

**ALGONQUIN-LAKE IN THE HILLS
FIRE PROTECTION DISTRICT**

MC HENRY AND KANE COUNTIES, ILLINOIS

ANNUAL FINANCIAL REPORT

April 30, 2008

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
April 30, 2008**

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Susan L. Coen
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INDEPENDENT AUDITOR'S REPORT

October 6, 2008

To The President And
Board Of Trustees
Algonquin-Lake In The Hills Fire Protection District
Mc Henry And Kane Counties
Lake In The Hills, Illinois 60102

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the fiduciary fund and the aggregate remaining fund information of the Algonquin-Lake In The Hills Fire Protection District, Mc Henry and Kane Counties, Lake In The Hills, Illinois, as of and for the year ended April 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Algonquin-Lake In The Hills Fire Protection District, Lake In The Hills, Illinois, management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the fiduciary fund and the aggregate remaining fund information of the Algonquin-Lake In The Hills Fire Protection District, Lake In The Hills, Illinois, as of April 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, budgetary comparison information and schedules of funding progress on pages 3 through 9 and on pages 38 through 40 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and do not express an opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying financial information listed as Additional Information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied to the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, reading "Susan L. Caen". The signature is written in a cursive style with a large, stylized 'S' and 'C'.

**ALGONQUIN – LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2008

Our discussion and analysis of The Algonquin – Lake In The Hills Fire Protection District's financial performance provides an overview of the District's financial activities for the fiscal year ended April 30, 2008. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 10-11) provide information about the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 12. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the District as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the District as a whole begins on page 10. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer the question. These statements include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. You can think of the District's net assets-the difference between assets and liabilities-as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's property tax base and the condition of the District's equipment, to assess the overall health of the District.

In the Statement of Net Assets and the Statement of Activities, we divide the District into two kinds of activities:

Governmental activities - Most of the District's basic services are reported here, including fire protection and ambulance service. Property taxes, charges for services and state and federal grants finance most of these activities.

Business-type activities - The District charges a fee to customers to help it cover all or most of the cost of certain services it provides. The District's Radio Frequency Fire Alarm Network is reported here.

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds begins on page 12. The fund financial statements begin on page 12 and provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law. However, the District Trustees establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The District's two kinds of funds- governmental and proprietary-use different accounting approaches.

Governmental Funds-Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.

Proprietary funds-When the District charges customers for the services it provides, these services are generally reported in the proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the District's enterprise fund is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

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

financial statements. The notes to the financial statements can be found on pages 21-37.

Required Supplementary Information – This report also presents certain required supplementary information on pages 38-40. It consists of more detailed data on budget to actual revenues and expenditures. It also presents certain required schedules concerning the District's progress in funding its obligation to provide pension benefits to its employees.

The District as Trustee Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its employees' pension plan. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 19-20. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The District As A Whole

As noted earlier, net assets and net assets by category may serve over time as a useful indicator of government's financial position. In the case of the Algonquin-Lake In The Hills Fire Protection District, assets exceeded liabilities by \$3,473,312 as of April 30, 2008.

<u>Algonquin-Lake In The Hills Fire Protection District Net Assets</u>						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
April 30,	2008	2007	2008	2007	2008	2007
Current and other assets	\$11,252,913	\$10,563,590	\$279,500	\$237,307	\$11,532,413	\$10,800,897
Capital Assets –net	<u>8,897,396</u>	<u>9,213,329</u>	<u>375,227</u>	<u>409,054</u>	<u>9,272,623</u>	<u>9,622,383</u>
Total Assets	<u>20,150,309</u>	<u>19,776,919</u>	<u>654,727</u>	<u>646,361</u>	<u>20,805,036</u>	<u>20,423,280</u>
Long-term Liabilities	8,836,126	8,056,210	205,000	285,000	9,041,126	8,341,210
Other Liabilities	<u>8,113,932</u>	<u>8,859,520</u>	<u>176,666</u>	<u>173,364</u>	<u>8,290,598</u>	<u>9,032,884</u>
Total Liabilities	<u>16,950,058</u>	<u>16,915,730</u>	<u>381,666</u>	<u>458,364</u>	<u>17,331,724</u>	<u>17,374,094</u>
Net Assets:						
Invested in capital assets, net of related debt	1,227,943	1,339,084	170,227	124,054	1,398,170	1,463,138
Restricted	379,426	288,823	0	0	379,426	288,823
Unrestricted	<u>1,592,882</u>	<u>1,233,282</u>	<u>102,834</u>	<u>63,943</u>	<u>1,695,716</u>	<u>1,297,225</u>
Total Net Assets	<u>\$3,200,251</u>	<u>\$2,861,189</u>	<u>\$273,061</u>	<u>\$187,997</u>	<u>\$3,473,312</u>	<u>\$3,049,186</u>

Net assets of the District's governmental activities increased by 12% (\$3,200,251 compared to \$2,861,189). Unrestricted net assets- the part of net assets that can be used

to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased from \$1,233,282 to \$1,592,882.

Net assets of the District's business-type activities increased by 45% (\$273,061 compared to \$187,997). The net assets consist of \$170,227 invested in capital assets less any debt to acquire those assets and unrestricted net assets of \$102,834. The activities of this fund had been projected to increase and the results indicate they have.

40% of the District's net assets reflect its investments in capital assets (e.g. land, building, equipment and improvements) less any debt used to acquire those assets that is still outstanding. The District uses these assets to provide services to its residents; consequently these assets are not available for future spending, and with the exception of business-type assets, do not generate direct revenue for the District. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Algonquin-Lake In The Hills Fire Protection District Change In Net Assets

	Governmental Activities		Business-type Activities		Total	
Year Ended April 30	2008	2007	2008	2007	2008	2007
Revenues						
Program Revenues:						
Charges For Services	\$816,011	\$740,214	\$276,242	\$266,500	\$1,092,253	\$1,006,714
Grants	33,600	14,600	0	0	33,600	14,600
General Revenues:						
Property Taxes	7,237,308	6,932,192	0	0	7,237,308	6,932,192
Other Taxes	58,858	53,676	0	0	58,858	53,676
Interest	216,152	217,704	7,859	8,032	224,011	225,736
Other general revenues	27,383	25,593	0	0	27,383	25,593
Total Revenues	8,389,312	7,983,979	284,101	274,532	8,673,413	8,258,511
Program Expenses						
Public Safety	7,632,439	6,876,403	0	0	7,632,439	6,876,403
Interest on long-term debt	417,811	425,873	9,328	12,376	427,139	438,249
Radio Frequency Fire Alarm Service	0	0	189,709	129,755	189,709	129,755
Total Expenses	8,050,250	7,302,276	199,037	142,131	8,249,287	7,444,407
Increase (Decrease) In Net Assets	\$339,062	\$681,703	\$85,064	\$132,401	\$424,126	\$814,104

Overall the District had an increase in net assets of \$424,126 for the year ended April 30, 2008, which was a decrease of \$389,978 compared with \$814,104 the previous year.

Governmental Activities: Governmental activities increased the net assets by \$339,062 or 80% of the total growth in net assets.

Total revenues for governmental activities increased from the previous year by \$405,333. Program revenues had an increase of 13%. General revenue had a net increase of 4%, which was primarily due to an increase in property taxes and an increase in investment earnings.

Total expenses for governmental activities increased from the previous year by \$747,974 (a 10% increase). The majority of the increase was due to an increase in operations and supplies and insurance.

Business-type Activities: Income from services increased from \$266,500 to \$276,242. Net assets increased substantially from \$187,977 to \$273,061. As per Statement of Cash Flows net cash equivalents increased \$41,922. The difference is partially a result of collecting revenues for future periods which are deferred.

The District's Funds

At April 30, 2008, the District's governmental funds (as presented in the balance sheet on page 12) reported a combined fund balance of \$3,138,981, which is higher than 06/07's total of \$2,507,380. The Ambulance Fund had the largest increase and the General Fund had a smaller increase due to the transfer to the insurance fund. The Insurance Fund had an increase in its fund balance as a result of the transfer from the General Fund to help fund the 07/08 expenses.

The District's proprietary fund (RFFA Fund) statements provide the same type on information found in the government-wide financial statements, but in more detail.

Budgetary Highlights

The District passed the original and final Budget and Appropriation Ordinance on June 20, 2007. The District's General Fund expended \$3,305,668, which was \$1,274,701 less than the appropriation of \$4,580,369. The Ambulance Fund, which was the only other major fund, expended \$3,563,716, which was less than the appropriation of \$5,938,571. The appropriation sets the maximum spending limits for the fiscal year.

The District will also replace the Shift Officer vehicle. These staff vehicles will continue to be utilized for their approximate 7-10 year replacement schedule.

Also included in the capital plan is the refurbishing of current Engine 142. Again by refurbishing it will allow the District to move this unit into a reserve status allowing for a 10-15 year life span.

The District will be replacing the phone system for all three District owned buildings. The current system is no longer serviceable. It is the intent to purchase a system that will allow for expansion as needed.

Lastly the District will be renegotiating the collective bargaining agreement that expires April 30, 2009.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
STATEMENT OF NET ASSETS
APRIL 30, 2008**

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash-Deposits	\$150	\$0	\$150
Investments	3,547,511	271,030	3,818,541
Accounts Receivable - Net	71,989	8,470	80,459
Receivable from other Governments-Net	7,581,574	0	7,581,574
Prepaid Insurance	51,689	0	51,689
Capital Assets:			
Land	1,416,856	0	1,416,856
Other Capital Assets , net of depreciation	<u>7,480,540</u>	<u>375,227</u>	<u>7,855,767</u>
Total Assets	<u>20,150,309</u>	<u>654,727</u>	<u>20,805,036</u>
<u>LIABILITIES</u>			
Accounts Payable	117,431	19,794	137,225
Salaries & Benefits Payable	241,398	0	241,398
Accrued Interest Payable	135,378	2,308	137,686
Deferred Revenue	7,619,725	154,564	7,774,289
Long-term Liabilities:			
Due within one year	303,930	80,000	383,930
Due after one year	<u>8,532,196</u>	<u>125,000</u>	<u>8,657,196</u>
Total Liabilities	<u>16,950,058</u>	<u>381,666</u>	<u>17,331,724</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	1,227,943	170,227	1,398,170
Restricted For Debt Service	27,814	0	27,814
Restricted For Equipment	351,612	0	351,612
Unrestricted	<u>1,592,882</u>	<u>102,834</u>	<u>1,695,716</u>
Total Net Assets	<u>\$3,200,251</u>	<u>\$273,061</u>	<u>\$3,473,312</u>

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

**ALGONQUIN -LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2008**

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expense)/Revenue		Total
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
Public Safety							
Fire and Ambulance	\$7,632,439	\$816,011	\$33,600	\$0	(\$6,782,828)		
Interest on Long-term Debt	<u>417,811</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(417,811)</u>		
Total Governmental Activities	<u>8,050,250</u>	<u>816,011</u>	<u>33,600</u>	<u>0</u>	<u>(7,200,639)</u>		
Business-type activities:							
Radio Frequency							
Fire Alarm Service	<u>199,037</u>	<u>276,242</u>	<u>0</u>	<u>0</u>		<u>\$77,205</u>	
Total	<u>\$8,249,287</u>	<u>\$1,092,253</u>	<u>\$33,600</u>	<u>\$0</u>	<u>(7,200,639)</u>	<u>77,205</u>	<u>(7,123,434)</u>
General Revenues:							
Taxes:							
Property Taxes					7,237,308	0	7,237,308
Personal Property							
Replacement Tax					35,659	0	35,659
Foreign Fire Insurance					23,199	0	23,199
Investment Earnings					216,152	7,859	224,011
Miscellaneous					17,236	0	17,236
Sale of Surplus Apparatus					<u>10,147</u>	<u>0</u>	<u>10,147</u>
Total General Revenues					<u>7,539,701</u>	<u>7,859</u>	<u>7,547,560</u>
Change in Net Assets					339,062	85,064	424,126
Net Assets - beginning					<u>2,861,189</u>	<u>187,997</u>	<u>3,049,186</u>
Net Assets - ending					<u>\$3,200,251</u>	<u>\$273,061</u>	<u>\$3,473,312</u>

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

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2008**

	General Fund	Ambulance Fund	Non Major Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash- Deposits	\$150	\$0	\$0	\$150
Investments	1,164,325	2,320,093	63,093	3,547,511
Property Taxes Receivable - Net	3,364,450	3,190,950	1,026,174	7,581,574
Plan Review Fees Receivable	37,951	0	0	37,951
Ambulance Fees Receivable - Net	0	33,838	0	33,838
Other Receivables	200	0	0	200
Prepaid Insurance	339	339	51,011	51,689
Total Assets	<u>\$4,567,415</u>	<u>\$5,545,220</u>	<u>\$1,140,278</u>	<u>\$11,252,913</u>
<u>LIABILITIES</u>				
Accounts Payable	\$45,257	\$41,316	\$30,858	\$117,431
Salaries & Benefits Payable	113,332	128,066	0	241,398
Accrued Interest Payable	70,027	65,351	0	135,378
Deferred Revenues	<u>3,402,601</u>	<u>3,190,950</u>	<u>1,026,174</u>	<u>7,619,725</u>
Total Liabilities	<u>3,631,217</u>	<u>3,425,683</u>	<u>1,057,032</u>	<u>8,113,932</u>
<u>FUND BALANCES</u>				
Reserve for Debt Service	13,907	13,907	0	27,814
Reserve for Equipment	351,612	0	0	351,612
Unreserved	<u>570,679</u>	<u>2,105,630</u>	<u>83,246</u>	<u>2,759,555</u>
Total Fund Balances	<u>936,198</u>	<u>2,119,537</u>	<u>83,246</u>	<u>3,138,981</u>
Total Liabilities & Fund Balances	<u>\$4,567,415</u>	<u>\$5,545,220</u>	<u>\$1,140,278</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$2,165,700	<u>8,897,396</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Notes Payable	(7,290,000)
Capital Lease Payable	(379,453)
Accrued compensated absences	(523,197)
Net Pension Obligation	(643,476)
	<u>(8,836,126)</u>
Net assets of governmental activities	<u>\$3,200,251</u>

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

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2008**

	<u>General Fund</u>	<u>Ambulance Fund</u>	<u>Non Major Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>				
Real Property Taxes	\$3,179,272	\$3,183,580	\$874,456	\$7,237,308
Personal Property Replacement Taxes	0	0	35,659	35,659
Foreign Fire Insurance	23,199	0	0	23,199
Charges for Services	68,808	747,203	0	816,011
Investment Earnings	121,868	93,115	1,169	216,152
Miscellaneous	<u>42,746</u>	<u>7,774</u>	<u>315</u>	<u>50,835</u>
Total Revenues	<u>3,435,893</u>	<u>4,031,672</u>	<u>911,599</u>	<u>8,379,164</u>
<u>EXPENDITURES</u>				
Current :Public Safety:				
Fire and Ambulance	2,785,831	3,210,912	1,085,346	7,082,089
Debt Service:				
Principal	159,792	45,000	0	204,792
Interest	220,379	197,432	0	417,811
Capital Outlay:	<u>0</u>	<u>110,372</u>	<u>0</u>	<u>110,372</u>
Total Expenditures	<u>3,166,002</u>	<u>3,563,716</u>	<u>1,085,346</u>	<u>7,815,064</u>
 Excess (Deficiency)Of Revenues Over Expenditures	 269,891	 467,956	 (173,747)	 564,100
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of Surplus Apparatus	67,500	0	0	67,500
Transfers In (Out)	<u>(139,666)</u>	<u>0</u>	<u>139,666</u>	<u>0</u>
 Net Change In Fund Balances	 197,725	 467,956	 (34,081)	 631,600
 Fund Balances -Beginning - May 1, 2007	 <u>738,473</u>	 <u>1,651,581</u>	 <u>117,327</u>	 <u>2,507,381</u>
 Fund Balances - Ending - April 30, 2008	 <u>\$936,198</u>	 <u>\$2,119,537</u>	 <u>\$83,246</u>	 <u>\$3,138,981</u>

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

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2008**

Reconciliation of the changes in fund balances - total governmental funds
to the change in net assets of governmental activities:

Net change in fund balances - total governmental funds **\$631,600**

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

Governmental funds report capital outlays as expenditures while
governmental activities report depreciation expense to allocate those
expenditures over the life of the assets:

Capital Assets Purchased	110,372
Depreciation Expense	<u>(368,952)</u>
	<u>(258,580)</u>

Sale of Surplus Apparatus is recorded as a financing source in the governmental funds, but the proceeds are decreased by the asset book value in the Statement Of Net Assets:	<u>(57,352)</u>
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Repayment of debt principal is an expenditure in the governmental
funds, but the repayment reduces long-term liabilities in the
Statement Of Net Assets:

Capital lease payments	114,792
Note principal payments	<u>90,000</u>
	204,792

Generally expenditures recognized in the governmental funds are
limited to only those that use current financial resources, but expenses
are recognized in the statement of activities when they are incurred.

Increase in Accrued Compensated Absences	(47,063)
Increase in Net Pension Obligation	<u>(134,335)</u>
	<u>(181,398)</u>

Change in Net Assets of Governmental Activities	<u>\$339,062</u>
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The Notes to the Financial Statements are an integral part of this statement.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUND
APRIL 30, 2008**

**Radio Frequency
Fire Alarm
Fund**

ASSETS

Current Assets:

Accounts Receivable	\$8,470
Investments	<u>271,030</u>
Total Current Assets	279,500

Noncurrent Assets:

Capital Assets (net)	<u>375,227</u>
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Total Assets	<u>654,727</u>
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LIABILITIES

Current Liabilities:

Accounts Payable	19,794
Accrued Interest Payable	2,308
Notes Payable	80,000
Deferred Revenue	<u>154,564</u>

Total Current Liabilities	256,666
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Noncurrent Liabilities:

Notes Payable	<u>125,000</u>
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Total Liabilities	<u>381,666</u>
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NET ASSETS

Invested in capital assets, net of related debt	170,227
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Unrestricted	<u>102,834</u>
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Total Net Assets	<u>\$273,061</u>
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The Notes to the Financial Statements are an integral part of this statement.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED APRIL 30, 2008**

**Radio Frequency
Fire Alarm
Fund**

Operating Revenues:

Charges for services:	
Radio Fire Alarm charges	<u>\$276,242</u>

Operating Expenses:

Administrative Expenses	600
Monitoring Services	49,842
Dispatching Fees	48,172
Testing / Installation Services	5,039
Maintenance	35,512
Miscellaneous Commodities	3,046
Depreciation	47,498
Total Operating Expenses	<u>189,709</u>

<u>Net Operating Income</u>	<u>86,533</u>
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Nonoperating revenue (expense):

Investment Income	7,859
Interest Expense	<u>(9,328)</u>
Total Nonoperating Revenue (Expense)	<u>(1,469)</u>

<u>Net Income</u>	<u>85,064</u>
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Net Assets - Beginning of Year	<u>187,997</u>
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Net Assets - End of Year	<u>\$273,061</u>
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The Notes to the Financial Statements are an integral part of this statement.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED APRIL 30, 2008**

**Radio Frequency
Fire Alarm
Fund**

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating Income	\$86,533
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Cash flows reported in other categories:	
Depreciation expense	47,498
Changes in assets and liabilities:	
Accounts Receivable	(271)
Accounts Payable	(3,665)
Deferred Revenue	<u>7,867</u>
Net cash provided by operating activities	<u>\$137,962</u>

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

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES. ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED APRIL 30, 2008**

	Radio Frequency Fire Alarm <u>Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts From Customers	\$283,838
Payments To Suppliers	<u>(145,876)</u>
Net Cash Provided (Used) By Operating Activities	<u>137,962</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases Of Capital Assets	(13,672)
Principal Paid On Debt	(80,000)
Interest Paid On Debt	<u>(10,227)</u>
Net Cash Provided (Used) By Capital And Related Financing Activities	<u>(103,899)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	<u>7,859</u>
Net Cash Provided (Used) By Investing Activities	<u>7,859</u>
 Net Increase (Decrease) In Cash And Cash Equivalents	41,922
Balance - Beginning Of Year	<u>229,108</u>
Balance - End Of Year	<u>\$271,030</u>
 Investments Considered Cash Equivalents Under GASB #9	 <u>\$271,030</u>

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

ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
(FIREFIGHTERS' PENSION FUND)
APRIL 30, 2008

<u>ASSETS</u>		
DEPOSITS		<u>\$30,188</u>
RECEIVABLES		
ACCRUED INTEREST		21,075
OTHER RECEIVABLES		<u>30,858</u>
TOTAL RECEIVABLES		<u>51,933</u>
INVESTMENTS		
MONEY MARKET MUTUAL FUNDS		3,032,103
MUTUAL FUNDS		1,891,144
POOLED INVESTMENT ACCOUNT		655,925
U.S. GOVERNMENT AND AGENCY OBLIGATIONS		<u>2,049,625</u>
TOTAL INVESTMENTS		<u>7,628,797</u>
TOTAL ASSETS		<u>7,710,918</u>
 <u>LIABILITIES</u>		
ACCOUNTS PAYABLE		<u>2,243</u>
TOTAL LIABILITIES		<u>2,243</u>
 <u>NET ASSETS HELD IN TRUST FOR</u>		
<u>PENSION BENEFITS</u>		<u>\$7,708,675</u>

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

ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
(FIREFIGHTERS' PENSION FUND)
FOR THE YEAR ENDED APRIL 30, 2008

ADDITIONS:

CONTRIBUTIONS:

EMPLOYER	\$626,343
EMPLOYEES	282,725
DONATIONS	<u>315</u>
TOTAL CONTRIBUTIONS	<u>909,383</u>

INVESTMENT INCOME

NET APPRECIATION (DEPRECIATION) IN FAIR VALUE OF INVESTMENTS	(64,669)
INTEREST	108,698
DIVIDENDS	<u>229,727</u>
	273,756
LESS INVESTMENT EXPENSES	
CUSTODIAL FEES	<u>(2,500)</u>
NET INVESTMENT INCOME	<u>271,256</u>

TOTAL ADDITIONS **1,180,639**

DEDUCTIONS:

RETIREMENT BENEFITS	93,375
DISABILITY BENEFITS	173,417
REFUND OF CONTRIBUTIONS	40,605
ADMINISTRATIVE EXPENSES	<u>13,807</u>

TOTAL DEDUCTIONS **321,204**

NET INCREASE **859,435**

NET ASSETS HELD IN TRUST

FOR PENSION BENEFITS

Beginning of year - May 1, 2007 **6,849,240**

End of year - April 30, 2008 **\$7,708,675**

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

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2008**

1. Summary Of Significant Accounting Policies

The financial statements reflect the application of significant accounting policies followed by the District, as described in this note.

A. Financial Reporting Entity

The Fire District's financial reporting entity is comprised of the following:

Primary Government: The Algonquin-Lake in the Hills Fire Protection District

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and GASB Statement No. 39 *Determining Whether Certain Organizations Are Component Units*. Currently the District has no discretely presented component units.

B. Basis Of Presentation

Government wide- Financial Statements:

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

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2008**

1. Summary Of Significant Accounting Policies (Continued)

B. Basis Of Presentation (Continued)

- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The District's major funds are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all the activities except those legally or administratively required to be accounted for in other funds.

Ambulance Fund

The Ambulance Fund is used to account for the proceeds of specific revenue sources that are restricted to the providing of ambulance services.

The District's nonmajor governmental funds include special revenue funds used to report the transactions of three funds. Special tax levies were passed for these funds which include: Audit, Insurance and Pension Tax Levy Funds.

Proprietary Fund

Enterprise Fund

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The Radio Frequency Fire Alarm Fund (RFFA) accounts for the only enterprise fund of the District. It provides the method of transmission of any activated alarm via the Radio Frequency Fire Alarm system.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2008**

1. Summary Of Significant Accounting Policies (Continued)

B. Basis Of Presentation (Continued)

Fiduciary Funds (Not included in government-wide statements)

These funds report assets held in trustee or agency capacity for others and therefore are not available to support District programs. The District's only fiduciary fund is the Firefighters' Pension Fund. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the government, this fund is not incorporated into the government-wide statements.

C. Measurement Focus and Basis Of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement Of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2008**

1. Summary Of Significant Accounting Policies (Continued)
C. Measurement Focus and Basis Of Accounting (Continued)

Basis Of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using 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 or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible with the current period or within sixty days after the year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

All proprietary funds utilize 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 or economic asset used.

D. Assets, Liabilities and Equity

Cash and Investments

For the purpose of the Statement of Net Assets, “cash – deposits” includes all cash on hand. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all demand deposits or short term investments with an original maturity of three months or less. Investments in state investment pool are considered as cash equivalents.

Investments are carried at fair value. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Note 3.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2008**

1. Summary Of Significant Accounting Policies (Continued)

D. Assets, Liabilities and Equity (Continued)

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as due to and from other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. As of April 30, 2008 there are no such interfund receivables and payables.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivables balances for the governmental activities include ambulance fees and plan review fees. Business-type activities report radio frequency alarm fees.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as grants and other intergovernmental revenues since they are usually both measurable and available. Non exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual. Investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenue earned at year-end and not yet received.

Fixed Assets

The accounting treatment of fixed assets depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2008**

1. Summary Of Significant Accounting Policies (Continued)

D. Assets, Liabilities and Equity (Continued)

Fixed Assets (Continued)

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives by type of asset as follows:

Building and Improvements	40 Yrs.
Apparatus & Vehicles	7-15 Yrs.
Equipment	10 Yrs.

The minimum capitalization threshold is an item with a total cost of \$10,000 or greater.

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as a capital outlay expenditure of the governmental fund upon acquisition. Fixed assets used in the proprietary fund operation are accounted for the same as in the government-wide statements.

Long-term Debt

The accounting treatment of long-term debt 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.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable, capital lease, accrues compensated absences and net pension obligation.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2008**

1. Summary Of Significant Accounting Policies (Continued)

D. Assets, Liabilities and Equity (Continued)

Compensated Absences

Full time employees are granted various benefits for vacation, personal and sick days. Generally vacation and personal days earned at 4-30-08 expire on 12-31-08. Sick pay is accrued and payable under various conditions depending on the specific contract.

The estimated (based on historical trends) current portion of the liability for vacation and personal leave benefits are recorded in the General and Ambulance Funds in the fund financial statements. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately is recorded as long-term debt in the government-wide financial statements.

Equity Classifications

Government-wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets-Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets-All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Proprietary fund equity is classified the same as in the government-wide statements.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2008**

1. Summary Of Significant Accounting Policies (Continued)

E. Revenues, Expenditures, and Expenses

Property Tax Revenue

Property tax revenues are recognized on a levy year basis. Therefore the real property tax revenues reflected in the statements of revenues, expenditures and changes in fund equity includes only the real estate tax revenue received from the 2006 Levy, which was distributed completely during the fiscal year ended April 30, 2008. The 2007 Levy has been recorded as Deferred Revenue, since it was to apply to the fiscal year 2008/2009. Property taxes are levied in December of each year with a lien date of January 1st. of the same year. The taxes are normally due in June and September of the following year. The timing of distributions of said taxes to the Algonquin-Lake In The Hills Fire Protection District and other governmental bodies varies from year to year.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services. It also includes all revenue and expense not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character: Current (further classified by function), Debt Service and Capital Outlay.

Proprietary Fund –By Operating and Nonoperating.

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2008**

1. Summary Of Significant Accounting Policies (Continued)

F. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles require management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Budgetary Data

Governmental Accounting Standards Board guidelines require a comparison of budget (appropriation) to actual for all Governmental Major Funds. The term budget used throughout the financial statements represents the estimated revenues and appropriations as set forth in the District's original appropriation ordinance adopted on June 20, 2007 for the year ended April 30, 2008. Budgetary comparisons, presented in this report, are on a Non-GAAP budgetary basis.

H. Encumbrances

The District appropriates for all expenditures on a year-to-year basis, and accordingly, unused appropriations lapse at year-end. Encumbrances outstanding at year-end are not reported as expenditures or as reservations of fund balance.

2. 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 and natural disasters. The District has insurance coverage provided through a combination of commercial coverage and workmen's compensation coverage through the Illinois Public Risk Fund. The Illinois Public Risk Fund provides liability coverage to its members who are all Illinois local governments.

3. Deposits And Investments

A. Custodial Risk

Deposits. All deposits are covered by FDIC. Therefore there is no custodial risk for deposits.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2008**

3. Deposits And Investments (Continued)

A. Custodial Risk (Continued)

Investments. The investments held in the governmental and proprietary funds are all held in the State of Illinois Government Investment Pool (Illinois Funds). In accordance with Governmental Accounting Standards Board Statement #40, Deposit and Investment Risk Disclosures, there is no custodial credit risk assumed on these investments in the external investment pool. Certain investments are not exposed to custodial risk because their existence is not evidenced by securities that exist in physical or book entry form. In the case of the Firefighters' Pension Fund this includes the investments in money market mutual funds and open-end mutual funds. The investments of this fiduciary fund that are in security form include U.S. Treasury and Federal Agency investments which are held by the custodian Wells Fargo in their trust department.

B. Credit Risk

The investments held in the governmental and proprietary funds are in Illinois Funds – Money Market Fund and Prime Fund. Both of these investments are rated AAAm.

The Pension Fund is required to disclose credit risk associated with its debt securities, excluding U.S. government obligations or investments which are explicitly guaranteed by the full faith and credit of the federal government (such as GNMMAs). Following is an illustration of credit quality with the level of investment displayed as a % of total investments in debt securities:

Federal Home Loan Bank	AAA	64%
Fannie Mae (Federal National Mtg. Assoc.)	AAA	36%

The Pension Fund also has investments in the following Money Market Funds: Illinois Funds Money Market and Wells Fargo Advantage Money Market – Treasury Plus. Both of these funds are rated AAAm.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2008**

3. Deposits And Investments (Continued)

C. Interest Rate Risk

Interest rate risk disclosures are important because they provide financial statement user with information about the potential for fair value losses should market interest rates change in the future. Investments with long-term, fixed interest rates are the most volatile.

The Illinois Fund's Money Market Fund investment policy limits its investment portfolio to maturities not to exceed two years with a minimum of 75% required to be in authorized investments with less than one year maturity. The Illinois Fund's Prime Fund investment policy limits the investment portfolio to maturities not to exceed three years.

As of April 30, 2008, the balance invested in Illinois Fund's Money Market Fund and Prime Fund were \$3,439,114 and \$379,427 respectively for a total per the government – wide financial statements of \$3,818,541.

As of April 30, 2008, the Pension Fund had the following investments and maturities:

Investment Maturities in Years

Investment Type	Market Value	Less than 1	1-5	6-10	More than 10
Money Market					
Mutual Funds	\$3,032,103	\$3,032,103			
Mutual Funds	1,891,144	1,891,144			
State Investment Pool	655,925	655,925			
U.S. Treasuries	1,491,916	927,079	\$564,837		
U.S. Agency	554,000	353,938	200,062		
GNMA's	3,709			\$878	\$2,831
Total	<u>\$7,628,797</u>	<u>\$6,860,189</u>	<u>\$764,899</u>	<u>\$878</u>	<u>\$2,831</u>

According to the Fund's investment policy, "In establishing specific diversification strategies, the maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector, and maturities selected shall provide for stability of income and liquidity commensurate with the Pension Fund's needs."

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2008**

4. Capital Assets

Capital asset activity for the year ended April 30, 2008, was as follows:

<u>Primary Government</u> <u>Governmental Activities:</u>	Beginning Balance	Additions	Deletions	Ending Balance
Land (Not Depreciated)	\$1,416,856	\$0	\$0.00	\$1,416,856
Buildings	7,194,290	0	0.00	7,194,290
Apparatus & Vehicles	2,462,314	77,372	(318,404)	2,221,282
Equipment	<u>197,668</u>	<u>33,000</u>	<u>0</u>	<u>230,668</u>
Total at cost	<u>11,271,128</u>	<u>110,372</u>	<u>(318,404)</u>	<u>11,063,096</u>
Less Accumulated Depreciation For:				
Buildings	(861,470)	(179,858)	0	(1,041,328)
Apparatus & Vehicles	(1,084,135)	(173,672)	261,051	(996,756)
Equipment	(112,194)	(15,422)	0	(127,616)
Total Accumulated Depreciation	<u>(2,057,799)</u>	<u>(368,952)</u>	<u>261,051</u>	<u>(2,165,700)</u>
Capital Assets - Net	<u>\$9,213,329</u>	<u>(\$258,580)</u>	<u>(\$57,353)</u>	<u>\$8,897,396</u>
<u>Business-type Activities:</u>				
Equipment	<u>\$474,785</u>	<u>\$13,671</u>	<u>\$0</u>	<u>\$488,456</u>
Total at cost	<u>474,785</u>	<u>13,671</u>	<u>0</u>	<u>488,456</u>
Less Accumulated Depreciation				
Equipment	(65,731)	(47,498)	0	(113,229)
Total Accumulated Depreciation	<u>(65,731)</u>	<u>(47,498)</u>	<u>0</u>	<u>(113,229)</u>
Capital Assets-Net	<u>\$409,054</u>	<u>(\$33,827)</u>	<u>\$0</u>	<u>\$375,227</u>

The capitalization policy sets a \$10,000 threshold for governmental funds and a \$1,000 threshold for the proprietary fund.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2008**

5. Long-Term Liabilities

Long-term liability for the year ended April 30, 2008, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within 1 Year
Fire Protection District Notes, Series 2002	\$7,380,000	\$0	(\$90,000)	\$7,290,000	\$105,000
Fire Protection District Notes, Series 2005	285,000	0	(80,000)	205,000	80,000
Capital Lease	494,245	0	(114,792)	379,453	120,450
Compensated Absences	476,134	47,063	0	523,197	78,480
Net Pension Obligation	<u>509,141</u>	<u>134,335</u>	<u>0</u>	<u>643,476</u>	<u>0</u>
Total	<u>\$9,144,520</u>	<u>\$181,398</u>	<u>\$(284,792)</u>	<u>\$9,041,126</u>	<u>\$383,930</u>

Description of Debt – On April 25, 2002 the District issued \$7,595,000.00 Fire Protection District Notes, Series 2002. The proceeds were used to pay off an existing mortgage and to finance the construction of two new fire stations as per Ordinance dated April 17, 2002. Interest is payable on January and July 1st. of each year and varies between 4% and 6.4%.

In fiscal year 2005/2006 the District starting providing the method of transmission of any activated alarms via the activities of the Radio Frequency Fire Alarm Fund (a proprietary fund). The district issued \$400,000 in Fire Protection District Notes, Series 2005 in order to buy the necessary equipment to provide this new service. Interest is at a rate of 3.86% per annum and payable on January and July 15th of each year.

During fiscal 2006/2007 the District purchased two engines and financed them partially by a capital lease in the amount of \$612,111, with final payment due February 1, 2011.

Principal and interest payments due during the next five years on the Fire Protection Notes, Series 2002 and 2005 and Capital Lease are as follows:

	Series 2002		Series 2005		Capital Lease	
For The Year Ended:	Principal	Interest	Principal	Interest	Principal	Interest
April 30, 2009	\$105,000	\$392,105	\$80,000	\$7,141	\$120,450	\$18,703
April 30, 2010	120,000	387,118	80,000	4,053	126,387	12,766
April 30, 2011	140,000	384,268	45,000	869	132,616	6,537
April 30, 2012	160,000	374,698	0	0	0	0
April 30, 2012	180,000	366,858	0	0	0	0

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2008**

6. Illinois Municipal Retirement Fund

The following information is provided on a calendar year basis (2007), which differs from the District's fiscal year (year ended April 30, 2008) since the following is the most recent data available.

The District's defined benefit pension plan, (an agent multiple- employer plan) Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer rate for calendar year 2007 was 10.43% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2007 was 26 years.

For December 31, 2007, the District's annual pension cost of \$25,024 was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.0% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2007 actuarial valuation were based on the 2002-2004 experience study.

**ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2008**

6. Illinois Municipal Retirement Fund (Continued)

TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/07	\$25,024	100%	\$0
12/31/06	23,457	100%	\$0
12/31/05	18,904	100%	\$0
12/31/04	16,145	100%	\$0
12/31/03	14,489	100%	\$0
12/31/02	7,031	100%	\$0
12/31/01	4,225	100%	\$0
12/31/00	2,485	100%	\$0
12/31/99	3,259	100%	\$0
12/31/98	2,668	100%	\$0

7. Firefighters' Pension Plan

Plan Description. The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers the full time fire sworn personnel of the Algonquin – Lake In The Hills Fire Protection District. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contribution levels are mandated by Illinois Compiled Statutes (Chapter 40 – Pension Article 4) and may be amended only by the Illinois legislature. The Firefighters' Pension Plan provides retirement, disability and death benefits to plan members and their beneficiaries. The Firefighters' Pension Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Firefighters Pension Fund. That report may be obtained by writing to the Algonquin – Lake In The Hills Fire Protection District, 1020 West Algonquin Road, Lake In The Hills, Illinois 60156 or by calling (847) 658-8233.

Contributions. Plan members (i.e. covered employees) are required to contribute 9.455% of their annual covered salary. Due to past participation in another pension fund one firefighter has to contribute an additional 1% of salary. The Algonquin – Lake In The Hills Fire Protection District is required to contribute the remaining amounts at a rate necessary to finance the plan as actuarially determined. Per Chapter 40 Illinois Compiled Statutes, contribution requirements of the plan members and the District are established and may be amended by the State legislature. Administrative costs of the plan are financed through investment earnings.

ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2008

7. Firefighters' Pension Plan (Continued)

Concentrations. Investments in certain U.S. Treasury Notes, Money Market Mutual Funds and Mutual Funds represent more than 5% of the net assets of the pension plan.

Annual Pension Cost and Net Pension Obligation. The District's annual pension cost and net pension obligation for the year were as follows:

<i>Annual required contribution</i>	\$748,474
<i>Interest on net pension obligation</i>	35,640
Adjustment to annual required contribution	<u>(23,436)</u>
Annual pension cost	760,678
Contributions made	<u>626,343</u>
Increase (decrease) in net pension obligation	134,335
Net pension obligation beginning of year	<u>509,141</u>
Net pension obligation end of year	<u>\$ 643,476</u>

Three-Year Trend Information

Fiscal year ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net pension Obligation
4-30-08	\$760,678	82.34%	\$643,476
4-30-07	\$623,780	104.48%	\$509,141
4-30-06	\$539,340	92.16%	\$537,107

**ALGONQUIN – LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2008**

8. Ambulance Fund

On September 29, 1997 the Board of Trustees adopted a resolution authorizing the execution of an asset transfer agreement between the Algonquin – Lake In The Hills Emergency Ambulance Service, Inc. (hereinafter the “Corporation”) and the Algonquin – Lake In The Hills Fire Protection District (hereinafter the “District”). The Corporation transferred all right, title and interest in the assets of the Corporation to the District. The Corporation has agreed to receive and administer the assets of the Corporation in the operation of its rescue and ambulance service. The agreement took effect October 1, 1997.

During the year ended April 30, 2008, the District changed the way in which they recorded Ambulance Fees Outstanding. In previous years it was determined that the receivable be also recorded as deferred revenue, since the actual payments would be substantially less. The District evaluated collection rates over the past several years and set up an Allowance For Doubtful Accounts based on this review. On April 30, 2008 the District had Ambulance Fees Receivable Net of Doubtful Accounts in the amount of \$33,838 and no amounts were deferred under this new procedure. Therefore ambulance fee revenue was additionally increased by this \$33,838 for the year.

9. Radio Frequency Fire Alarm Fund

During fiscal year 2005/2006 the District began offering a service to businesses and/or property owners within the District’s jurisdiction, who are required by code to install and maintain a fire alarm system for their properties. The District provides the method of transmission of any activated alarm via the system provided by the Radio Frequency Fire Alarm Fund. This fund is maintained as a proprietary fund as discussed in these Notes.

**ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
REQUIRED SUPPLEMENTARY DATA
SCHEDULE OF FUNDING PROGRESS – IMRF
April 30, 2008**

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Assets In Excess of AAL (UAAL)) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (Assets In Excess of AAL) As Percent Of Covered Payroll ((b-a)/c)
*12-31-07	\$233,525	\$340,481	\$106,956	68.59%	\$239,919	44.58%
12-31-06	185,296	284,977	99,681	65.02%	230,878	43.17%
12-31-05	142,942	206,894	63,952	69.09%	195,696	32.68%
12-31-04	104,476	150,728	46,252	69.31%	162,591	28.45%
12-31-03	79,352	114,496	35,144	69.31%	159,223	22.07%
12-31-02	62,569	87,449	24,880	71.55%	86,481	28.77%
12-31-01	74,848	82,232	7,384	91.02%	72,849	10.14%
12-31-00	63,401	57,988	(5,413)	109.33%	52,756	0.00%
12-31-99	52,408	44,074	(8,334)	118.91%	35,355	0.00%
12-31-98	41,613	33,742	(7,871)	123.33%	29,847	0.00%

* On a market value basis, the actuarial value of assets as of 12-31-07 is \$244,719. On a market basis, the funded ratio would be 71.87%.

The information presented in the above required supplementary schedule was determined as part of the actuarial valuations at the date indicated. Additional information as of the latest actuarial valuation follows: The actuarial assumptions included (a) 7.50% investment rate return (net of administrative expenses), (b) projected salary increases 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The remaining amortization period at December 31, 2007 was 26 years.

The 2007 actuarial valuation information above is based on the assumptions derived from the 2002-2004 Experience Study. The principal changes were the 1994 Group Annuity Mortality was implemented and for regular members, fewer normal and more early retirements are expected to occur.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES
REQUIRED SUPPLEMENTARY DATA
SCHEDULES OF FUNDING PROGRESS – FIREFIGHTERS' PENSION FUND
April 30, 2008**

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Assets In Excess Of) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (Assets In Excess of AAL) As Percent Of Covered Payroll ((b-a)/c)
5-1-07	\$6,883,317	\$9,052,414	\$2,169,097	76.04%	\$2,863,365	75.75%
5-1-06	5,745,715	7,242,383	1,496,668	79.33%	2,397,093	62.43%
5-1-05	4,758,061	5,880,865	1,122,804	80.91%	2,104,583	53.35%
5-1-04	4,269,378	5,091,196	821,818	83.86%	1,954,409	42.05%
5-1-03	3,786,356	4,517,560	731,204	83.81%	1,752,076	41.73%
5-1-02	3,365,799	3,507,946	142,147	95.95%	1,408,235	10.09%
5-1-01	3,035,163	2,988,766	(46,387)	101.55%	1,234,824	(3.76%)
5-1-00	2,276,217	2,377,604	101,387	95.74%	1,002,724	10.11%
5-1-99	2,034,259	1,904,387	(129,872)	106.82%	762,240	(17.04%)
5-1-98	NO	Actuarial	Data	Provided	By Dept	Of Ins.

The information presented in the above required supplementary schedules was determined as part of the actuarial valuations at the date indicated. The latest actuarial information provided by the Department of Insurance as of the date of this report was based on May 1, 2007. Additional information as of the latest actuarial valuation follows:

Valuation Date	May 1, 2007
Actuarial cost method	Entry age normal cost
Amortization method	Level % of payroll
Remaining amortization period	26.1699 years
Actuarial assumptions:	
Investment rate of return	7.0%
Projected salary increases	5.5%

ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL- MAJOR FUNDS
FOR THE YEAR ENDED APRIL 30, 2008

	<u>GENERAL FUND</u>			<u>AMBULANCE FUND</u>		
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<u>REVENUES</u>						
Real Property Taxes	\$3,182,787	\$3,182,787	\$3,179,272	\$3,187,105	\$3,187,105	\$3,183,580
Interest Income	85,000	85,000	121,868	70,000	70,000	93,115
Foreign Fire Insurance	25,000	25,000	23,199	0	0	0
Plan Review Fees	40,000	40,000	68,808	0	0	0
Ambulance Transport Fees	0	0	0	650,000	650,000	747,203
Miscellaneous	<u>26,100</u>	<u>26,100</u>	<u>42,746</u>	<u>500</u>	<u>500</u>	<u>7,774</u>
Total Revenues	<u>3,358,887</u>	<u>3,358,887</u>	<u>3,435,893</u>	<u>3,907,605</u>	<u>3,907,605</u>	<u>4,031,672</u>
<u>EXPENDITURES</u>						
Fire Protection & Ambulance - operations	3,393,088	3,393,088	2,785,831	3,879,491	3,879,491	3,210,912
Debt Service:						
Principal	176,431	176,431	159,792	50,160	50,160	45,000
Interest	244,840	244,840	220,379	218,020	218,020	197,432
Capital Outlay	<u>66,010</u>	<u>66,010</u>	<u>0</u>	<u>190,900</u>	<u>190,900</u>	<u>110,372</u>
Total Expenditures	<u>3,880,369</u>	<u>3,880,369</u>	<u>3,166,002</u>	<u>4,338,571</u>	<u>4,338,571</u>	<u>3,563,716</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	(521,482)	(521,482)	269,891	(430,966)	(430,966)	467,956
<u>OTHER FINANCING SOURCES (USES):</u>						
Sale of Surplus Apparatus	70,000	70,000	67,500	0	0	0
Transfers (Out)	<u>(170,000)</u>	<u>(170,000)</u>	<u>(139,666)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>NET CHANGE IN FUND BALANCES</u>	(621,482)	(621,482)	197,725	(430,966)	(430,966)	467,956
<u>FUND BALANCE- Beginning Of Year</u>	<u>738,473</u>	<u>738,473</u>	<u>738,473</u>	<u>1,651,581</u>	<u>1,651,581</u>	<u>1,651,581</u>
<u>FUND BALANCE - End Of Year</u>	<u>\$116,991</u>	<u>\$116,991</u>	<u>\$936,198</u>	<u>\$1,220,615</u>	<u>\$1,220,615</u>	<u>\$2,119,537</u>

ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
COMBINING BALANCE SHEET - ALL NON MAJOR GOVERNMENTAL FUNDS
April 30, 2008

	<u>Insurance Fund</u>	<u>Audit Fund</u>	<u>Pension Tax Levy Fund</u>	<u>Total</u>
<u>ASSETS</u>				
Investments	\$0	\$32,235	\$30,858	\$63,093
Property Taxes Receivable				
2007 Tax Levy - Net	317,501	16,048	692,625	1,026,174
Prepaid Insurance	<u>51,011</u>	<u>0</u>	<u>0</u>	<u>51,011</u>
Total	<u>\$368,512</u>	<u>\$48,283</u>	<u>\$723,483</u>	<u>\$1,140,278</u>
 <u>LIABILITIES AND DISTRICT EQUITY</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$0	\$0	\$30,858	\$30,858
Deferred Revenue	<u>317,501</u>	<u>16,048</u>	<u>692,625</u>	<u>1,026,174</u>
Total	317,501	16,048	723,483	1,057,032
 <u>DISTRICT EQUITY</u>				
Fund Balance	<u>51,011</u>	<u>32,235</u>	<u>0</u>	<u>83,246</u>
Total	<u>\$368,512</u>	<u>\$48,283</u>	<u>\$723,483</u>	<u>\$1,140,278</u>

ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - ALL NON MAJOR GOVERNMENTAL FUNDS
For The Year Ended April 30, 2008

	<u>Insurance Fund</u>	<u>Audit Fund</u>	<u>Pension Tax Levy Fund</u>	<u>Total</u>
<u>REVENUE</u>				
Property Taxes	\$265,583	\$18,493	\$590,380	\$874,456
Personal Property Replacement Tax	0	0	35,659	35,659
Interest	131	734	304	1,169
Miscellaneous	<u>0</u>	<u>0</u>	<u>315</u>	<u>315</u>
Total	<u>265,714</u>	<u>19,227</u>	<u>626,658</u>	<u>911,599</u>
<u>EXPENDITURES</u>				
Insurance Fund	445,188	0	0	445,188
Audit Fund	0	13,500	0	13,500
District Pension Contribution	<u>0</u>	<u>0</u>	<u>626,658</u>	<u>626,658</u>
Total	<u>445,188</u>	<u>13,500</u>	<u>626,658</u>	<u>1,085,346</u>
<u>EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES</u>	(179,474)	5,727	0	(173,747)
<u>OTHER FINANCING SOURCES</u>				
Transfer In	<u>139,666</u>	<u>0</u>	<u>0</u>	<u>139,666</u>
<u>NET CHANGE IN FUND BALANCES</u>	(39,808)	5,727	0	(34,081)
<u>FUND BALANCE - Beginning May 1, 2007</u>	<u>90,819</u>	<u>26,508</u>	<u>0</u>	<u>117,327</u>
<u>FUND BALANCE - Ending April 30, 2008</u>	<u>\$51,011</u>	<u>\$32,235</u>	<u>\$0</u>	<u>\$83,246</u>

ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For The Year Ended April 30, 2008

	<u>Budget</u>	<u>Actual</u>	Actual Under (Over) <u>Budget</u>
<u>REVENUE</u>			
Real Estate Taxes	\$3,182,787	\$3,179,272	\$3,515
Foreign Fire Insurance	25,000	23,199	1,801
Interest Income	85,000	121,868	(36,868)
Plan Review Fees	40,000	68,808	(28,808)
Miscellaneous	26,100	42,746	(16,646)
Sale of Surplus Apparatus	<u>70,000</u>	<u>67,500</u>	<u>2,500</u>
Total Revenue	<u>\$3,428,887</u>	<u>\$3,503,393</u>	<u>(\$74,506)</u>
<u>EXPENDITURES</u>			
<u>PERSONNEL SERVICES</u>			
Salaries and Wages	\$2,441,881	\$2,017,332	\$424,549
Unemployment Taxes	6,900	4,157	2,743
Employer's FICA	92,000	61,106	30,894
Other Payroll Expenses	23,805	25,399	(1,594)
Life Insurance	3,840	2,233	1,607
Hospital/Medical Insurance	<u>238,368</u>	<u>199,361</u>	<u>39,007</u>
Total	<u>2,806,794</u>	<u>2,309,588</u>	<u>497,206</u>
<u>OPERATIONS & SUPPLIES</u>			
Administrative Expenses	19,825	12,932	6,893
Buildings & Grounds	22,130	19,128	3,002
Commission Expenses	15,515	8,629	6,886
Communications / IT Expenses	27,810	13,023	14,787
Fire Prevention/Pub Ed Expenses	8,312	5,859	2,453
Protective Clothing & Equipment	40,060	35,762	4,298
Employee Wellness	24,200	10,299	13,901
Professional Services	106,425	86,923	19,502
Special Teams Expense	29,678	19,519	10,159
Training Expenses	22,500	18,585	3,915
Travel & Conference	8,635	6,701	1,934
Utilities	65,395	54,425	10,970
Vehicle & Equipment Expenses	<u>168,309</u>	<u>148,514</u>	<u>19,795</u>
Total	<u>558,794</u>	<u>440,299</u>	<u>118,495</u>

ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For The Year Ended April 30, 2008

<u>EXPENDITURES (Continued)</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual Under (Over) Budget</u>
<u>DEBT</u>			
Building Interest Paid	218,042	197,432	20,610
Building Long Term Debt Service	50,160	45,000	5,160
Capital Lease Interest Paid	26,798	22,947	3,851
Capital Lease Debt Service	<u>126,271</u>	<u>114,792</u>	<u>11,479</u>
Total	<u>421,271</u>	<u>380,171</u>	<u>41,100</u>
<u>SUNDRY</u>			
Contingent/Unforseen	27,500	7,903	19,597
Transfer to Tort Fund	<u>170,000</u>	<u>139,666</u>	<u>30,334</u>
Total	<u>197,500</u>	<u>147,569</u>	<u>49,931</u>
<u>CAPITAL</u>			
Buildings/Lands	0	0	0
Office/Communications Equipment*	18,400	4,135	14,265
Vehicles	0	0	0
Firefighting / Rescue Equipment*	47,610	23,906	23,704
Maintenance Equipment	0	0	0
Capital Reserve	<u>530,000</u>	<u>0</u>	<u>530,000</u>
Total	<u>596,010</u>	<u>28,041</u>	<u>567,969</u>
Total Expenditures	<u>\$4,580,369</u>	<u>\$3,305,668</u>	<u>\$1,274,701</u>

* Listed expenses were not recorded as Capital Assets since individual expenditures were under the \$10,000 threshold.

ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
AMBULANCE FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For The Year Ended April 30, 2008

	<u>Budget</u>	<u>Actual</u>	Actual Under (Over) <u>Budget</u>
<u>REVENUE</u>			
Real Estate Taxes	\$3,187,105	\$3,183,580	\$3,525
Ambulance Transport Fees	650,000	747,203	(97,203)
Interest Income	70,000	93,115	(23,115)
Miscellaneous Income	<u>500</u>	<u>7,774</u>	<u>(7,274)</u>
Total Revenue	<u>\$3,907,605</u>	<u>\$4,031,672</u>	<u>(\$124,067)</u>
<u>EXPENDITURES</u>			
<u>PERSONNEL SERVICES</u>			
Salaries and Wages	\$2,800,250	\$2,360,006	\$440,244
Unemployment Taxes	6,900	4,157	2,743
Employer's FICA	92,000	60,074	31,926
Other Payroll Expenses	19,780	17,444	2,336
Life Insurance	3,840	2,233	1,607
Hospital/Medical Insurance	<u>238,368</u>	<u>195,686</u>	<u>42,682</u>
Total	<u>3,161,138</u>	<u>2,639,600</u>	<u>521,538</u>
<u>OPERATIONS & SUPPLIES</u>			
Administrative Expenses	25,665	16,702	8,963
Buildings & Grounds	53,835	46,114	7,721
Commission Expenses	14,850	10,169	4,681
Communications / IT Expenses	119,150	83,496	35,654
EMS / CPR Expenses	31,775	23,936	7,839
Protective Clothing & Equipment	54,338	29,298	25,040
Employee Wellness	32,010	9,106	22,904
Professional Services	167,750	144,471	23,279
Special Teams Expense	75,809	65,472	10,337
Training Expenses	15,400	11,406	3,994
Travel & Conference	6,985	7,852	(867)
Utilities	65,505	54,354	11,151
Vehicle & Equipment Expenses	76,090	53,379	22,711
Scrivener's Error *	<u>(75,809)</u>	<u>0</u>	<u>(75,809)</u>
Total*	<u>663,353</u>	<u>555,755</u>	<u>107,598</u>

* Total estimated expenditures reflect correction due to scrivener's error.

ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
AMBULANCE FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For The Year Ended April 30, 2008

<u>EXPENDITURES (Continued)</u>	<u>Budget</u>	<u>Actual</u>	Actual Under (Over) <u>Budget</u>
<u>DEBT</u>			
Interest	218,020	197,432	20,588
Long Term Debt Service	<u>50,160</u>	<u>45,000</u>	<u>5,160</u>
Total	<u>268,180</u>	<u>242,432</u>	<u>25,748</u>
<u>SUNDRY</u>			
Contingent / Unforeseen	<u>55,000</u>	<u>9,599</u>	<u>45,401</u>
Total	<u>55,000</u>	<u>9,599</u>	<u>45,401</u>
<u>CAPITAL *</u>			
Buildings/Lands	0	0	0
Office/Communications Equipment	69,000	10,947	58,053
Vehicles	64,400	56,047	8,353
EMS Equipment	57,500	49,336	8,164
Capital Reserve	<u>1,600,000</u>	<u>0</u>	<u>1,600,000</u>
Total	<u>1,790,900</u>	<u>116,330</u>	<u>1,674,570</u>
 Total AMBULANCE FUND	 <u>\$5,938,571</u>	 <u>\$3,563,716</u>	 <u>\$2,374,855</u>

* Expenses recorded as Capital Assets totalled \$110,372 since all other expenditures were under the \$10,000 capitalization threshold.

ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
AUDIT AND PENSION TAX LEVY FUNDS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For The Year Ended April 30, 2008

	<u>Budget</u>	<u>Actual</u>	Actual Under (Over) <u>Budget</u>
<u>AUDIT FUND</u>			
<u>REVENUE</u>			
Real Estate Taxes	\$18,518	\$18,493	\$25
Interest	<u>\$0</u>	<u>\$734</u>	<u>(\$734)</u>
Total Revenue	<u>\$18,518</u>	<u>\$19,227</u>	<u>(\$709)</u>
<u>EXPENDITURES</u>			
Auditing	<u>\$15,000</u>	<u>\$13,500</u>	<u>\$1,500</u>
Total	<u>\$15,000</u>	<u>\$13,500</u>	<u>\$1,500</u>
<u>PENSION TAX LEVY FUND</u>			
<u>REVENUE</u>			
Real Estate Taxes	\$591,032	\$590,380	\$652
Personal Property Taxes	25,000	35,659	(10,659)
Interest	0	304	(304)
Donations	<u>0</u>	<u>315</u>	<u>(315)</u>
Total Revenue	<u>\$616,032</u>	<u>\$626,658</u>	<u>(\$10,626)</u>
<u>EXPENDITURES</u>			
Pension Payments	<u>\$616,032</u>	<u>\$626,658</u>	<u>(\$10,626)</u>
Total	<u>\$616,032</u>	<u>\$626,658</u>	<u>(\$10,626)</u>

ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
INSURANCE FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For The Year Ended April 30, 2008

	<u>Budget</u>	<u>Actual</u>	Actual Under (Over) <u>Budget</u>
<u>REVENUE</u>			
Real Estate Taxes	\$265,900	\$265,583	\$317
Transfer from General	170,000	139,666	30,334
Interest	<u>0</u>	<u>131</u>	<u>(131)</u>
Total Revenue	<u>\$435,900</u>	<u>\$405,380</u>	<u>\$30,520</u>
<u>EXPENDITURES</u>			
Workers Compensation	\$420,000	\$371,393	\$48,607
Vehicle Liability	30,000	21,859	8,141
General Liability	<u>66,000</u>	<u>51,936</u>	<u>14,064</u>
Total	<u>\$516,000</u>	<u>\$445,188</u>	<u>\$70,812</u>

ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS

SCHEDULE OF GOVERNMENTAL FIXED ASSETS
APRIL 30, 2008

<u>COST</u>		<u>BALANCE</u> <u>May 1, 2007</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>APRIL 30, 2008</u>
Land - Headquarters		\$641,954	\$0	\$0	\$641,954
Land - Satellite Station #1		627,808	0	0	627,808
Land - Satellite Station #2		147,094	0	0	147,094
Headquarters		3,780,150	0	0	3,780,150
Satellite Station #1		2,427,180	0	0	2,427,180
Satellite Station #2		986,960	0	0	986,960
Apparatus & Vehicles		2,462,314	77,372	(318,404)	2,221,282
Equipment		<u>197,668</u>	<u>33,000</u>	<u>0</u>	<u>230,668</u>
	TOTAL	<u>\$11,271,128</u>	<u>\$110,372</u>	<u>(\$318,404)</u>	<u>11,063,096</u>
<u>ACCUMULATED DEPRECIATION</u>	<u>Life</u>				
Headquarters	40 YR	\$366,221	\$94,504	\$0	\$460,725
Satellite Station #1	40 YR	235,145	60,680	0	295,825
Satellite Station #2	40 YR	260,104	24,674	0	284,778
Apparatus & Vehicles	7-15 YR	1,084,135	173,672	(261,051)	996,756
Equipment	10 YR	<u>112,194</u>	<u>15,422</u>	<u>0</u>	<u>127,616</u>
	TOTAL	<u>\$2,057,799</u>	<u>\$368,952</u>	<u>(\$261,051)</u>	<u>2,165,700</u>
NET - APRIL 30, 2008					<u>\$8,897,396</u>

Note the above schedule does not include business-type activities, namely the RFFA Fund's fixed assets.

ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
SCHEDULE OF INVESTMENTS
April 30, 2008

	<u>Interest Rate</u>	<u>Maturity</u>	<u>Fair Value</u>
<u>COMMINGLED INVESTMENT - NON-PENSION:</u>			
<u>ILLINOIS FUNDS</u>	Variable	N/A	
<u>GENERAL FUND</u>			\$1,164,325
<u>AMBULANCE FUND</u>			2,320,093
<u>PENSION TAX LEVY FUND</u>			30,858
<u>AUDIT FUND</u>			32,235
<u>RADIO FREQUENCY FIRE ALARM FUND (RFFA)</u>			271,030
<u>Total Illinois Funds Commingled - Non-Pension</u>			<u>\$3,818,541</u>
 <u>PENSION FUND</u>			
<u>Illinois Funds - Money Market</u>	Variable	N/A	\$655,925
<u>Wachovia Securities</u>			
<u>Euro Pacific Growth Fund</u>		N/A	946,146
<u>Washington Mutual Inv. Fund</u>	Variable	N/A	944,998
<u>Wells Fargo - Custodial Account</u>			
<u>Wells Fargo Advantage Treas.</u>			
<u>Plus Money Market</u>	Variable	N/A	3,032,103
<u>U.S. Treasury Strip</u>	0.000%	11-15-08	198,078
<u>U.S. Treasury Strip</u>	0.000%	11-15-09	145,033
<u>U.S. Treasury Notes</u>	2.625%	05-15-08	250,098
<u>U.S. Treasury Notes</u>	3.125%	10-15-08	251,778
<u>U.S. Treasury Notes</u>	3.000%	02-15-09	227,126
<u>U.S. Treasury Notes</u>	3.265%	01-15-10	419,803
<u>Fed. Home Loan Banks-</u>	5.800%	09-02-08	353,938
<u>FNMA - Medium Term Notes</u>	4.000%	05-06-11	200,062
<u>GNMA #763 Pass Thru Ctf</u>	8.000%	05-20-17	878
<u>GNMA #324932 Pass Thru Ctf</u>	7.000%	05-15-22	2,831
<u>Total Pension Fund</u>			<u>\$7,628,797</u>

ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
ASSESSED VALUES, TAX RATE, TAXES EXTENDED,
PERCENTAGES BY FUND AND COLLECTIONS
For The Levy Year

		<u>2007</u>	
<u>ASSESSED VALUES</u>			
Mc Henry County		\$1,148,031,174	
Kane County		<u>195,033,363</u>	
Total		<u>\$1,343,064,537</u>	
<u>RATES, EXTENSIONS AND PERCENTAGES</u>	<u>Rate</u>	<u>Extended</u>	<u>Percent</u>
Mc Henry County			
General Fund	0.2510	\$2,881,558	44.37%
Insurance Fund	0.0237	272,084	4.19%
Audit Fund	0.0012	13,776	0.21%
Ambulance Fund	0.2381	2,733,462	42.09%
Pension Fund	<u>0.0517</u>	<u>593,532</u>	<u>9.14%</u>
Total Mc Henry County	<u>0.5657</u>	<u>6,494,412</u>	<u>100.00%</u>
Kane County			
General Fund	0.249798	487,189	44.42%
Insurance Fund	0.023495	45,823	4.18%
Audit Fund	0.001175	2,292	0.21%
Ambulance Fund	0.236659	461,564	42.08%
Pension Fund	<u>0.051262</u>	<u>99,978</u>	<u>9.11%</u>
Total Kane County	<u>0.562389</u>	<u>1,096,846</u>	<u>100.00%</u>
Grand Total		<u>\$7,591,258</u>	
<u>COLLECTIONS - Including Prior Years' Settlements</u>			
All Funds			
McHenry County		\$0	
Kane County		<u>0</u>	
Total		<u>\$0</u>	

All Data Is For Real Property Only. Information On Revenue To Be
Received From Personal Property Replacement Taxes Is Not Included Herein.

<u>2006</u>			<u>2005</u>		
\$1,079,651,984			\$1,006,464,037		
<u>177,284,310</u>			<u>153,687,092</u>		
<u>\$1,256,936,294</u>			<u>\$1,160,151,129</u>		
<u>Rate</u>	<u>Extended</u>	<u>Percent</u>	<u>Rate</u>	<u>Extended</u>	<u>Percent</u>
0.2560	\$2,763,909	43.97%	0.2637	\$2,654,051	44.37%
0.0214	231,046	3.68%	0.0121	121,782	2.04%
0.0015	16,195	0.26%	0.0013	13,084	0.22%
0.2564	2,768,228	44.04%	0.2637	2,654,046	44.37%
0.0469	506,356	8.05%	<u>0.0535</u>	<u>538,458</u>	<u>9.00%</u>
<u>0.5822</u>	<u>6,285,734</u>	<u>100.00%</u>	<u>0.5943</u>	<u>5,981,421</u>	<u>100.00%</u>
0.236275	418,879	43.65%	0.276034	424,229	44.69%
0.019661	34,856	3.63%	0.012554	19,294	2.03%
0.001311	2,324	0.24%	0.000000	0	0.00%
0.236275	418,879	43.65%	0.276035	424,230	44.69%
<u>0.047764</u>	<u>84,677</u>	<u>8.83%</u>	<u>0.053016</u>	<u>81,478</u>	<u>8.59%</u>
<u>0.541286</u>	<u>959,615</u>	<u>100.00%</u>	<u>0.617639</u>	<u>949,231</u>	<u>100.00%</u>
<u>\$7,245,349</u>			<u>\$6,930,652</u>		
\$6,278,587			\$5,986,629		
<u>958,721</u>			<u>945,563</u>		
<u>\$7,237,308</u>			<u>\$6,932,192</u>		

All Data Is For Real Property Only. Information On Revenue To Be Received From Personal Property Replacement Taxes Is Not Included Herein.