u>2007</u>	<u>2016</u>
Median Family Income	Not readily available	100,027
Per Capita Personal Income	31,070	38,919
Population	30,482	30,046
Unemployment Rate	3.90%	4.60%

Note: Information for 2017 was not readily available, so 2016 data was used instead.

Data Source

U.S. Department of Commerce, Census Bureau

Algonquin-Lake in the Hills Fire Protection District
Fire District Information
December 31, 2017

	2008	2017
Date of Incorporation	1950	1950
Form of Government	Fire District	Fire District
Number of Fire Stations	3	3
Number of Fire Chiefs	1	1
Number of Assistant Chiefs	2	1
Number of Administration	13	2
Number of Battalion Chiefs	4	3
Number of Lieutenants/Captains	17	13
Number of Firefighter/Paramedic	55	26
Number of Part-Time Personnel	0	14
Number of Ambulances	4	4
Number of Engines	3	5
Number of Trucks	1	1
Number of Support Vehicles	14	10
Number of Alarms By Type:		
Fire	586	1,263
EMS	2,503	2,425
Total Incidents	<u>3,089</u>	<u>3,688</u>

Data Source

Fire district records

**Algonquin-Lake in the Hills Fire Protection District
Fire District Facility Locations and Full-Time Employees
December 31, 2017**

Fire Station	Address	2008	2017
		Number of Full-Time Employees Per Shift Day	Number of Full-Time Employees Per Shift Day
Station #1	1020 W. Algonquin Rd	6	6
Station #2	2440 Hamish Dr	4	5
Station #3	1691 Cumberland Pkwy	4	3
		14	14

Data Source

Fire district records