

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

MC HENRY AND KANE COUNTIES, ILLINOIS

ANNUAL FINANCIAL REPORT

April 30, 2010

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS**
April 30, 2010

CONTENTS

<u>Independent Auditor's Report</u>	1-2
<u>Management's Discussion and Analysis</u>	3-9
<u>Basic Financial Statements:</u>	
<i>Government-wide Financial Statements:</i>	
Statement of Net Assets	10
Statement of Activities	11
<i>Fund Financial Statements:</i>	
Governmental Funds:	
Balance Sheet	12
Reconciliation of the Balance Sheet to Statement of Net Assets	13
Statement of Revenues, Expenditures and Changes in Fund Balances	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Proprietary Fund:	
Statement of Net Assets	16
Statement of Revenues, Expenses and Changes in Fund Net Assets	17
Statement of Cash Flows	18-19
Fiduciary Fund:	
Statement of Fiduciary Net Assets	20
Statement Of Changes In Fiduciary Net Assets	21
Notes To Financial Statements	22-39
<u>Required Supplementary Information</u>	
Schedule Of Funding Progress – IMRF	40
Schedule Of Funding Progress – Firefighters' Pension Fund	41
Major Funds–Schedule of Revenues and Expenditures–Budget And Actual	42
<u>Additional Information</u>	
Combining Balance Sheet – All Non Major Governmental Funds	43
Combining Statements Of Revenues, Expenditures And Changes In Fund Balance – All Non Major Governmental Funds	44
Statement of Revenues And Expenditures – Budget And Actual	
General Fund	45-46
Ambulance Fund	47-48
Insurance Fund	48
Audit Fund	49
Pension Tax Levy Fund	49
Capital Fund	50
Schedule Of Governmental Fixed Assets	51
<u>Statistical Information</u>	
Assessed Values, Tax Rates, Taxes Extended, Percentages By Funds And Collections	52-53

Susan L. Coen
Certified Public Accountant
95 Grant Street • Crystal Lake, Illinois 60014

INDEPENDENT AUDITOR'S REPORT

September 30, 2010

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, 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, 2010, 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 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 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, 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, 2010, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules of funding progress on pages 3 through 9 and on pages 40 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidences to express an opinion or provide assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Algonquin-Lake In The Hills Fire Protection District's financial statements as a whole. The combining and individual nonmajor fund financial statements, schedule of governmental fixed assets and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedule of governmental fixed assets are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied to the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the information.

A handwritten signature in black ink, appearing to read "Susan L. Caen", is positioned below the typed text. The signature is fluid and cursive, with a long, sweeping line for the first name and a more compact, vertical line for the last name.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2010

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, 2010. 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 reconciliations with 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 22-39.

Required Supplementary Information – This report also presents certain required supplementary information on pages 40-42. 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 20-21. 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 \$3,487,968 as of April 30, 2010.

Algonquin-Lake In The Hills Fire Protection District Net Assets
Governmental Activities Business-type Activities Total

April 30,	2010	2009	2010	2009	2010	2009
Current and other assets	\$11,646,270	\$11,610,990	\$289,479	\$302,631	\$11,935,749	\$11,913,621
Capital Assets –net	8,861,907	8,835,872	319,691	350,350	9,181,598	9,186,222
Total Assets	20,508,177	20,446,862	609,170	652,981	21,117,347	21,099,843
Long-term Liabilities	8,526,935	8,874,764	45,000	125,000	8,571,935	8,999,764
Other Liabilities	8,882,544	8,446,160	174,900	171,995	9,057,444	8,618,155
Total Liabilities	17,409,479	17,320,924	219,900	296,995	17,629,379	17,617,919
Net Assets:						
Invested in capital assets, net of related debt	1,664,291	1,391,869	274,691	225,350	1,938,982	1,617,219
Restricted	31,854	31,510	0	0	31,854	31,510
Unrestricted	1,402,553	1,702,559	114,579	130,636	1,517,132	1,833,195
Total Net Assets	\$3,098,698	\$3,125,938	\$389,270	\$355,986	\$3,487,968	\$3,481,924

Net assets of the District's governmental activities decreased by 1% (\$3,098,698 compared to \$3,125,938). 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 – decreased from \$1,833,195 to \$1,517,132 due in part to capital purchases.

Net assets of the District's business-type activities increased by 9% (\$389,270 compared to \$355,986). The net assets consist of \$274,691 invested in capital assets less any debt to acquire those assets and unrestricted net assets of \$114,579. The activities of this fund had been projected to increase and the results indicate they have.

55% 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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>		<u>Total</u>	
Year Ended April 30	2010	2009	2010	2009	2010
Revenues					
Program Revenues:					
Charges For Services	\$845,512	\$933,992	\$297,934	\$293,748	\$1,143,446
Grants	48,889	2,295	0	0	48,889
General Revenues:					
Property Taxes	7,955,964	7,580,019	0	0	7,955,964
Other Taxes	65,915	57,266	0	0	65,915
Interest	15,714	67,742	345	2,760	16,059
Other general revenues	112,994	36,737	0	0	112,994
Total Revenues	9,044,988	8,678,051	298,279	296,508	9,343,267
Program Expenses					
Public Safety	8,675,802	8,344,703	0	0	8,675,802
Interest on long-term debt	396,426	407,661	3,152	6,240	399,578
Radio Frequency Fire Alarm Service	0	0	261,843	207,343	261,843
Total Expenses	9,072,228	8,752,364	264,995	213,583	9,337,223
Increase (Decrease) In Net Assets	<u>\$(27,240)</u>	<u>\$(74,313)</u>	<u>\$33,284</u>	<u>\$82,925</u>	<u>\$6,044</u>
					<u>\$8,612</u>

Overall the District had an increase in net assets of \$6,044 for the year ended April 30, 2010 compared with \$8,612 the previous year.

Governmental Activities: Governmental activities decreased the net assets by \$27,240.

Total revenues for governmental activities increased from the previous year by \$366,937. Program revenues had a decrease of 5%. General revenue had a net increase of 5%, which was primarily due to an increase in property taxes. This increase was tempered by the reduction in investment earnings.

Total expenses for governmental activities increased from the previous year by \$319,864 (a 3.7% increase). The majority of the increase was due to an increase in personnel services.

Business-type Activities: Income from services increased from \$293,748 to \$297,934. Net assets increased from \$355,986 to \$389,270. As per Statement of Cash Flows net cash equivalents decreased by \$8,404.

The District's Funds

At April 30, 2010, the District's governmental funds (as presented in the balance sheet on page 12) reported a combined fund balance of \$3,119,335, which is lower than 08/09's total of \$3,164,830. The Ambulance Fund had an increase in fund balance due to the reduction in total expenditures and a smaller transfer to the Capital Fund than in the previous year. The General Fund had a decrease in fund balance due to the transfers to the insurance and capital funds. The Capital Fund which was established in 08/09 had a net increase reflecting the transfers from General and Ambulance Fund exceeding equipment purchases.

The District's proprietary fund (RFFA Fund) statements provide the same type of 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 17, 2009. The District's General Fund expended \$3,685,334, which was \$599,806 less than the appropriation of \$4,285,140. The Ambulance Fund expended \$4,105,593, which was less than the appropriation of \$4,732,132. The only other major fund was the Capital Fund which appropriated \$3,125,090 and spent only \$1,101,659. The appropriation sets the maximum spending limits for the fiscal year.

CAPITAL ASSETS

The Algonquin-Lake in the Hills Fire Protection District's investments in capital assets for its governmental and business-type activities as of April 30, 2010 amounts to \$9,181,598 (net of accumulated depreciation). This investment in capital assets includes land, building, equipment and improvements. The total decrease in the District's investment in capital assets for the current fiscal year was \$4,624.

Major capital asset events during the current fiscal year include the purchase of \$20,446 in radio frequency fire alarm equipment, ambulance #151 (\$192,952), plymovent (\$21,061), copier (\$12,778), zoll monitors (\$96,575) vehicle lights (\$24.955) and a vehicle (\$23,789). Also included in purchases is the remaining cost of the refurbishment of Engine #142 which totaled \$56,123, the complete refurbishment cost over the two years was \$111,638. More detailed information about the District's capital assets is presented in Note 4 to the financial statements.

Capital Assets at Year-end – Net of Accumulated Depreciation

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$1,416,856	\$1,416,856	\$0	\$0	\$1,416,856	\$1,416,856
Buildings	5,793,249	5,973,105	0	0	5,793,249	5,973,105
Apparatus & Vehicles	1,349,038	1,220,143	0	0	1,349,038	1,220,143
Equipment	302,764	225,768	319,691	350,350	622,455	576,118
Total	\$8,861,907	\$8,835,872	\$319,691	\$350,350	\$9,181,598	\$9,186,222

DEBT

At year end, the District had \$7,110,000 notes outstanding. During the year ended April 30, 2010 \$200,000 were retired. This debt is a general obligation debt of the District, however \$45,000 of the notes outstanding are intended to be paid back out of Radio Frequency Fire Alarm revenues, since proceeds were used to finance the RFFA fund's activities. Two engines were partly financed by a capital lease of which \$126,387 was paid during fiscal 09/10 leaving a debt of \$132,616 at April 30, 2010.

DESCRIPTION OF CURRENT OR EXPECTED CONDITIONS

During the Fiscal Year ending April 30, 2011, the District is planning the following expenditures from the Capital Fund:

- 2010 Ferrara Custom Fire Engine and Ladder Tower. Delivery was at the beginning of the 2nd quarter. Truck 181 was declared surplus and sold during fiscal year 09/10. Engine 146 will be declared surplus and sold during fiscal year 10/11.
- New medium duty ambulance, replacing the most unreliable unit which will be declared surplus and sold. This will be the second replacement in a series over four years. Delivery is expected at the beginning of the 4th quarter.
- Modifications to the existing pick-up truck to replace the brush truck.
- Roof replacement at Station #3. This will be completed by the 2nd quarter.
- New tables for the training room.
- Repairs to the sprinkler systems at Station 1 and 2, including the installation of a nitrogen generating system to prevent damage from corrosion. These repairs are anticipated in the 2nd quarter.

Refunding Notes were issued in fiscal year 10/11, with a closing date of May 18, 2010. These notes refunded Fire Protection Notes, Series 2002 resulting in \$359,000 interest savings to the district. The refunding notes also included additional proceeds of \$1.15 million for the purchase of new Ferrara Fire Engine and Truck.

The collective bargaining agreement with Local 3985 was signed on May 5, 2010 and effective for two fiscal years May 1, 2010 through April 30, 2012.

Changes to the District's ambulance billing policy, administered by Andres Medical Billing, are anticipated to increase revenue in the Ambulance Fund. As these changes were effective May 1, 2010, it is expected that the increase will be seen in the 2nd quarter.

During the next fiscal year, the District is expecting an Illinois Clean Air Grant in the amount of \$5,500 to partially fund lighting replacement upgrades and motion sensors at all three stations. This will result in an energy cost savings of over \$2,700 per year and help make Illinois air cleaner!

The last payment of the 2005 Installment Notes for the Radio Frequency Fire Alarm Fund was made in July, 2010. Revenues will increase as new customers are added to the system. It is anticipated that this fund will now be able to expense the administrative costs attributable to the fund. The District is currently in the process of negotiating inter-governmental revenue-sharing agreements with other Districts which will utilize excess system capacity and increase revenue.

The District made the final payment of a Capital Lease which financed the purchase of two KME engines in fiscal year 06/07.

The District applied for a Federal Assistance to Firefighters Grant to help with the purchase of a new self-contained breathing apparatus training trailer in the amount of \$270,000. The District also applied for another Federal Assistance to Firefighters Grant in the amount of \$27,000 to purchase turn-out gear. At the time of this report the Fire District has not been notified if either grant will be awarded.

Beginning approximately January 1, 2011 the District will implement a new staffing plan that will include assigning seven personnel at Station #1 and three personnel at Station #3 on a daily basis. This will allow the District to place greater emphasis on the staffing of the new ladder tower. Also, three new Lieutenants will be promoted resulting in a supervisor assigned to the ladder tower.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
STATEMENT OF NET ASSETS
APRIL 30, 2010**

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Deposits - Checking/Savings	\$37,104	\$0	\$37,104
Certificate Of Deposits	889,772	0	889,772
Investments	2,377,617	275,673	2,653,290
Accounts Receivable - Net	241,026	13,806	254,832
Receivable from other Governments-Net	8,024,948	0	8,024,948
Prepaid Insurance	75,803	0	75,803
Capital Assets:			
Land	1,416,856	0	1,416,856
Other Capital Assets , net of depreciation	<u>7,445,051</u>	<u>319,691</u>	<u>7,764,742</u>
Total Assets	<u>20,508,177</u>	<u>609,170</u>	<u>21,117,347</u>
<u>LIABILITIES</u>			
Accounts Payable	26,740	7,099	33,839
Salaries & Benefits Payable	338,119	0	338,119
Accrued Interest Payable	128,774	507	129,281
Deferred Revenue	8,033,302	167,294	8,200,596
Long-term Liabilities:			
Due within one year	383,835	45,000	428,835
Due after one year	<u>8,498,709</u>	<u>0</u>	<u>8,498,709</u>
Total Liabilities	<u>17,409,479</u>	<u>219,900</u>	<u>17,629,379</u>
<u>NET ASSETS</u>			
Invested in Capital Assets-			
Net of Related Debt	1,664,291	274,691	1,938,982
Restricted For Debt Service	31,854	0	31,854
Unrestricted	<u>1,402,553</u>	<u>114,579</u>	<u>1,517,132</u>
Total Net Assets	<u>\$3,098,698</u>	<u>\$389,270</u>	<u>\$3,487,968</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, 2010

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, 2010

	<u>General Fund</u>	<u>Ambulance Fund</u>	<u>Capital Fund</u>	<u>Non Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Deposits- Checking/Savings	\$150	\$0	\$0	\$36,954	\$37,104
Certificate Of Deposits	351,820	351,820	150,927	35,205	889,772
Investments	576,765	987,657	810,736	2,459	2,377,617
Property Taxes Receivable - Net	3,346,007	3,320,050	0	1,358,891	8,024,948
Plan Review Fees Receivable	0	0	4,938	0	4,938
Ambulance Fees Receivable - Net	0	228,633	0	0	228,633
Other Receivables	3,793	688	54	2,920	7,455
Prepaid Insurance	1,399	599	0	73,805	75,803
Total Assets	<u>\$4,279,934</u>	<u>\$4,889,447</u>	<u>\$966,655</u>	<u>\$1,510,234</u>	<u>\$11,646,270</u>
LIABILITIES					
Accounts Payable	\$11,526	\$15,214	\$0	\$0	\$26,740
Salaries & Benefits Payable	140,570	197,549	0	0	338,119
Accrued Interest Payable	0	0	128,774	0	128,774
Deferred Revenues	<u>3,349,267</u>	<u>3,320,206</u>	<u>4,938</u>	<u>1,358,891</u>	<u>8,033,302</u>
Total Liabilities	<u>3,501,363</u>	<u>3,532,969</u>	<u>133,712</u>	<u>1,358,891</u>	<u>8,526,935</u>
FUND BALANCES					
Reserve for Debt Service	15,927	15,927	0	0	31,854
Unreserved - Designated	0	0	832,943	0	832,943
Unreserved - Undesignated	<u>762,644</u>	<u>1,340,551</u>	<u>0</u>	<u>151,343</u>	<u>2,254,538</u>
Total Fund Balances	<u>778,571</u>	<u>1,356,478</u>	<u>832,943</u>	<u>151,343</u>	<u>3,119,335</u>
Total Liabilities & Fund Balances	<u>\$4,279,934</u>	<u>\$4,889,447</u>	<u>\$966,655</u>	<u>\$1,510,234</u>	<u>\$11,646,270</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 Balance Sheet to Statement of Net Assets
GOVERNMENTAL FUNDS
April 30, 2010

Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Assets

Total Fund Balances - Total Governmental Funds	\$3,119,335
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 \$2,409,521	8,861,907
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Notes Payable	(7,065,000)
Capital Lease Payable	(132,616)
Accrued compensated absences	(741,462)
Net Pension Obligation	(943,466)
Net assets of governmental activities	<u>\$3,098,698</u>

The Notes to the Financial Statements are an integral part of this statement.
-13-

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, 2010

				Total	
	General Fund	Ambulance Fund	Capital Fund	Non Major Funds	Governmental Funds
REVENUES					
Real Property Taxes	\$3,401,258	\$3,346,203	\$0	\$1,208,503	\$7,955,964
Personal Property Replacement Taxes	0	0	0	28,901	28,901
Foreign Fire Insurance Tax	0	0	0	37,014	37,014
Grants	27,689	0	21,200	0	48,889
Charges for Services	0	834,520	10,992	0	845,512
Investment Earnings	5,409	5,232	4,779	294	15,714
Miscellaneous	47,052	5,973	0	0	53,025
Total Revenues	3,481,408	4,191,928	36,971	1,274,712	8,985,019
EXPENDITURES					
Current : Public Safety:					
Fire and Ambulance	3,041,987	3,729,467	6,611	1,259,727	8,037,792
Debt Service:					
Principal	0	0	246,387	0	246,387
Interest	0	0	396,426	0	396,426
Capital Outlay:	0	0	452,235	0	452,235
Total Expenditures	3,041,987	3,729,467	1,101,659	1,259,727	9,132,840
Excess (Deficiency)Of Revenues Over Expenditures	439,421	462,461	(1,064,688)	14,985	(147,821)
OTHER FINANCING SOURCES (USES)					
Sale of Surplus Apparatus	0	0	102,326	0	102,326
Transfers In (Out)	(643,347)	(376,126)	956,581	62,892	0
Net Change In Fund Balances	(203,926)	86,335	(5,781)	77,877	(45,495)
Fund Balances -Beginning - May 1, 2009	982,497	1,270,143	838,724	73,466	3,164,830
Fund Balances - Ending - April 30, 2010	\$778,571	\$1,356,478	\$832,943	\$151,343	\$3,119,335

The Notes to the Financial Statements are an integral part of this statement.
 -14-

**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, 2010**

**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	<u>(\$45,495)</u>
---	--------------------------

**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	452,235
Depreciation Expense	<u>(383,843)</u>
	<u>68,392</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:**

(42,357)

**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	126,387
Note principal payments	<u>120,000</u>
	<u>246,387</u>

**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	(90,037)
Increase in Net Pension Obligation	<u>(164,130)</u>
	<u>(254,167)</u>

Change in Net Assets of Governmental Activities	<u>(\$27,240)</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 NET ASSETS
PROPRIETARY FUND
APRIL 30, 2010**

**Radio Frequency
Fire Alarm
Fund**

ASSETS

Current Assets:	
Investments	\$275,673
Accounts Receivable	<u>13,806</u>
Total Current Assets	289,479
 Noncurrent Assets:	
Capital Assets (net)	<u>319,691</u>
 Total Assets	 <u>609,170</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	\$7,099
Accrued Interest Payable	507
Notes Payable	45,000
Deferred Revenue	<u>167,294</u>
 Total Current Liabilities	 219,900
 Total Liabilities	 <u>219,900</u>

<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	274,691
Unrestricted	<u>114,579</u>
 Total Net Assets	 <u>\$389,270</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, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED APRIL 30, 2010**

**Radio Frequency
Fire Alarm
Fund**

Operating Revenues:

Charges for services:	
Radio Fire Alarm charges	<u>\$297,934</u>

Operating Expenses:

Administrative Expenses	5,516
Monitoring Services	56,178
Dispatching Fees	106,688
Testing / Installation Services	2,669
Maintenance	38,853
Miscellaneous Commodities	834
Depreciation	<u>51,105</u>
Total Operating Expenses	<u>261,843</u>
 Net Operating Income	 <u>36,091</u>

Nonoperating revenue (expense):

Investment Income	345
Interest Expense	(3,152)
Total Nonoperating Revenue (Expense)	<u>(2,807)</u>

 Net Income	 <u>33,284</u>
 Net Assets - Beginning of Year	 <u>355,986</u>
 Net Assets - End of Year	 <u>\$389,270</u>

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, 2010

Radio Frequency
Fire Alarm
Fund

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

Operating Income	\$36,091
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Cash flows reported in other categories:	
Depreciation expense	51,105
Changes in assets and liabilities:	
Accounts Receivable	4,748
Accounts Payable	551
Deferred Revenue	3,254
Net cash provided by operating activities	<u>\$95,749</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, 2010**

**Radio Frequency
Fire Alarm
Fund**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts From Customers	\$305,936
Payments To Suppliers	(210,187)
Net Cash Provided (Used) By Operating Activities	<u>95,749</u>

**CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES**

Purchases Of Capital Assets	(20,446)
Principal Paid On Debt	(80,000)
Interest Paid On Debt	(4,052)
Net Cash Provided (Used) By Capital And Related Financing Activities	<u>(104,498)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest	345
Net Cash Provided (Used) By Investing Activities	<u>345</u>

Net Increase (Decrease) In Cash And Cash Equivalents	(8,404)
Balance - Beginning Of Year	<u>284,077</u>
Balance - End Of Year	<u>\$275,673</u>

Investments Considered Cash Equivalents Under GASB #9	<u>\$275,673</u>
--	-------------------------

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, 2010

<u>ASSETS</u>	
DEPOSITS	<u>\$897,927</u>
RECEIVABLES	
ACCRUED INTEREST	20,070
OTHER RECEIVABLES	<u>5,454</u>
TOTAL RECEIVABLES	<u>25,524</u>
INVESTMENTS	
POOLED INVESTMENT ACCOUNT	664,668
U.S. GOVERNMENT AND AGENCY OBLIGATIONS	3,884,546
COMMON STOCK	1,559,334
EXCHANGE TRADED FUNDS	1,710,503
MUTUAL FUNDS	<u>773,964</u>
TOTAL INVESTMENTS	<u>8,593,015</u>
TOTAL ASSETS	<u>9,516,466</u>
<u>LIABILITIES</u>	
ACCOUNTS PAYABLE	<u>5,227</u>
TOTAL LIABILITIES	<u>5,227</u>
<u>NET ASSETS HELD IN TRUST FOR</u>	
<u>PENSION BENEFITS</u>	
	<u>\$9,511,239</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, 2010**

ADDITIONS:

CONTRIBUTIONS:

EMPLOYER	\$816,252
EMPLOYEES	313,642
DONATIONS	<u>40</u>
TOTAL CONTRIBUTIONS	
	<u>1,129,934</u>

INVESTMENT INCOME

NET APPRECIATION (DEPRECIATION) IN FAIR VALUE OF INVESTMENTS	1,045,891
INTEREST	159,336
DIVIDENDS	<u>58,838</u>
LESS INVESTMENT EXPENSES	
CUSTODIAL FEES	<u>(30,667)</u>
NET INVESTMENT INCOME	
	<u>1,233,398</u>
TOTAL ADDITIONS	
	<u>2,363,332</u>

DEDUCTIONS:

RETIREMENT BENEFITS	170,285
DISABILITY BENEFITS	201,677
REFUND OF CONTRIBUTIONS	43,690
ADMINISTRATIVE EXPENSES	<u>38,414</u>
TOTAL DEDUCTIONS	
	<u>454,066</u>

<u>NET INCREASE</u>	<u>1,909,266</u>
----------------------------	-------------------------

**NET ASSETS HELD IN TRUST
FOR PENSION BENEFITS**

Beginning of year - May 1, 2009	<u>7,601,973</u>
---------------------------------	-------------------------

End of year - April 30, 2010	<u>\$9,511,239</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
NOTES TO FINANCIAL STATEMENTS
April 30, 2010**

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

Blended Component Units: Algonquin-Lake In the Hills Firefighters' Pension Fund and the Foreign Fire Insurance Tax Fund

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* and includes all component units that have a significant operational and financial relationship with the District. These component units' funds are blended into those of the District's by appropriate activity type to compose the primary government presentation.

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, 2010**

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.

Capital Fund

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

The District's nonmajor governmental funds include special revenue funds used to report the transactions of four funds. Special tax levies were passed for three funds which include: Audit, Insurance and Pension Tax Levy Funds. The newly established Foreign Fire Insurance Tax Fund (a blended component unit) is used to accumulate funds from the receipt of foreign fire insurance tax for expenditures (approved by resolution of the Board) for the maintenance, use, and benefit of the Fire Department members.

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, 2010**

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 (a blended component unit). 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, 2010**

**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, “Deposits – checking and savings” includes also cash on hand. “Certificate Of Deposits” are deposits as well but are included on a separate line for clarity purposes. 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, 2010**

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, 2010 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, 2010**

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

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, accrued 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, 2010**

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 4-30-10 expire on 12-31-10. 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, 2010**

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 2008 Levy, which was distributed completely during the fiscal year ended April 30, 2010. The 2009 Levy has been recorded as Deferred Revenue, since it was to apply to the fiscal year 2010/2011. 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, 2010**

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 17, 2009 for the year ended April 30, 2010. 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. The deposits listed as checking and savings (Foreign Fire Insurance Tax Fund) are in a federally insured credit union. The National Credit Union Share Insurance Fund (NCUSIF) covers the balance of each member's account, dollar-for dollar up to the \$250,000 insurance limit. The Certificate of Deposits are all insured by FDIC. The amount of known FDIC coverage for deposits at 4-30-10 in the Firefighters' Pension Plan is \$505,748, which consists of coverage at Morgan Stanley Bank N.A., Morgan Stanley Trust and Harris Bank. Employee benefit plan deposits are insured up to \$250,000 by FDIC for each participant's non-contingent interest in the plan. A determination of total non-contingent interest in the Firefighters' Pension Plan has not been made and therefore the amount of insurance coverage is undetermined. The remaining balance of \$392,179 in deposits would be included in this type of undetermined coverage.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010**

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 mutual funds. The investments of this fiduciary fund that are in security form include U.S. Treasury and Federal Agency investments, Common Stock and Exchange Traded Funds which are held in the Morgan Stanley Accounts. Morgan Stanley accounts are protected by SIPC up to \$500,000. In addition Morgan Stanley has purchased from certain syndicates of Lloyd's of London and various underwriters protection that provides additional coverage "Excess of SIPC." This coverage is subject to a firm wide cap of \$1 billion with no per-client limit for securities and a \$1.9 million per-client limit for the cash portion of any remaining shortfall.

B. Credit Risk

The investments held in the governmental and proprietary funds are in Illinois Funds – Money Market Fund. 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 GNMA). Following is an illustration of credit quality with the level of investment displayed as a % of total investments in debt securities:

Fannie Mae (Federal National Mtg. Assoc.)	AAA	3%
Fannie Mae (Fed. Natl. Mtg. Assoc) <u>Pool</u>	Unrated	82%
Freddie Mac (Federal Home Loan Mtg.) <u>Pool</u>	Unrated	15%

The Pension Fund also has an investment in the Illinois Funds Money Market which is rated AAAm.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010**

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.

As of April 30, 2010, the balance invested in Illinois Fund's Money Market Fund was \$2,653,290 per the government-wide financial statements.

As of April 30, 2010, the Pension Fund had the following investments and maturities required to be disclosed per GASB #40:

Investment Type	Market Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	More than 10
Mutual Funds	\$773,964	\$773,964			
State Investment Pool	664,668	664,668			
U.S. Treasuries	953,768	467,785		\$485,983	
U.S. Agency	2,929,755		\$102,125		\$2,827,630
GNMA's	<u>1,023</u>			<u>413</u>	<u>610</u>
Total	<u>\$5,323,178</u>	<u>\$1,906,417</u>	<u>\$102,125</u>	<u>\$486,396</u>	<u>\$2,828,240</u>

According to the Fund's investment policy, "In establishing specific diversification strategies, the maturities shall be staggered (unless it is deemed imprudent to do so) 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, 2010**

4. Capital Assets

Capital asset activity for the year ended April 30, 2010, was as follows:

<u>Primary Government Governmental Activities:</u>	Beginning Balance	Additions	Deletions	Ending Balance
Land (Not Depreciated)	\$1,416,856	\$0	\$0	\$1,416,856
Buildings	7,194,290	0	0	7,194,290
Apparatus & Vehicles	2,320,296	321,821	(344,410)	2,297,707
Equipment	<u>355,291</u>	<u>130,414</u>	<u>(123,130)</u>	<u>362,575</u>
Total at cost	<u>11,286,733</u>	<u>452,235</u>	<u>(467,540)</u>	<u>11,271,428</u>
Less Accumulated Depreciation For:				
Buildings	(1,221,185)	(179,856)	0	(1,401,041)
Apparatus & Vehicles	(1,100,153)	(169,965)	321,449	(948,669)
Equipment	<u>(129,523)</u>	<u>(34,022)</u>	<u>103,734</u>	<u>(59811)</u>
Total Accumulated Depreciation	<u>(2,450,861)</u>	<u>(383,843)</u>	<u>425,183</u>	<u>(2,409,521)</u>
Capital Assets - Net	<u>\$8,835,872</u>	<u>\$68,392</u>	<u>(\$42,357)</u>	<u>\$8,861,907</u>
Business-type Activities:				
Equipment	<u>\$513,119</u>	<u>\$20,446</u>	<u>\$0</u>	<u>\$533,565</u>
Total at cost	<u>513,119</u>	<u>20,446</u>	<u>0</u>	<u>533,565</u>
Less Accumulated Depreciation				
Equipment	<u>(162,769)</u>	<u>(51,105)</u>	<u>0</u>	<u>(213,874)</u>
Total Accumulated Depreciation	<u>(162,769)</u>	<u>(51,105)</u>	<u>0</u>	<u>(213,874)</u>
Capital Assets-Net	<u>\$350,350</u>	<u>(\$30,659)</u>	<u>\$0</u>	<u>\$319,691</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, 2010**

5. Long-Term Liabilities

Long-term liability for the year ended April 30, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within 1 Year
Fire Protection District Notes, Series 2002	\$7,185,000	\$0	(\$120,000)	\$7,065,000	\$140,000
Fire Protection District Notes, Series 2005	125,000	0	(80,000)	45,000	45,000
Capital Lease	259,003	0	(126,387)	132,616	132,616
Compensated Absences	651,425	90,037	0	741,462	111,219
Net Pension Obligation	779,336	164,130	0	943,466	0
Total	\$8,999,764	\$254,167	\$(326,387)	\$8,927,544	\$428,835

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%. Refunding notes for Series 2002 were issued with a closing date of May 18, 2010 since this transaction occurred after 09/10 it is not reflected in the notes or financial statements.

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 are as follows:

	Series 2002			Series 2005		
For The Year Ended:	Principal	Interest	Principal	Interest	Principal	Interest
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, 2013	180,000	366,858	0	0	0	0
April 30, 2014	205,000	357,858	0	0	0	0
April 30, 2015	230,000	347,813				

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010**

6. Illinois Municipal Retirement Fund

The following information is provided on a calendar year basis (2009), which differs from the District's fiscal year (year ended April 30, 2010) since the following is the most recent data available.

The Pension Information required by Government Accounting Standards Board Statement No. 50, amending GASB 27 Accounting for Pensions by State and Local Governmental Employers, is patterned after the illustration included in the statement with suggested format as developed by the Illinois Municipal Retirement Fund.

Plan Description. The employer's (i.e. ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT'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 District plan is affiliated with the 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 publicly available report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the District's 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 rate for calendar year 2009 was 11.16 percent of annual covered payroll. The District 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. For 2009, the District's annual pension cost of \$21,798 for the Regular plan was equal to the District's required and actual contributions.

Three- Year Trend Information for the Regular Plan

<u>FISCAL YEAR ENDING</u>	<u>ANNUAL PENSION COST (APC)</u>	<u>PERCENTAGE OF APC CONTRIBUTED</u>	<u>NET PENSION OBLIGATION</u>
12/31/09	\$21,798	100%	\$0
12/31/08	22,700	100%	\$0
12/31/07	25,024	100%	\$0

**ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2010**

6. Illinois Municipal Retirement Fund (Continued)

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases of .04% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of The District's Regular Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2009, was 24 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 84.70 percent funded. The actuarial accrued liability for benefits was \$327,911 and the actuarial value of assets was \$277,736, resulting in an underfunded actuarial accrued liability (UAAL) of \$50,175. The covered payroll (annual Payroll of active employees covered by the plan) was \$195,327 and the ratio of the UAAL to the covered payroll was 26 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented as RSI following the Notes to the Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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.

**ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2010**

7. Firefighters' Pension Plan *Plan Description (Continued)*

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.

Funding Policy. Plan members (i.e. covered employees) are required to contribute 9.455% of their annual covered 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.

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>	\$964,157
<i>Interest on net pension obligation</i>	54,554
Adjustment to annual required contribution	(38,329)
Annual pension cost	980,382
Contributions made	816,252
Increase (decrease) in net pension obligation	164,130
Net pension obligation beginning of year	779,336
Net pension obligation end of year	<u>\$ 943,466</u>

Three-Year Trend Information

Fiscal year ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net pension Obligation
4-30-10	\$980,382	83.26%	\$943,466
4-30-09	\$861,129	84.22%	\$779,336
4-30-08	\$760,678	82.34%	\$643,476

**ALGONQUIN – LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2010**

7. Firefighters' Pension Plan (Continued)

Actuarial Methods and Assumptions. In the May 1, 2009, actuarial valuation, the entry age normal cost actuarial method was used. The actuarial assumptions included (a) 7.0% investment rate of return (net of administrative expenses) and (b) projected salary increases 5.5% per year. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll. The remaining amortization period at May 1, 2009 was 24.1699 years.

Funded Status and Funding Progress. As of May 1, 2009, the most recent actuarial date, the plan was 60.87% funded. The actuarial accrued liability for benefits was \$12,189,421, and the actuarial value of assets was \$7,419,823, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,769,598. The covered payroll was \$3,286,831 and the ratio of the UAAL to the covered payroll was 145.11%.

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

8. Other Post Employment Benefits

A. Post Employment Health Plan-

By resolution on December 13, 2006 adopted Post Employment Health Plans For Public Employees and Collectively Bargained Public Employees of the Algonquin-Lake In The Hills Fire Protection District. The Plan is to be administered by Nationwide Retirement Solutions 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 upon the number of sick leave hours used during the preceding calendar year. The required contributions for 2010 and 2009 totaled \$17,633 and \$8,858 respectively and were made by the District. Employees benefits are in individual accounts and employees are responsible for administrative fees only when eligible to participate.

B. Public Safety Benefits Act Benefits -

Per 820 I(LCS 320/), “an employer who employs a full-time...firefighter, who, on or after the effective date of this Act (11-14-97) suffers a catastrophic injury or is killed in the line of duty shall pay the entire premium of the employer’s health insurance plan for the injured employee, the injured employee’s spouse, and for each dependent child of the injured employee until the child reaches the age of majority or until the end of the calendar year in which the child is a full-time or part-time student and is dependent for support.”

**ALGONQUIN – LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2010**

**8. Other Post Employment Benefits
B. Public Safety Benefits Act Benefits – (Continued)**

The District had one employee on disability that is governed by this Act. During the fiscal year 09/10 the District paid the required health insurance premiums in the amount of \$3,558. This transaction is not governed by a District plan but rather a State of Illinois mandate and therefore does not require to be further disclosed per GASB No. 45.

9. Economic Conditions

Economic conditions had an effect on investment earnings for the fiscal year ended April 30, 2010 and will be a factor in the future due to a slow recovery. The property tax levy for the 2010 year will be limited due to the Property Tax Extension Limitation Law. Collections on Accounts Receivable could also be effected if the general economic conditions do not improve.

ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
REQUIRED SUPPLEMENTARY DATA
SCHEDULE OF FUNDING PROGRESS – IMRF
April 30, 2010

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded (Assets In Excess of AAL (UAAL)) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL (Assets In Excess of AAL) As Percent Of Covered Payroll ((b-a)/c)</u>
12-31-09	\$277,736	\$327,911	\$50,175	84.70%	\$195,327	25.69%
12-31-08	261,431	313,247	51,816	83.46%	204,871	25.29%
12-31-07	233,525	340,481	106,956	68.59%	239,919	44.58%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$271,968. On a market basis, the funded ratio would be 82.94%. 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% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the District's Regular plan 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 between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2009 was 24 years.

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, 2010

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))
5-1-09	\$7,419,823	\$12,189,421	\$4,769,598	60.87%	\$3,286,831	145.11%
5-1-08	7,683,273	10,872,816	3,189,543	70.66%	3,130,415	101.89%
5-1-07	6,883,317	9,052,414	2,169,097	76.04%	2,863,365	75.75%

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, 2009. Additional information as of the latest actuarial valuation follows:

Valuation date	May 1, 2009
Actuarial cost method	Entry age normal cost
Amortization method	Level % of payroll
Remaining amortization period	24.1699 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, 2010**

	GENERAL FUND		AMBULANCE FUND		CAPITAL FUND	
	ORIGINAL & FINAL BUDGET	ACTUAL	ORIGINAL & FINAL BUDGET	ACTUAL	ORIGINAL & FINAL BUDGET	ACTUAL
REVENUES						
Real Property Taxes	\$3,408,033	\$3,401,258	\$3,352,870	\$3,346,203	\$0	\$0
Interest Income	19,000	5,409	14,000	5,232	10,000	4,779
Foreign Fire Insurance	25,000	0	0	0	0	0
Plan Review Fees	0	0	0	0	40,000	10,992
Ambulance Transport Fees	0	0	780,000	834,520	0	0
Grants Received	0	27,689	0	0	21,200	21,200
Miscellaneous	<u>53,432</u>	<u>47,052</u>	<u>6,000</u>	<u>5,973</u>	<u>45,000</u>	<u>0</u>
Total Revenues	<u>3,505,465</u>	<u>3,481,408</u>	<u>4,152,870</u>	<u>4,191,928</u>	<u>116,200</u>	<u>36,971</u>
EXPENDITURES						
Fire Protection & Ambulance - operations	3,641,351	3,041,987	4,356,006	3,729,467	10,000	6,611
Debt Service:						
Principal	0	0	0	0	464,629	246,387
Interest	0	0	0	0	499,273	396,426
Capital Outlay	0	0	0	0	2,151,188	452,235
Total Expenditures	<u>3,641,351</u>	<u>3,041,987</u>	<u>4,356,006</u>	<u>3,729,467</u>	<u>3,125,090</u>	<u>1,101,659</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(135,886)</u>	<u>439,421</u>	<u>(203,136)</u>	<u>462,461</u>	<u>(3,008,890)</u>	<u>(1,064,688)</u>
OTHER FINANCING SOURCES (USES):						
Sale Of Surplus Apparatus	0	0	0	0	40,000	102,326
Capital Lease	0	0	0	0	1,000,000	0
Transfers In (Out)	<u>(643,789)</u>	<u>(643,347)</u>	<u>(376,126)</u>	<u>(376,126)</u>	<u>956,581</u>	<u>956,581</u>
Total Other Financing Sources (Uses)	<u>(643,789)</u>	<u>(643,347)</u>	<u>(376,126)</u>	<u>(376,126)</u>	<u>1,996,581</u>	<u>1,058,907</u>
NET CHANGE IN FUND BALANCES	<u>(779,675)</u>	<u>(203,926)</u>	<u>(579,262)</u>	<u>86,335</u>	<u>(1,012,309)</u>	<u>(5,781)</u>
FUND BALANCE- Beginning Of Year	<u>982,497</u>	<u>982,497</u>	<u>1,270,143</u>	<u>1,270,143</u>	<u>838,724</u>	<u>838,724</u>
FUND BALANCE - End Of Year	<u>\$202,822</u>	<u>\$778,571</u>	<u>\$690,881</u>	<u>\$1,356,478</u>	<u>(\$173,585)</u>	<u>\$832,943</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, 2010

	Insurance Fund	Audit Fund	Pension Tax Levy Fund	Foreign Fire Insurance Tax Fund	Total
ASSETS					
Deposits-Checking/Savings	\$0		\$0	\$36,954	\$36,954
Certificate Of Deposits	0	35,205	0	0	35,205
Investments	0	2,459	0	0	2,459
Insurance Refund Receivable	2,905	0	0	0	2,905
Accrued Interest Receivable	0	15	0	0	15
Property Taxes Receivable					
2009 Tax Levy - Net	429,268	959	928,664	0	1,358,891
Prepaid Insurance	<u>73,805</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>73,805</u>
Total	\$505,978	\$38,638	\$928,664	\$36,954	\$1,510,234
LIABILITIES AND DISTRICT EQUITY					
LIABILITIES					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Deferred Revenue	<u>429,268</u>	<u>959</u>	<u>928,664</u>	<u>0</u>	<u>1,358,891</u>
Total	429,268	959	928,664	0	1,358,891
DISTRICT EQUITY					
Fund Balance	<u>76,710</u>	<u>37,679</u>	<u>0</u>	<u>36,954</u>	<u>151,343</u>
Total	\$505,978	\$38,638	\$928,664	\$36,954	\$1,510,234

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, 2010

	Insurance Fund	Audit Fund	Pension Tax Levy Fund	Foreign Fire Insurance Tax Fund	Total
REVENUE					
Property Taxes	\$404,981	\$16,198	\$787,324	\$0	\$1,208,503
Foreign Fire Insurance Tax	0	0	0	37,014	37,014
Personal Property Replacement Tax	0	0	28,901	0	28,901
Interest	14	253	27	0	294
Miscellaneous	0	0	0	0	0
Total	404,995	16,451	816,252	37,014	1,274,712
EXPENDITURES					
Insurance Fund	429,665	0	0	0	429,665
Audit Fund	0	13,750	0	0	13,750
District Pension Contribution	0	0	816,252	0	816,252
Foreign Fire Insurance Tax Fund	0	0	0	60	60
Total	429,665	13,750	816,252	60	1,259,727
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	(24,670)	2,701	0	36,954	14,985
OTHER FINANCING SOURCES					
Transfer In	62,892	0	0	0	62,892
NET CHANGE IN FUND BALANCES	38,222	2,701	0	36,954	77,877
FUND BALANCE - Beginning					
May 1, 2009	38,488	34,978	0	0	73,466
FUND BALANCE - Ending	\$76,710	\$37,679	\$0	\$36,954	\$151,343

**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, 2010

	<u>Budget</u>	<u>Actual</u>	Actual Under (Over) <u>Budget</u>
<u>REVENUE</u>			
Real Estate Taxes	\$3,408,033	\$3,401,258	\$6,775
Foreign Fire Insurance	25,000	0	25,000
Interest Income	19,000	5,409	13,591
Miscellaneous	<u>53,432</u>	<u>74,741</u>	<u>(21,309)</u>
Total Revenue	<u>\$3,505,465</u>	<u>\$3,481,408</u>	<u>\$24,057</u>
<u>EXPENDITURES</u>			
<u>PERSONNEL SERVICES</u>			
Salaries and Wages	\$2,510,813	\$2,171,610	\$339,203
Unemployment Taxes	3,589	2,477	1,112
Employer's FICA	61,843	49,601	12,242
Other Payroll Expenses	40,783	33,239	7,544
Life Insurance	2,796	2,322	474
Hospital/Medical Insurance	<u>248,071</u>	<u>222,725</u>	<u>25,346</u>
Total	<u>2,867,895</u>	<u>2,481,974</u>	<u>385,921</u>
<u>OPERATIONS & SUPPLIES</u>			
Administrative Expenses	30,083	21,380	8,703
Buildings & Grounds	47,255	46,058	1,197
Commission Expenses	11,688	5,484	6,204
Communications / IT Expenses	40,300	25,723	14,577
Fire Prevention/Pub Ed Expenses	16,173	5,966	10,207
Protective Clothing & Equipment	42,222	30,453	11,769
Employee Wellness	26,369	16,171	10,198
Professional Services	97,912	88,070	9,842
Special Teams Expense	40,468	17,973	22,495
Training Expenses	16,546	11,600	4,946
Travel & Conference	114,092	54,448	59,644
Utilities	66,331	56,434	9,897
Vehicle & Equipment Expenses	<u>224,017</u>	<u>180,253</u>	<u>43,764</u>
Total	<u>773,456</u>	<u>560,013</u>	<u>213,443</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, 2010

<u>EXPENDITURES (Continued)</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual Under (Over) Budget</u>
<u>SUNDRY</u>			
Transfer to Tort Fund	63,334	62,892	442
Transfer to Capital Fund	<u>580,455</u>	<u>580,455</u>	<u>0</u>
Total	<u>643,789</u>	<u>643,347</u>	<u>442</u>
Total Expenditures	<u>\$4,285,140</u>	<u>\$3,685,334</u>	<u>\$599,806</u>

**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, 2010

	<u>Budget</u>	<u>Actual</u>	Actual Under (Over) <u>Budget</u>
<u>REVENUE</u>			
Real Estate Taxes	\$3,352,870	\$3,346,203	\$6,667
Ambulance Transport Fees	780,000	834,520	(54,520)
Interest Income	14,000	5,232	8,768
Miscellaneous Income	6,000	5,973	27
Total Revenue	<u>\$4,152,870</u>	<u>\$4,191,928</u>	<u>(\$39,058)</u>
<u>EXPENDITURES</u>			
<u>PERSONNEL SERVICES</u>			
Salaries and Wages	\$3,326,393	\$2,905,536	\$420,857
Unemployment Taxes	4,992	3,716	1,276
Employer's FICA	85,359	74,253	11,106
Other Payroll Expenses	44,095	33,655	10,440
Life Insurance	4,194	3,578	616
Hospital/Medical Insurance	372,106	334,484	37,622
Total	<u>3,837,139</u>	<u>3,355,222</u>	<u>481,917</u>
<u>OPERATIONS & SUPPLIES</u>			
Administrative Expenses	29,250	18,782	10,468
Buildings & Grounds	43,766	36,998	6,768
Commission Expenses	11,336	5,558	5,778
Communications / IT Expenses	40,538	24,559	15,979
EMS / CPR Expenses	49,916	45,265	4,651
Protective Clothing & Equipment	39,353	22,018	17,335
Employee Wellness	26,369	14,460	11,909
Professional Services	106,621	95,647	10,974
Special Teams Expense	8,847	458	8,389
Travel & Conference	18,904	6,359	12,545
Utilities	66,331	56,433	9,898
Vehicle & Equipment Expenses	77,636	47,708	29,928
Total	<u>518,867</u>	<u>374,245</u>	<u>144,622</u>

ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
AMBULANCE FUND (Continued) & INSURANCE FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For The Year Ended April 30, 2010

<u>EXPENDITURES (Continued)</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual Under (Over) Budget</u>
<u>SUNDRY</u>			
Transfer to Capital Fund	<u>376,126</u>	<u>376,126</u>	<u>0</u>
Total	<u>376,126</u>	<u>376,126</u>	<u>0</u>
Total AMBULANCE FUND	<u>\$4,732,132</u>	<u>\$4,105,593</u>	<u>\$626,539</u>
<u>INSURANCE FUND</u>			
<u>REVENUE</u>			
Real Estate Taxes	<u>\$405,791</u>	<u>\$404,981</u>	<u>\$810</u>
Transfer from General Fund	<u>63,334</u>	<u>62,892</u>	<u>442</u>
Interest	<u>50</u>	<u>14</u>	<u>36</u>
Total Revenue	<u>\$469,175</u>	<u>\$467,887</u>	<u>\$1,288</u>
<u>EXPENDITURES</u>			
Workers Compensation	<u>\$443,370</u>	<u>\$338,862</u>	<u>\$104,508</u>
Vehicle Liability	<u>30,120</u>	<u>23,407</u>	<u>6,713</u>
General Liability	<u>70,680</u>	<u>56,148</u>	<u>14,532</u>
Accident & Sickness	<u>18,840</u>	<u>11,248</u>	<u>7,592</u>
Total	<u>\$563,010</u>	<u>\$429,665</u>	<u>\$133,345</u>

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, 2010

	<u>Budget</u>	<u>Actual</u>	Actual Under (Over) <u>Budget</u>
<u>AUDIT FUND</u>			
<u>REVENUE</u>			
Real Estate Taxes	\$16,232	\$16,198	\$34
Interest	<u>400</u>	<u>253</u>	<u>147</u>
Total Revenue	<u>\$16,632</u>	<u>\$16,451</u>	<u>\$181</u>
<u>EXPENDITURES</u>			
Auditing	\$15,000	\$13,750	\$1,250
Total	<u>\$15,000</u>	<u>\$13,750</u>	<u>\$1,250</u>
<u>PENSION TAX LEVY FUND</u>			
<u>REVENUE</u>			
Real Estate Taxes	\$788,892	\$787,324	\$1,568
Personal Property Taxes	25,000	28,901	(3,901)
Interest	<u>0</u>	<u>27</u>	<u>(27)</u>
Total Revenue	<u>\$813,892</u>	<u>\$816,252</u>	<u>(\$2,360)</u>
<u>EXPENDITURES</u>			
Pension Payments	\$813,892	\$816,252	(\$2,360)
Total	<u>\$813,892</u>	<u>\$816,252</u>	<u>(\$2,360)</u>

**ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT
MC HENRY AND KANE COUNTIES, ILLINOIS
CAPITAL FUND**
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For The Year Ended April 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Actual Under (Over) Budget</u>
<u>CAPITAL FUND</u>			
<u>REVENUE</u>			
Plan Review Fees	\$40,000	\$10,992	\$29,008
Transition Fees	45,000	0	45,000
Grants Received	21,200	21,200	0
Sale of Surplus Apparatus	40,000	102,326	(62,326)
Capital Lease	1,000,000	0	1,000,000
Transfer from General Fund	580,455	580,455	0
Transfer from Ambulance Fund	376,126	376,126	0
Interest	<u>10,000</u>	<u>4,779</u>	<u>5,221</u>
Total Revenue	<u>\$2,112,781</u>	<u>\$1,095,878</u>	<u>\$1,016,903</u>
<u>EXPENDITURES</u>			
<u>DEBT</u>			
Building Interest Paid	\$425,832	\$385,217	\$40,615
Building Long Term Debt Service	132,000	120,000	12,000
Capital Lease Interest Paid	73,441	11,209	62,232
Capital Lease Debt Service	<u>332,629</u>	<u>126,387</u>	<u>206,242</u>
Total	<u>963,902</u>	<u>642,813</u>	<u>321,089</u>
<u>CAPITAL*</u>			
Buildings/Land	39,792	28,440	11,352
Office/Communications Equip.	0	12,778	(12,778)
FF/Rescue Equipment	0	0	0
EMS Equipment	119,600	96,575	23,025
Vehicle/Apparatus	2,001,796	321,053	1,680,743
Maintenance Equipment	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>2,161,188</u>	<u>458,846</u>	<u>1,702,342</u>
Total Expenditures	<u>\$3,125,090</u>	<u>\$1,101,659</u>	<u>\$2,023,431</u>

* Items under \$10,000 capitalization threshold totalled \$6,611.

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

SCHEDULE OF GOVERNMENTAL FIXED ASSETS
APRIL 30, 2010

<u>COST</u>	<u>BALANCE</u>		<u>DELETIONS</u>	<u>BALANCE</u> <u>APRIL 30, 2010</u>
	<u>May 1, 2009</u>	<u>ADDITIONS</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	2,320,296	321,821	(344,410)	2,297,707
Equipment	355,291	130,414	(123,130)	362,575
TOTAL	\$11,286,733	\$452,235	(\$467,540)	11,271,428
<u>ACCUMULATED DEPRECIATION</u>				
Life				
Headquarters	\$555,229	\$94,503	\$0	\$649,732
Satellite Station #1	356,504	60,680	0	417,184
Satellite Station #2	309,452	24,673	0	334,125
Apparatus & Vehicles	1,100,153	169,965	(321,449)	948,669
Equipment	129,523	34,022	(103,734)	59,811
TOTAL	\$2,450,861	\$383,843	(\$425,183)	2,409,521
NET - APRIL 30, 2010				
				\$8,861,907

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
ASSESSED VALUES, TAX RATE, TAXES EXTENDED,
PERCENTAGES BY FUND AND COLLECTIONS
For The Levy Year**

<u>2009</u>			
<u>ASSESSED VALUES</u>			
Mc Henry County		<u>\$1,162,103,302</u>	
Kane County		<u>210,730,482</u>	
Total		<u>\$1,372,833,784</u>	
<u>RATES, EXTENSIONS AND PERCENTAGES</u>			
	<u>Rate</u>	<u>Extended</u>	<u>Percent</u>
Mc Henry County			
General Fund	0.244145	\$2,837,217	41.70%
Insurance Fund	0.031322	363,994	5.35%
Audit Fund	0.000070	813	0.01%
Ambulance Fund	0.242251	2,815,207	41.37%
Pension Fund	<u>0.067761</u>	<u>787,453</u>	<u>11.57%</u>
Total Mc Henry County	<u>0.585549</u>	<u>6,804,684</u>	<u>100.00%</u>
Kane County			
General Fund	0.244145	514,488	41.70%
Insurance Fund	0.031322	66,005	5.35%
Audit Fund	0.000070	147	0.01%
Ambulance Fund	0.242251	510,497	41.37%
Pension Fund	<u>0.067761</u>	<u>142,793</u>	<u>11.57%</u>
Total Kane County	<u>0.585549</u>	<u>1,233,930</u>	<u>100.00%</u>
Grand Total		<u>\$8,038,614</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>2008</u>			<u>2007</u>		
<u>\$1,167,814,360</u> <u>209,299,695</u>			<u>\$1,148,031,174</u> <u>195,033,363</u>		
<u>Rate</u>	<u>Extended</u>	<u>Percent</u>	<u>Rate</u>	<u>Extended</u>	<u>Percent</u>
<u>0.247109</u>	<u>\$2,885,774</u>	<u>42.75%</u>	<u>0.2510</u>	<u>\$2,881,558</u>	<u>44.37%</u>
<u>0.029423</u>	<u>343,606</u>	<u>5.09%</u>	<u>0.0237</u>	<u>272,084</u>	<u>4.19%</u>
<u>0.001177</u>	<u>13,745</u>	<u>0.20%</u>	<u>0.0012</u>	<u>13,776</u>	<u>0.21%</u>
<u>0.243109</u>	<u>2,839,062</u>	<u>42.06%</u>	<u>0.2381</u>	<u>2,733,462</u>	<u>42.09%</u>
<u>0.057211</u>	<u>668,119</u>	<u>9.90%</u>	<u>0.0517</u>	<u>593,532</u>	<u>9.14%</u>
<u>0.578029</u>	<u>6,750,306</u>	<u>100.00%</u>	<u>0.5657</u>	<u>6,494,412</u>	<u>100.00%</u>
<u>0.249527</u>	<u>522,259</u>	<u>42.76%</u>	<u>0.249798</u>	<u>487,189</u>	<u>44.42%</u>
<u>0.029711</u>	<u>62,185</u>	<u>5.09%</u>	<u>0.023495</u>	<u>45,823</u>	<u>4.18%</u>
<u>0.001188</u>	<u>2,486</u>	<u>0.20%</u>	<u>0.001175</u>	<u>2,292</u>	<u>0.21%</u>
<u>0.245489</u>	<u>513,808</u>	<u>42.06%</u>	<u>0.236659</u>	<u>461,564</u>	<u>42.08%</u>
<u>0.057704</u>	<u>120,775</u>	<u>9.89%</u>	<u>0.051262</u>	<u>99,978</u>	<u>9.11%</u>
<u>0.583619</u>	<u>1,221,513</u>	<u>100.00%</u>	<u>0.562389</u>	<u>1,096,846</u>	<u>100.00%</u>
	<u>\$7,971,819</u>			<u>\$7,591,258</u>	
	<u>\$6,737,020</u>			<u>\$6,484,873</u>	
	<u>1,218,944</u>			<u>1,095,146</u>	
	<u>\$7,955,964</u>			<u>\$7,580,019</u>	

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