

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

**MC HENRY AND KANE COUNTIES, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**April 30, 2012**

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
April 30, 2012**

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

**INDEPENDENT AUDITOR'S REPORT**

October 29, 2012

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, the fiduciary fund, 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, 2012, 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, the fiduciary fund, 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, 2012, 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 F. Coen".

**ALGONQUIN – LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2012**

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, 2012. 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 and provides 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 governmental and proprietary funds 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 INFORMATIONS** – This report presents certain required schedules concerning the District’s progress in funding its obligation to provide pension benefits to its employees. Also included is a more detailed data on budget to actual revenues and expenditures for the major funds. This information appears on pages 40-42.

## **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. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance its operations and 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. The Algonquin-Lake In The Hills Fire Protection District's assets exceeded liabilities by \$3,407,596 as of April 30, 2012.

### **Algonquin-Lake In The Hills Fire Protection District Net Assets**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>			
<b>April 30,</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Current and other assets	\$11,800,782	\$11,432,607	\$333,793	\$287,396	\$12,134,575	\$11,720,003
Capital Assets –net	<u>9,982,807</u>	<u>10,280,612</u>	<u>274,247</u>	<u>290,919</u>	<u>10,257,054</u>	<u>10,571,531</u>
Total Assets	<u>21,783,589</u>	<u>21,713,219</u>	<u>608,040</u>	<u>578,315</u>	<u>22,391,629</u>	<u>22,291,534</u>
Long-term Liabilities	9,846,553	10,123,826	0	0	9,846,553	10,123,826
Other Liabilities	<u>8,909,764</u>	<u>8,826,295</u>	<u>227,716</u>	<u>191,544</u>	<u>9,137,480</u>	<u>9,017,839</u>
Total Liabilities	<u>18,756,317</u>	<u>18,950,121</u>	<u>227,716</u>	<u>191,544</u>	<u>18,984,033</u>	<u>19,141,665</u>
Net Assets:						
Invested in capital assets, net of related debt	2,012,807	1,910,612	274,247	290,919	2,287,054	2,201,531
Restricted	32,385	32,343	0	0	32,385	32,343
Unrestricted	<u>982,080</u>	<u>820,143</u>	<u>106,077</u>	<u>95,852</u>	<u>1,088,157</u>	<u>915,995</u>
Total Net Assets	<u>\$3,027,272</u>	<u>\$2,763,098</u>	<u>\$380,324</u>	<u>\$386,771</u>	<u>\$3,407,596</u>	<u>\$3,149,869</u>

Net assets of the District's governmental activities during FY11.12 increased by 10% that is \$3,027,272 compared to \$2,763,098. Unrestricted net assets during the year ended April 30, 2012, increased from \$820,143 to \$982,080. These represent 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.

Net assets of the District's business-type activities decreased by 2% that is \$380,324 compared to \$386,771. The net assets consist of \$274,247 invested in capital assets less any debt to acquire those assets and unrestricted net assets of \$106,077. The activities of this fund had been projected to show this decrease since the allocated expenses were formulated to mirror a truer picture of the operations of the RFFA Fund.

67% 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**

<b>Year Ended April 30</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges For Services	\$1,098,891	\$1,033,568	\$386,730	\$330,903	\$1,485,621	\$1,364,471
Grants	105,935	50,681	0	0	105,935	50,681
<b>General Revenues:</b>						
Property Taxes	8,294,131	8,030,694	0	0	8,294,131	8,030,694
Other Taxes	68,029	68,455	0	0	68,029	68,455
Interest	20,437	24,327	388	409	20,825	24,736
Sale of Surplus Apparatus	(45,756)	11,690	0	0	(45,756)	11,690
Other general revenues	11,711	51,852	0	0	11,711	51,852
<b>Total Revenues</b>	<b>9,553,378</b>	<b>9,271,267</b>	<b>387,118</b>	<b>331,312</b>	<b>9,940,496</b>	<b>9,602,579</b>
<b>Program Expenses</b>						
Public Safety	8,942,084	8,705,765	0	0	8,942,084	8,705,765
Interest on long-term debt	347,120	846,924	0	362	347,120	847,286
Bond Issuance Costs	0	54,178	0	0	0	54,178
Radio Frequency						
Fire Alarm Service	0	0	393,565	333,449	393,565	333,449
<b>Total Expenses</b>	<b>9,289,204</b>	<b>9,606,867</b>	<b>393,565</b>	<b>333,811</b>	<b>9,682,769</b>	<b>9,940,678</b>
<b>Increase (Decrease)In Net Assets</b>	<b>264,174</b>	<b>(335,600)</b>	<b>\$(6,447)</b>	<b>(2,499)</b>	<b>\$257,727</b>	<b>(338,099)</b>
<b>Net Assets - Beginning</b>	<b>2,763,098</b>	<b>3,098,698</b>	<b>386,771</b>	<b>389,270</b>	<b>3,149,869</b>	<b>3,487,968</b>
<b>Net Assets - Ending</b>	<b>\$3,027,272</b>	<b>\$2,763,098</b>	<b>\$380,324</b>	<b>\$386,771</b>	<b>\$3,407,596</b>	<b>\$3,149,869</b>

Overall the District had an increase in net assets of \$257,727 for the year ended April 30, 2012 compared with a decrease of \$338,099 the previous year. Revenues were provided through an increase in charges for services and a doubling of grants received. Even as expenses were increasing in some areas, interest on long-term debt was substantially decreased as a result of the restructuring of debt during FY10/11 and led to a decrease in total expenses.

***Governmental Activities:*** Governmental activities increased the net assets by \$264,174. Total revenues for governmental activities increased from the previous year by \$226,279. Program revenues had an increase of 11% due mainly to an increase in ambulance and cost recovery fees and grants. General revenues remained essentially level showing a slight increase in property taxes, however there was a reduction in the amount realized from the sale of apparatus and other miscellaneous items. Total expenses for governmental activities decreased from the previous year by \$317,663. The majority of the decrease was as a result of the decrease in interest expense due to the refunding.

***Business-type Activities:*** Income from services increased from \$330,903 to \$386,730. Net assets decreased from \$386,771 to \$380,324. As per Statement of Cash Flows net cash equivalents increased by \$40,344 due in part to the increase provided from operating activities. The RFFA Fund had completely retired its debt in Fiscal 10/11, which eliminated the cash necessary for principal and interest payments in FY 11/12.

### **The District's Funds**

At April 30, 2012, the District's governmental funds (as presented in the balance sheet on page 12) reported a combined fund balance of \$2,891,018, which was higher than 10/11's total of \$2,606,312. The Ambulance Fund had a decrease in fund balance due to in large part to the increased transfer to the capital fund for the funding for purchase of the new ambulance. The 1% increase in revenues combined with the limiting of operations and supplies expenditures supported the 3% increase in personnel services. The General Fund's increase in fund balance was realized in part to the implementation of charging for cost recovery fees and decreasing operations and supplies expenditures. The Capital Fund while fulfilling debt service obligations and adherence to the Capital Replacement Program was increased via transfers from General and Ambulance Funds.

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

### **Budgetary Highlights**

The District passed the original Budget and Appropriation Ordinance on June 8, 2011. This Ordinance was amended on June 27, 2012, which reflected changes only to the Radio Frequency Fire Alarm Fund. The governmental funds were not adjusted due to this change per Ordinance 2012-01. The District's General Fund expended \$3,484,784, which was \$636,504 less than the appropriation of \$4,121,288. The Ambulance Fund expended \$4,480,003, which was less than the appropriation of \$5,182,626. The only other major funds were the Capital and Pension Tax Levy Funds which appropriated \$1,559,913 and \$935,660 respectively of which \$1,067,430 and \$935,737 was spent. 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 - net of accumulated depreciation for its governmental and business-type activities as of April 30, 2012 amounts to \$10,257,054. This investment in capital assets includes land, building, equipment and improvements. The total decrease in the District's investment in capital assets-net of accumulated depreciation for the current fiscal year was \$314,477. Major capital asset events during the current fiscal year included the purchase of a new ambulance, items which allowed a vehicle to be repurposed as a brush truck, specifically a skid unit and strobe lights. New wireless radios were also purchased. 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**

<b><u>Governmental Activities</u></b>	<b><u>Business-type Activities</u></b>	<b><u>Total</u></b>
---------------------------------------	--	---------------------

<b><u>April 30,</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
Land	\$1,416,856	\$1,416,856	\$0	\$0	\$1,416,856	\$1,416,856
Buildings	5,466,832	5,637,494	0	0	5,466,832	5,637,494
Apparatus & Vehicles	2,823,189	2,895,855	0	0	2,823,189	2,895,855
Equipment	285,930	330,407	274,247	290,919	560,177	621,326
Total	<u>\$9,982,807</u>	<u>\$10,280,612</u>	<u>\$274,247</u>	<u>\$290,919</u>	<u>\$10,257,054</u>	<u>\$10,571,531</u>

## **DEBT**

On May 18, 2010 the District issued \$7,745,000 in Series 2010 (Refunding) Notes with interest varying between 3 and 4.3% per year. During the year ended April 30, 2012 \$400,000 was retired and left \$6,845,000 outstanding. The 2002 Notes totaling \$1,125,000 that were ineligible to be refunded by the Series 2010 totaled \$1,125,000 and remain outstanding at 4-30-12, with interest between 4.9 and 6.4%. Therefore the total notes outstanding at 4-30-12 were \$7,970,000.

## **DESCRIPTION OF CURRENT OR EXPECTED CONDITIONS**

During the Fiscal Year ending April 30, 2013, the District has planned for the following expenditures from the Capital Fund:

- The District received a Federal Assistance to Firefighters Grant and purchased a self-contained breathing apparatus training trailer. The trailer was returned to the manufacturer for repairs, and the District is currently holding \$242,765.00 that will be paid to the manufacturer upon acceptance by the Fire District. This is expected to occur 3<sup>rd</sup> quarter of the fiscal year.
- A total of \$22,000 has been budgeted for a kitchen remodeling and upgrade project at Fire Station #3. It is anticipated this expenditure will occur in the 4<sup>th</sup> quarters of the fiscal year. An RFP process will be utilized to select the vendor.
- A total of \$21,000 has been budgeted for replace of apparatus Mobile Data Terminals. This purchase will occur during the 4<sup>th</sup> quarter of the fiscal year.
- A total of \$22,500.00 is budgeted for Opti-Com upgrades related to the Algonquin Bypass construction. Other than anticipating it to occur this fiscal year, it is unknown when exactly it will take place.
- Other expenditures that have already taken place include installation of a new proximity lock system in all stations, purchase of new portable radios and installation of a new video conferencing system.

The District is evaluating through the RFP process our options for Fleet Maintenance Services. We currently have an Intergovernmental Agreement with the Village of Algonquin for fleet maintenance of all District vehicles. If changes are made they would occur during the 4<sup>th</sup> quarters of the fiscal year.

In June 2011 the District began utilizing Fire Recovery USA to invoice and collect for services rendered to non-residents. The estimated amount to be recovered during fiscal year 2012/2013 is \$20,000. However, it is anticipated we will surpass this amount.

The District has applied for a federal Assistance to Firefighters Grant of \$434,935 to replace the current self-contained breathing apparatus, purchased in 1999. The District share would be \$43,494. It is unknown if the District will be awarded the grant.

Effective May 1, 2012 the District reduced the number of Assistant Chief positions, from two to one. A second Assistant Chief position was budgeted for ½ the fiscal year. It is unknown if this position will be fill during fiscal year 2012/2013.

The new Collective Bargaining Agreement with IAFF Local 3985 went into effect May 1, 2012. This agreement runs through April 30, 2015.

A new multi-family complex has been approved by the Village of Algonquin. This could ultimately result in approximately \$40,000 of Transition Fees and \$56,000 of Plan Review Fees. Also, the completion of a major downtown multi-family project could result in approximately \$13,000 of plan review fees. Both the Transition Fees and Plan Review Fees are deposited into the Capital Fund.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
STATEMENT OF NET ASSETS  
April 30, 2012**

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Deposits - Checking/Savings	\$28,674	\$0	<b>\$28,674</b>
Certificates Of Deposit	389,333	0	389,333
Investments	2,624,284	314,776	2,939,060
Accounts Receivable - Net	325,412	19,017	344,429
Receivable from other Governments-Net	8,402,303	0	8,402,303
Prepaid Expenses	30,776	0	30,776
Capital Assets:			
Land	1,416,856	0	1,416,856
Other Capital Assets , net of depreciation	<u>8,565,951</u>	<u>274,247</u>	<b><u>8,840,198</u></b>
<b>Total Assets</b>	<b><u>21,783,589</u></b>	<b><u>608,040</u></b>	<b><u>22,391,629</u></b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	34,957	19,305	54,262
Salaries & Benefits Payable	394,963	0	394,963
Accrued Interest Payable	113,040	0	113,040
Deferred Revenue	8,366,804	208,411	8,575,215
Long-term Liabilities:			
Due within one year	552,553	0	552,553
Due after one year	<u>9,294,000</u>	<u>0</u>	<b><u>9,294,000</u></b>
<b>Total Liabilities</b>	<b><u>18,756,317</u></b>	<b><u>227,716</u></b>	<b><u>18,984,033</u></b>
<b><u>NET ASSETS</u></b>			
Invested in Capital Assets-			
Net of Related Debt	2,012,807	274,247	2,287,054
Restricted For Debt Service	32,385	0	32,385
Unrestricted	<u>982,080</u>	<u>106,077</u>	<b><u>1,088,157</u></b>
<b>Total Net Assets</b>	<b><u>\$3,027,272</u></b>	<b><u>\$380,324</u></b>	<b><u>\$3,407,596</u></b>

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, 2012**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Charges for Services</b>	<b>Program Revenues</b>			<b>Business-Type Activities</b>	<b>Net (Expense)/Revenue</b>
			<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>		
<b>Governmental activities:</b>							
<b>Public Safety</b>							
Fire and Ambulance	\$8,942,084	\$1,098,891	\$0	\$105,935	(\$7,737,258)		
Interest on Long-term Debt	347,120	0	0	0	(347,120)		
<b>Total Governmental Activities</b>	<b>9,289,204</b>	<b>1,098,891</b>	<b>0</b>	<b>105,935</b>	<b>(8,084,378)</b>		
<b>Business-type activities:</b>							
<b>Radio Frequency</b>							
Fire Alarm Service	393,565	386,730	0	0		(\$6,835)	
<b>Total</b>	<b>\$9,682,769</b>	<b>\$1,485,621</b>	<b>\$0</b>	<b>\$105,935</b>	<b>(8,084,378)</b>	<b>(6,835)</b>	<b>(\$8,091,213)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property Taxes					8,294,131	0	8,294,131
Personal Property					28,980	0	28,980
Replacement Tax					39,049	0	39,049
Foreign Fire Insurance					20,437	388	20,825
<b>Investment Earnings</b>					11,711	0	11,711
<b>Miscellaneous</b>					(45,756)	0	(45,756)
<b>Sale of Surplus Apparatus (Loss)</b>					<b>8,348,552</b>	<b>388</b>	<b>8,348,940</b>
<b>Total General Revenues</b>							
<b>Change in Net Assets</b>					264,174	(6,447)	257,727
<b>Net Assets - Beginning</b>					2,763,098	386,771	3,149,869
<b>Net Assets - Ending</b>					<b>\$3,027,272</b>	<b>\$380,324</b>	<b>\$3,407,596</b>

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, 2012**

	<u>General Fund</u>	<u>Ambulance Fund</u>	<u>Capital Fund</u>	<u>Pension Tax Levy Fund</u>	<u>Non Major Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Deposits-Checking/Savings	\$150	\$0	\$0	\$0	\$28,524	\$28,674
Certificates Of Deposit	100,279	240,920	48,134	0	0	389,333
Investments	990,048	1,181,860	417,467	0	34,909	2,624,284
Property Taxes Receivable - Net	3,591,050	3,450,358	0	890,945	430,901	8,363,254
Plan Review Fees Receivable	0	0	1,130	0	0	1,130
Ambulance Fees Receivable - Net	0	294,066	0	0	0	294,066
Other Receivables	4,882	256	25,078	0	39,049	69,265
Prepaid Expenses	1,231	595	0	0	28,950	30,776
<b>Total Assets</b>	<b>\$4,687,640</b>	<b>\$5,168,055</b>	<b>\$491,809</b>	<b>\$890,945</b>	<b>\$562,333</b>	<b>\$11,800,782</b>
<b>LIABILITIES</b>						
Accounts Payable	\$23,949	\$10,196	\$0	\$0	\$812	\$34,957
Salaries & Benefits Payable	165,485	229,478	0	0	0	394,963
Accrued Interest Payable	0	0	113,040	0	0	113,040
Deferred Revenues	3,593,250	3,450,578	1,130	890,945	430,901	8,366,804
<b>Total Liabilities</b>	<b>3,782,684</b>	<b>3,690,252</b>	<b>114,170</b>	<b>890,945</b>	<b>431,713</b>	<b>8,909,764</b>
<b>FUND BALANCES</b>						
Restricted	0	1,477,803	32,385	0	130,620	1,640,808
Committed	0	0	345,254	0	0	345,254
Unassigned	904,956	0	0	0	0	904,956
<b>Total Fund Balances</b>	<b>904,956</b>	<b>1,477,803</b>	<b>377,639</b>	<b>0</b>	<b>130,620</b>	<b>2,891,018</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$4,687,640</b>	<b>\$5,168,055</b>	<b>\$491,809</b>	<b>\$890,945</b>	<b>\$562,333</b>	<b>\$11,800,782</b>

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, 2012

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

<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$2,891,018</b>
<b>Amounts reported for governmental activities in the Statement of Net Assets are different because:</b>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$3,037,776	9,982,807
<b>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:</b>	
Notes Payable	(7,970,000)
Accrued Compensated Absences	(950,352)
Net Pension Obligation	<u>(926,201)</u>
<b>Net assets of governmental activities</b>	<b><u>\$3,027,272</u></b>

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

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED APRIL 30, 2012**

	<u>General Fund</u>	<u>Ambulance Fund</u>	<u>Capital Fund</u>	<u>Pension Tax Levy Fund</u>	<u>Non Major Funds</u>	<u>Total Governmental Funds</u>
<b><u>REVENUES</u></b>						
Real Property Taxes	\$3,611,598	\$3,430,834	\$0	\$906,747	\$344,952	\$8,294,131
Personal Property Replacement Taxes	0	0	0	28,980	0	28,980
Foreign Fire Insurance Tax	0	0	0	0	39,049	39,049
Grants	0	0	105,935	0	0	105,935
Charges for Services	37,575	986,321	74,995	0	0	1,098,891
Investment Earnings	3,496	4,038	12,736	10	157	20,437
Miscellaneous	<u>11,638</u>	<u>73</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,711</u>
<b>Total Revenues</b>	<b><u>3,664,307</u></b>	<b><u>4,421,266</u></b>	<b><u>193,666</u></b>	<b><u>935,737</u></b>	<b><u>384,158</u></b>	<b><u>9,599,134</u></b>
<b><u>EXPENDITURES</u></b>						
Current :Public Safety:						
Fire and Ambulance	2,959,224	3,954,443	63,877	935,737	429,644	8,342,925
Debt Service:						
Principal	0	0	400,000	0	0	400,000
Interest	0	0	347,120	0	0	347,120
Capital Outlay:	<u>0</u>	<u>0</u>	<u>256,433</u>	<u>0</u>	<u>0</u>	<u>256,433</u>
<b>Total Expenditures</b>	<b><u>2,959,224</u></b>	<b><u>3,954,443</u></b>	<b><u>1,067,430</u></b>	<b><u>935,737</u></b>	<b><u>429,644</u></b>	<b><u>9,346,478</u></b>
Excess (Deficiency)Of Revenues Over Expenditures	705,083	466,823	(873,764)	0	(45,486)	252,656
<b><u>OTHER FINANCING SOURCES (USES)</u></b>						
Sale of Surplus Apparatus	0	0	32,050	0	0	32,050
Transfers In (Out)	<u>(525,560)</u>	<u>(525,560)</u>	<u>1,051,120</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balances	179,523	(58,737)	209,406	0	(45,486)	284,706
Fund Balances -Beginning - May 1, 2011	<u>725,433</u>	<u>1,536,540</u>	<u>168,233</u>	<u>0</u>	<u>176,106</u>	<u>2,606,312</u>
Fund Balances - Ending - April 30, 2012	<b><u>\$904,956</u></b>	<b><u>\$1,477,803</u></b>	<b><u>\$377,639</u></b>	<b><u>\$0</u></b>	<b><u>\$130,620</u></b>	<b><u>\$2,891,018</u></b>

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

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT**  
**MC HENRY AND KANE COUNTIES, ILLINOIS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED APRIL 30, 2012**

**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** **\$284,706**

**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:**

<b>Capital Assets Purchased</b>	<b>256,433</b>
<b>Depreciation Expense</b>	<b><u>(476,432)</u></b>
	<b>(219,999)</b>

**Governmental funds report sale of fixed assets as other financing sources  
equal to the consideration received, in the statement of activities,  
only the gain or (loss) is reported.** **(77,806)**

**Governmental funds report all payments to pensions as expenditures.  
However, in the statement of activities, the payment under the  
required contribution is considered an addition in the net pension obligation.** **(1,561)**

**Repayment of debt principal is an expenditure in the governmental  
funds, but the repayment reduces long-term liabilities in the  
Statement Of Net Assets:**

<b>Note principal payments</b>	<b>400,000</b>
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**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.**

<b>Increase in Accrued Compensated Absences</b>	<b><u>(121,166)</u></b>
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<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$264,174</u></b>
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**The Notes to the Financial Statements are an integral part of this statement.**

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
April 30, 2012**

**Radio Frequency  
Fire Alarm  
Fund**

**ASSETS**

**Current Assets:**

<b>Investments</b>	<b>\$314,776</b>
<b>Accounts Receivable</b>	<b>19,017</b>
<b>Total Current Assets</b>	<b>333,793</b>

**Noncurrent Assets:**

<b>Capital Assets (net)</b>	<b><u>274,247</u></b>
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**Total Assets**

**608,040**

**LIABILITIES**

**Current Liabilities:**

<b>Accounts Payable</b>	<b>19,305</b>
<b>Deferred Revenue</b>	<b><u>208,411</u></b>

**Total Current Liabilities**

**227,716**

**Total Liabilities**

**227,716**

**NET ASSETS**

<b>Invested in capital assets, net of related debt</b>	<b>274,247</b>
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**Unrestricted**

**106,077**

**Total Net Assets**

**\$380,324**

**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, 2012**

**Radio Frequency  
Fire Alarm  
Fund**

**Operating Revenues:**

<b>Charges for services:</b>	
Radio Fire Alarm charges	<b><u>\$386,730</u></b>

**Operating Expenses:**

Administrative Expenses	1,159
Communications Expense	38,663
Personnel Services	27,046
Professional Services	267,458
Utilities	1,214
Depreciation	<u>58,025</u>
<b>Total Operating Expenses</b>	<b><u>393,565</u></b>

<b><u>Net Operating Income (Loss)</u></b>	<b><u>(6,835)</u></b>
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**Nonoperating revenue (expense):**

Investment Income	388
<b>Total Nonoperating Revenue (Expense)</b>	<b><u>388</u></b>

<b><u>Net Income (Loss)</u></b>	<b><u>(6,447)</u></b>
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<b>Net Assets - Beginning of Year</b>	<b><u>386,771</u></b>
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<b>Net Assets - End of Year</b>	<b><u>\$380,324</u></b>
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**The Notes to the Financial Statements are an integral part of this statement.**

ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED APRIL 30, 2012

Radio Frequency  
Fire Alarm  
Fund

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

Operating Income (Loss) (\$6,835)

Adjustments to reconcile operating income to net cash  
provided (used) by operating activities:

Cash flows reported in other categories:	
Depreciation expense	58,025

Changes in assets and liabilities:

Accounts Receivable	(6,055)
Accounts Payable	14,725
Deferred Revenue	<u>21,449</u>

Net cash provided by operating activities \$81,309

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, 2012**

**Radio Frequency  
Fire Alarm  
Fund**

**CASH FLOWS FROM OPERATING ACTIVITIES**

<b>Receipts From Customers</b>	<b>\$402,125</b>
<b>Payments To Suppliers</b>	<b>(320,816)</b>
<b>Net Cash Provided (Used) By Operating Activities</b>	<b><u>81,309</u></b>

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

<b>Purchases Of Capital Assets</b>	<b>(41,353)</b>
<b>Net Cash Provided (Used) By Capital And Related Financing Activities</b>	<b><u>(41,353)</u></b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

<b>Interest</b>	<b><u>388</u></b>
<b>Net Cash Provided (Used) By Investing Activities</b>	<b><u>388</u></b>

<b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	<b>40,344</b>
<b>Balance - Beginning Of Year</b>	<b><u>274,432</u></b>
<b>Balance - End Of Year</b>	<b><u>\$314,776</u></b>

<b>Investments Considered Cash Equivalents Under GASB #9</b>	<b><u>\$314,776</u></b>
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**The Notes to the Financial Statements are an integral part of this statement.**

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT**  
**MC HENRY AND KANE COUNTIES, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUND**  
**(FIREFIGHTERS' PENSION FUND)**  
**April 30, 2012**

**ASSETS**

<b>DEPOSITS</b>	<b>\$ 10,093</b>
<b>RECEIVABLES</b>	
<b>ACCRUED INTEREST</b>	<b>56,532</b>
<b>PREPAIDS</b>	<b>12,056</b>
	<b><u>TOTAL RECEIVABLES</u></b>
	<b><u>68,588</u></b>
<b>INVESTMENTS</b>	
<b>MONEY MARKET MUTUAL FUNDS</b>	<b>170,426</b>
<b>U.S. GOVERNMENT OBLIGATIONS</b>	<b>1,875,191</b>
<b>U.S. AGENCY OBLIGATIONS</b>	<b>3,528,000</b>
<b>STATE AND LOCAL OBLIGATIONS</b>	<b>273,178</b>
<b>U.S. AGENCY MORTGAGE POOLS</b>	<b>426,864</b>
<b>MUTUAL FUNDS</b>	<b>6,310,553</b>
	<b><u>TOTAL INVESTMENTS</u></b>
	<b><u>12,584,212</u></b>
<b>TOTAL ASSETS</b>	<b><u>12,662,893</u></b>

**LIABILITIES**

**ACCOUNTS PAYABLE**

**TOTAL LIABILITIES**

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

**\$ 12,662,893**

**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, 2012**

**ADDITIONS:**

**CONTRIBUTIONS:**

EMPLOYER	\$ 935,737
EMPLOYEE	<u>334,981</u>
	<b><u>1,270,718</u></b>

**INVESTMENT INCOME**

NET APPRECIATION IN FAIR VALUE OF INVESTMENTS	405,315
INTEREST AND DIVIDENDS EARNED	<u>305,605</u>
	<b><u>710,920</u></b>

**LESS INVESTMENT EXPENSES**

INVESTMENT ADVISOR/CUSTODIAL FEES	<u>(33,537)</u>
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NET INVESTMENT INCOME	<u>677,383</u>
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TOTAL ADDITIONS	<u>1,948,101</u>
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**DEDUCTIONS:**

RETIREMENT BENEFITS	239,602
DISABILITY BENEFITS	228,957
REFUND OF CONTRIBUTIONS	38,161
ADMINISTRATIVE EXPENSES	<u>27,720</u>
	<u>534,440</u>

<b><u>NET INCREASE</u></b>	<b><u>1,413,661</u></b>
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**NET ASSETS HELD IN TRUST FOR PENSION BENEFITS**

BEGINNING OF YEAR - MAY 1, 2011	<u>11,249,232</u>
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END OF YEAR - APRIL 30, 2012	<u>\$ 12,662,893</u>
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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  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2012**

**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
  
- 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.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2012**

**1. Summary Of Significant Accounting Policies-Basis Of Presentation (Continued)  
Governmental Funds – Major 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 committed to the purchase of and debt retirement on capital items.

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

**Governmental Funds – Nonmajor Funds**

The District's nonmajor governmental funds include special revenue funds used to report the transactions of three funds. Special tax levies were passed for the Audit and Insurance 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. Even though the Foreign Fire Insurance Tax Fund is on a calendar year, no balances or transactions are required to be disclosed since no such unrecorded transactions exist between them and the Primary Government.

**Proprietary Fund -Enterprise Fund**

Enterprise funds are used to account for business-like activities provided to the general public. The District has implemented private-sector guidance issued after 11/30/89 in reporting these funds. 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.

**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. The Firefighters' Pension Plan issues a publicly available financial report that includes financial statements and required supplementary information, which 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.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2012**

**1. Summary Of Significant Accounting Policies (Continued)**

**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.

**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.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2012**

**1. Summary Of Significant Accounting Policies (Continued)**  
**C. Basis Of Accounting (Continued)**

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.

The Firefighters' Pension Fund is accounted for with a flow of economic resources measurement focus. The assets and liabilities associated with the operation of this fund are included on the statement of plan net assets. The fund's operating statement present increases (additions) and decreases (deductions) in plan net assets. The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

**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. "Certificates Of Deposit" 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, 2012**

**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, 2012 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.

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 calculated using the straight-line basis 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.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2012**

**1. Summary Of Significant Accounting Policies (Continued)  
D. Assets, Liabilities and Equity (Continued)**

**Fixed Assets (Continued)**

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, 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.

**Compensated Absences**

Full time employees are granted various benefits for vacation, personal and sick days. Generally vacation and personal days earned at 4-30-12 expire on 12-31-12. 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.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2012**

**1. Summary Of Significant Accounting Policies (Continued)**

**D. Assets, Liabilities and Equity (Continued)**

**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. The District has been established a Fund Balance Policy in accordance with Governmental Accounting Standards Board Statement # 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Fund balances are classified as restricted if resources are subject to constraints imposed by external parties or enabling legislation. (These include but are not limited to debt covenants and taxes dedicated to a specific purpose such as the Ambulance, Insurance, Audit and Pension Tax Levy Fund.)

Unrestricted fund balances are classified as: 1). Committed – Amounts set aside by the Board of Trustees through formal action, such as the Capital Fund. 2). Assigned – Amounts that are constrained by the District’s (the Board of Trustees or designee) intent to be used for specific purposes. 3). Unassigned is the residual classification, available and expendable for any General Fund Purpose. Other governmental funds would only report a deficit fund balance as unassigned.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2012**

**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 2010 Levy, which was distributed completely during the fiscal year ended April 30, 2012. The 2011 Levy has been recorded as Deferred Revenue, since it was to apply to the fiscal year 2012/2013. 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, Debt Service and Capital Outlay.  
Governmental funds report expenditures of financial resources

Proprietary Fund –By Operating and Nonoperating.  
Proprietary funds report expenses relating to use of economic resources.

**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

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2012**

**1. Summary Of Significant Accounting Policies (Continued)**

**G. 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 for 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 other Checking Accounts and Certificates of Deposit are all insured by FDIC.

*Investments.* The investments held in the governmental and proprietary funds are all held in the State of Illinois Government Investment Pool (Illinois Funds). In accordance with Governmental Accounting Standards Board Statement #40, Deposit and Investment Risk Disclosures, there is no custodial credit risk assumed on these investments in the external investment pool. Certain investments are not exposed to custodial risk because their existence is not evidenced by securities that exist in physical or book entry form.

In the case of the Firefighters' Pension Fund this includes the investments in money market mutual funds and mutual funds. The investments of this fiduciary fund that are in security form include U.S. Treasury, Federal Agency investments and State & Local Obligations which are held in the Charles Schwab Institutional account. Charles Schwab accounts are protected by SIPC up to \$500,000. In addition Charles Schwab has purchased from certain syndicates of Lloyd's of London and various underwriters protection that provides additional coverage "Excess of SIPC." This coverage is limited to a combined return to any customer from a trustee, SIPC, Lloyd's and other insurers of \$150 million, including up to \$1,150,000 in cash.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2012**

**3. Deposits And Investments - (Continued)**

**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:

Federal Farm Credit	AA+	34%
Federal Home Loan Bank	AA+	48%
Fannie Mae (Federal National Mtg. Assoc.)	AA+	1%
Fannie Mae (Fed. Natl. Mtg. Assoc) <u>Pool</u>	Unrated	9%
Freddie Mac (Federal Home Loan Mtg.) <u>Pool</u>	Unrated	1%
Municipal Bonds	Unrated	7%

*Concentrations of Credit Risk.* More than 5% of the fund's investments are in the Federal Farm Credit and Federal Home Loan Bank. These investments are 12 and 16% of the fund's total investments respectively.

**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, 2012, the balance invested in Illinois Fund's Money Market Fund was \$2,624,284 per the government-wide financial statements.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2012**

**3. Deposits And Investments C. Interest Rate Risk (Continued)**

As of April 30, 2012, the Pension Fund had the following investments and maturities required to be disclosed per GASB #40:

Investment Maturities in Years					
Investment Type	Market Value	Less than 1	1-5	6-10	More than 10
U.S. Treasuries	\$1,875,191	\$277,251	\$1,023,220	\$574,720	
U.S. Agency	3,528,000		2,023,554	<u>1,504,446</u>	
Municipal Bonds	273,178		50,693		\$222,485
U.S. Agency Mortgage Pools	426,864		193		<u>426,671</u>
Total	<u>\$6,103,233</u>	<u>\$277,251</u>	<u>\$3,097,660</u>	<u>\$2,079,166</u>	<u>\$649,156</u>

According to the Pension Fund's Investment Policy, "The average maturity/duration of the portfolio will be managed based upon the current existing interest rate environment. Under most circumstances the average maturity and duration of the portfolio will be maintained at approximately 5.0 years and will range for 2 to 7 years. This type of strategy will often result in increasing the maturity/duration of the portfolio when interest rates are rising and decreasing the maturity/duration of the portfolio when interest rates are declining. The investment manager may change the duration of the portfolio as market conditions permit."

The Fire Protection District is allowed to invest in securities authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6 and Chapter 40, Act 5/Article 4 – Pensions.

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2012**

**4. Capital Assets**

Capital asset activity for the year ended April 30, 2012, was as follows:

<b><u>Primary Government Governmental Activities:</u></b>	Beginning Balance	Additions	Deletions	Ending Balance
Land (Not Depreciated)	\$1,416,856	\$0	\$0	\$1,416,856
Buildings	7,226,460	0	0	7,226,460
Apparatus & Vehicles	3,928,405	256,433	(236,018)	3,948,820
Equipment	<u>428,447</u>	<u>0</u>	<u>0</u>	<u>428,447</u>
Total at cost	<u>13,000,168</u>	<u>256,433</u>	<u>(236,018)</u>	<u>13,020,583</u>
Less Accumulated Depreciation For:				
Buildings	(1,588,966)	(180,662)	0	(1,769,628)
Apparatus & Vehicles	(1,032,550)	(251,293)	158,212	(1,125,631)
Equipment	<u>(98,040)</u>	<u>(44,477)</u>	<u>0</u>	<u>(142,517)</u>
Total Accumulated Depreciation	<u>(2,719,556)</u>	<u>(476,432)</u>	<u>158,212</u>	<u>(3,037,776)</u>
Capital Assets - Net	<u>\$10,280,612</u>	<u>(\$219,999)</u>	<u>(\$77,806)</u>	<u>\$9,982,807</u>
<b><u>Business-type Activities:</u></b>				
Equipment	<u>\$559,409</u>	<u>\$41,353</u>	<u>\$0</u>	<u>\$600,762</u>
Total at cost	<u>559,409</u>	<u>41,333</u>	<u>0</u>	<u>600,762</u>
Less Accumulated Depreciation				
Equipment	<u>(268,490)</u>	<u>(58,025)</u>	<u>0</u>	<u>(326,515)</u>
Total Accumulated Depreciation	<u>(268,490)</u>	<u>(58,025)</u>	<u>0</u>	<u>(326,515)</u>
Capital Assets-Net	<u>\$290,919</u>	<u>(\$16,672)</u>	<u>\$0</u>	<u>\$274,247</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, 2012**

**5. Long-Term Liabilities**

Long-term liability for the year ended April 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within 1 Year
Notes:					
Series 2002	\$1,125,000	\$0	\$0	\$1,125,000	\$0
Series 2010	7,245,000	0	(400,000)	6,845,000	410,000
Compensated Absences	829,186	121,166	0	950,352	142,553
Net Pension Obligation	924,640	1,561	0	926,201	0
<b>Total</b>	<b>\$10,123,826</b>	<b>\$122,727</b>	<b>\$(400,000)</b>	<b>\$9,846,553</b>	<b>\$552,553</b>

Description of Debt – On May 18, 2010 the District issued \$7,745,000.00 Fire Protection District Notes, Series 2010. Interest is payable on January and July 1<sup>st</sup>. of each year and varies between 3% and 4.3%. The proceeds were used to refund \$5,940,000 in Series 2002 Notes by establishing an irrevocable trust (in the amount of \$6,636,799) with the escrow agent holding US Government Obligations sufficient to satisfy all scheduled principal and interest payments of the defeased debt. The balance of proceeds was used to purchase capital items and pay for bond issuance costs. The Series 2002 Notes that were ineligible to be refunded total \$1,125,000 and remain outstanding, with interest between 4.9% and 6.4%. The Capital Fund is used to liquidate the above Long-Term Debt.

Principal and interest payments due during the next five years are as follows:

	Series 2002		Series 2010	
For The Year Ended:	Principal	Interest	Principal	Interest
April 30, 2013	\$0	\$72,000	\$410,000	\$267,120
April 30, 2014	0	72,000	440,000	254,820
April 30, 2015	0	72,000	450,000	241,620
April 30, 2016	0	72,000	450,000	225,870
April 30, 2017	0	72,000	475,000	207,870

**ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2012**

**6. Illinois Municipal Retirement Fund**

The following information is provided on a calendar year basis (2011), which differs from the District's fiscal year (year ended April 30, 2012) 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](http://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 2011 was 10.07 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 2011, the District's annual pension cost of \$17,208 for the Regular plan was equal to the District's required and actual contributions.

<u>Three- Year Trend Information for the Regular Plan</u>			
<u>FISCAL YEAR ENDING</u>	<u>ANNUAL PENSION COST (APC)</u>	<u>PERCENTAGE OF APC CONTRIBUTED</u>	<u>NET PENSION OBLIGATION</u>
12/31/11	\$17,209	100%	\$0
12/31/10	17,815	100%	\$0
12/31/09	21,798	100%	\$0

**ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
April 30, 2012**

**6. Illinois Municipal Retirement Fund (Continued)**

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, 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 20% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Funded Status and Funding Progress.* As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 72.78 percent funded. The actuarial accrued liability for benefits was \$413,381 and the actuarial value of assets was \$300,839, resulting in an underfunded actuarial accrued liability (UAAL) of \$112,542. The covered payroll (annual Payroll of active employees covered by the plan) was \$170,889 and the ratio of the UAAL to the covered payroll was 66 percent.

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. The Firefighters' Pension Plan provides retirement, disability and death benefits to plan members and their beneficiaries. Effective January 1, 2011, ILCS differentiates benefits between Tier1 employees (those hired prior to January 1, 2011) and Tier 2 (those hired on or after January 1, 2011).

**ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
April 30, 2012**

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

*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 finance the Algonquin-Lake In The Hills Firefighters' Pension Plan as actuarially determined by an enrolled actuary. 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>	\$921,493
<i>Interest on net pension obligation</i>	64,725
Adjustment to annual required contribution	<u>(48,920)</u>
Annual pension cost	937,298
Contributions made	<u>935,737</u>
Increase (decrease) in net pension obligation	1,561
Net pension obligation beginning of year	<u>924,640</u>
Net pension obligation end of year	<u><u>\$ 926,201</u></u>

**Three-Year Trend Information**

<b>Fiscal year ending</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net pension Obligation</b>
4-30-12	\$937,298	99.83%	\$926,201
4-30-11	\$945,333	100.02%	\$924,640
4-30-10	\$980,382	83.26%	\$943,466

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

**April 30, 2012**

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

*Actuarial Methods and Assumptions.*

<b>Valuation date</b>	<b>May 1, 2011</b>
Actuarial Cost Method	Entry Age Normal (Level % Pay)
Amortization Method	Level % Pay (Closed)
Amortization Target	100% Funded in year 2040
Investment Rate of Return	7.00%
Projected Salary Increases	5.50%
Aggregate Payroll Increases	5.50%
Inflation Rate Included	3.00%

*Funded Status and Funding Progress.* As of May 1, 2011, the most recent actuarial date, the plan was 71.00% funded. The actuarial accrued liability for benefits was \$15,843,095, and the actuarial value of assets was \$11,249,232, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,593,863. The covered payroll was \$3,417,408 and the ratio of the UAAL to the covered payroll was 134.43%.

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. Employees benefits are in individual accounts and employees are responsible for administrative fees only when eligible to participate. The required contributions for 2011 were made by the District.

**ALGONQUIN – LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)  
April 30, 2012**

**8. Other Post Employment Benefits – (Continued)**

**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.”

This benefit 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, 2012 and will be a factor in the future due to a slow recovery. The property tax levy for the 2012 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, 2012

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Assets In Excess of AAL (UAAL)) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (Assets In Excess of AAL) As Percent Of Covered Payroll ((b-a)/c)
12-31-11	\$300,839	\$413,381	\$112,542	72.78%	\$170,889	65.86%
12-31-10	265,294	380,119	114,825	69.79%	171,294	67.03%
12-31-09	277,736	327,911	50,175	84.70%	195,327	25.69%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$289,566. On a market basis, the funded ratio would be 70.05%. 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 and direct investment 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 20% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

**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, 2012**

**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))
5-1-11	\$11,249,232	\$15,843,095	\$4,593,863	71.00%	\$3,417,408	134.43%
5-1-10	\$9,417,428	\$14,107,242	\$4,689,814	66.76%	\$3,190,443	146.00%
5-1-09	7,419,823	12,189,421	4,769,598	60.87%	\$3,286,831	145.11%

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

<b>Valuation date</b>	<b>May 1, 2011</b>
Actuarial Cost Method	Entry Age Normal (Level % Pay)
Amortization Method	Level % Pay (Closed)
Amortization Target	100% Funded in year 2040
Investment Rate of Return	7.00%
Projected Salary Increases	5.50%
Aggregate Payroll Increases	5.50%
Inflation Rate Included	3.00%

**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, 2012**

	<u>GENERAL FUND</u>		<u>AMBULANCE FUND</u>		<u>CAPITAL FUND</u>		<u>PENSION TAX LEVY FUND</u>	
	<u>ORIGINAL &amp; FINAL BUDGET</u>		<u>ORIGINAL &amp; FINAL BUDGET</u>		<u>ORIGINAL &amp; FINAL BUDGET</u>		<u>ORIGINAL &amp; FINAL BUDGET</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
<b><u>REVENUES</u></b>								
Real Property Taxes	\$3,621,137	\$3,611,598	\$3,439,892	\$3,430,834	\$0	\$0	\$909,140	\$906,747
Personal Property Replacement Taxes	0	0	0	0	0	0	26,500	28,980
Interest Income	6,500	3,496	6,500	4,038	500	12,736	20	10
Plan Review Fees	0	0	0	0	15,000	19,795	0	0
Ambulance Transport Fees	0	0	900,000	978,821	0	0	0	0
Grants Received	0	0	0	0	286,470	105,935	0	0
Miscellaneous	29,140	49,213	21,130	7,573	0	55,200	0	0
<b>Total Revenues</b>	<b>3,656,777</b>	<b>3,664,307</b>	<b>4,367,522</b>	<b>4,421,266</b>	<b>301,970</b>	<b>193,666</b>	<b>935,660</b>	<b>935,737</b>
<b><u>EXPENDITURES</u></b>								
Fire Protection & Ambulance Operations	3,558,728	2,959,224	4,657,066	3,954,443	75,000	63,877	935,660	935,737
Debt Service:								
Principal	0	0	0	0	440,000	400,000	0	0
Interest	0	0	0	0	386,232	347,120	0	0
Capital Outlay	0	0	0	0	658,681	256,433	0	0
<b>Total Expenditures</b>	<b>3,558,728</b>	<b>2,959,224</b>	<b>4,657,066</b>	<b>3,954,443</b>	<b>1,559,913</b>	<b>1,067,430</b>	<b>935,660</b>	<b>935,737</b>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u></b>								
	<b>98,049</b>	<b>705,083</b>	<b>(289,544)</b>	<b>466,823</b>	<b>(1,257,943)</b>	<b>(873,764)</b>	<b>0</b>	<b>0</b>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>								
Sale Of Surplus Apparatus	0	0	0	0	15,000	32,050	0	0
Transfers In (Out)	(525,560)	(525,560)	(525,560)	(525,560)	1,051,120	1,051,120	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(525,560)</b>	<b>(525,560)</b>	<b>(525,560)</b>	<b>(525,560)</b>	<b>1,066,120</b>	<b>1,083,170</b>	<b>0</b>	<b>0</b>
<b><u>NET CHANGE IN FUND BALANCES</u></b>								
<b>FUND BALANCE- Beginning Of Year</b>	<b>725,433</b>	<b>725,433</b>	<b>1,536,540</b>	<b>1,536,540</b>	<b>168,233</b>	<b>168,233</b>	<b>0</b>	<b>0</b>
<b>FUND BALANCE - End Of Year</b>	<b>\$297,922</b>	<b>\$904,956</b>	<b>\$721,436</b>	<b>\$1,477,803</b>	<b>(\$23,590)</b>	<b>\$377,639</b>	<b>\$0</b>	<b>\$0</b>

Governmental Accounting Standards Board guideline require a comparisojn of budget (appropriation) to actual for all Governmental 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 June 8, 2011 and amended June 27, 2012 (which did not effect the governmental funds above) for the year ended April 30, 2012.

**ALGONQUIN - LAKE IN THE HILLS FIRE PROTECTION DISTRICT  
MC HENRY AND KANE COUNTIES, ILLINOIS  
COMBINING BALANCE SHEET - ALL NON MAJOR GOVERNMENTAL FUNDS  
April 30, 2012**

	<u>Insurance Fund</u>	<u>Audit Fund</u>	<u>Foreign Fire Insurance Tax Fund See Note</u>	<u>Total</u>
<b>ASSETS</b>				
Deposits-Checking/Savings	\$0	\$0	\$28,524	\$28,524
Certificates Of Deposit	0	0	0	0
Investments	22,643	12,266	0	34,909
Accounts Receivable	0	0	39,049	39,049
Property Taxes Receivable				
2011 Tax Levy - Net	426,422	4,479	0	430,901
Prepaid Insurance	<u>28,950</u>	<u>0</u>	<u>0</u>	<u>28,950</u>
<b>Total</b>	<b><u>\$478,015</u></b>	<b><u>\$16,745</u></b>	<b><u>\$67,573</u></b>	<b><u>\$562,333</u></b>
<b>LIABILITIES AND DISTRICT EQUITY</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$812	\$0	\$0	\$812
Deferred Revenue	<u>426,422</u>	<u>4,479</u>	<u>0</u>	<u>430,901</u>
<b>Total</b>	<b>427,234</b>	<b>4,479</b>	<b>0</b>	<b>431,713</b>
<b>DISTRICT EQUITY</b>				
Fund Balance	<u>50,781</u>	<u>12,266</u>	<u>67,573</u>	<u>130,620</u>
<b>Total</b>	<b><u>\$478,015</u></b>	<b><u>\$16,745</u></b>	<b><u>\$67,573</u></b>	<b><u>\$562,333</u></b>

**Note : Foreign Fire Insurance Tax Fund Is On A Calendar Basis.**

**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, 2012**

	<u>Insurance Fund</u>	<u>Audit Fund</u>	<u>Foreign Fire Insurance Tax Fund See Note</u>	<u>Total</u>
<b><u>REVENUE</u></b>				
Property Taxes	\$343,875	\$1,077	\$0	\$344,952
Foreign Fire Insurance Tax	0	0	39,049	39,049
Personal Property Replacement Tax	0	0	0	0
Interest	124	33	0	157
Miscellaneous	0	0	0	0
<b>Total</b>	<b><u>343,999</u></b>	<b><u>1,110</u></b>	<b><u>39,049</u></b>	<b><u>384,158</u></b>
<b><u>EXPENDITURES</u></b>				
Insurance Fund	402,622	0		402,622
Audit Fund	0	14,000		14,000
District Pension Contribution	0	0		0
Foreign Fire Insurance Tax Fund	0	0	13,022	13,022
<b>Total</b>	<b><u>402,622</u></b>	<b><u>14,000</u></b>	<b><u>13,022</u></b>	<b><u>429,644</u></b>
<b><u>EXCESS (DEFICIENCY)REVENUES OVER EXPENDITURES</u></b>				
	(58,623)	(12,890)	26,027	(45,486)
<b><u>OTHER FINANCING SOURCES</u></b>				
Transfer In	0	0	0	0
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(58,623)	(12,890)	26,027	(45,486)
<b><u>FUND BALANCE - Beginning</u></b>				
<u>May 1, 2011</u>	<u>109,404</u>	<u>25,156</u>	<u>41,546</u>	<u>176,106</u>
<b><u>FUND BALANCE - Ending</u></b>				
<u>April 30, 2012</u>	<u>\$50,781</u>	<u>\$12,266</u>	<u>\$67,573</u>	<u>\$130,620</u>

Note : Foreign Fire Insurance Tax Fund Is On A Calendar Basis.

**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, 2012**

	<u>Budget</u>	<u>Actual</u>	Actual Under (Over) <u>Budget</u>
<b><u>REVENUE</u></b>			
Real Estate Taxes	\$ 3,621,137	\$ 3,611,598	\$ 9,539
Interest Income	6,500	3,496	3,004
Miscellaneous	<u>29,140</u>	<u>49,213</u>	<u>(20,073)</u>
<b>Total Revenue</b>	<b><u>\$3,656,777</u></b>	<b><u>\$3,664,307</u></b>	<b><u>(\$7,530)</u></b>
<b><u>EXPENDITURES</u></b>			
<b><u>PERSONNEL SERVICES</u></b>			
Salaries and Wages	\$ 2,568,286	\$ 2,183,451	\$ 384,835
Unemployment Taxes	3,552	5,204	(1,652)
Employer's FICA	65,135	54,468	10,667
Other Payroll Expenses	36,220	32,445	3,775
Life Insurance	3,072	2,325	747
Hospital/Medical Insurance	<u>308,694</u>	<u>265,766</u>	<u>42,928</u>
<b>Total</b>	<b><u>2,984,959</u></b>	<b><u>2,543,659</u></b>	<b><u>441,300</u></b>
<b><u>OPERATIONS &amp; SUPPLIES</u></b>			
Administrative Expenses	23,239	16,484	6,755
Buildings & Grounds	45,853	40,297	5,556
Commission Expenses	10,264	6,690	3,574
Communications / IT Expenses	39,089	31,943	7,146
Fire Prevention/Pub Ed Expenses	21,512	5,509	16,003
Protective Clothing & Equipment	44,226	20,625	23,601
Employee Wellness	22,682	10,692	11,990
Professional Services	38,467	29,488	8,979
Special Teams Expense	28,410	17,403	11,007
Training Expenses	63,500	25,225	38,275
Travel & Conference	30,783	9,641	21,142
Utilities	54,815	46,089	8,726
Vehicle & Equipment Expenses	<u>150,929</u>	<u>155,479</u>	<u>(4,550)</u>
<b>Total</b>	<b><u>573,769</u></b>	<b><u>415,565</u></b>	<b><u>158,204</u></b>

**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, 2012**

<u>EXPENDITURES (Continued)</u>	Budget	Actual	Actual Under (Over) Budget
<b>SUNDRY</b>			
Transfer to Tort Fund	0	0	0
Transfer to Foreign Fire Insurance Board	37,000 *	n/a	37,000
Transfer to Capital Fund	<u>525,560</u>	<u>525,560</u>	<u>0</u>
<b>Total</b>	<b><u>562,560</u></b>	<b><u>525,560</u></b>	<b><u>37,000</u></b>
<b>Total Expenditures</b>	<b><u>\$4,121,288</u></b>	<b><u>\$3,484,784</u></b>	<b><u>\$636,504</u></b>

\* Foreign Fire Insurance is recorded as revenue by Foreign Fire Insurance Tax Fund and not as a transfer from the General Fund.

**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, 2012**

	Budget	Actual	Actual Under (Over) Budget
<b><u>REVENUE</u></b>			
Real Estate Taxes	\$3,439,892	\$3,430,834	\$9,058
Ambulance Transport Fees	900,000	978,821	(78,821)
Interest Income	6,500	4,038	2,462
Miscellaneous Income	<u>21,130</u>	<u>7,573</u>	<u>13,557</u>
<b>Total Revenue</b>	<b><u>\$4,367,522</u></b>	<b><u>\$4,421,266</u></b>	<b><u>(\$53,744)</u></b>
<b><u>EXPENDITURES</u></b>			
<b><u>PERSONNEL SERVICES</u></b>			
Salaries and Wages	\$3,551,739	\$3,080,041	\$471,698
Unemployment Taxes	5,160	7,048	(1,888)
Employer's FICA	92,583	77,048	15,535
Other Payroll Expenses	41,673	37,327	4,346
Life Insurance	4,608	3,488	1,120
Hospital/Medical Insurance	<u>460,404</u>	<u>398,650</u>	<u>61,754</u>
<b>Total</b>	<b><u>4,156,167</u></b>	<b><u>3,603,602</u></b>	<b><u>552,565</u></b>
<b><u>OPERATIONS &amp; SUPPLIES</u></b>			
Administrative Expenses	23,238	14,437	8,801
Buildings & Grounds	45,853	33,241	12,612
Commission Expenses	10,264	6,111	4,153
Communications / IT Expenses	39,089	36,943	2,146
EMS / CPR Expenses	63,438	35,527	27,911
Protective Clothing & Equipment	43,187	9,884	33,303
Employee Wellness	22,682	10,025	12,657
Professional Services	97,867	85,808	12,059
Special Teams Expense	834	176	658
Travel & Conference	11,834	4,854	6,980
Utilities	54,815	45,679	9,136
Vehicle & Equipment Expenses	<u>87,798</u>	<u>68,156</u>	<u>19,642</u>
<b>Total</b>	<b><u>500,899</u></b>	<b><u>350,841</u></b>	<b><u>150,058</u></b>

**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, 2012**

<u>EXPENDITURES (Continued)</u>	Budget	Actual	Actual Under (Over) Budget
<b><u>SUNDRY</u></b>			
Transfer to Pension Fund	0	0	0
Transfer to Capital Fund	<u>525,560</u>	<u>525,560</u>	<u>0</u>
<b>Total</b>	<b><u>525,560</u></b>	<b><u>525,560</u></b>	<b><u>0</u></b>
 <b>Total AMBULANCE FUND</b>	 <b><u>\$5,182,626</u></b>	 <b><u>\$4,480,003</u></b>	 <b><u>\$702,623</u></b>
 <b><u>INSURANCE FUND</u></b>			
<b><u>REVENUE</u></b>			
Real Estate Taxes	\$344,780	\$343,875	\$905
Transfer from General Fund	0	0	0
Interest	<u>50</u>	<u>124</u>	<u>(74)</u>
<b>Total Revenue</b>	<b><u>\$344,830</u></b>	<b><u>\$343,999</u></b>	<b><u>\$831</u></b>
 <b><u>EXPENDITURES</u></b>			
Workers Compensation	\$406,890	\$331,279	\$75,611
Vehicle Liability	19,800	14,023	5,777
General Liability	66,600	48,998	17,602
Accident & Sickness	<u>10,320</u>	<u>8,322</u>	<u>1,998</u>
<b>Total</b>	<b><u>\$503,610</u></b>	<b><u>\$402,622</u></b>	<b><u>\$100,988</u></b>

**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, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Actual Under (Over) Budget</u>
<b><u>AUDIT FUND</u></b>			
<b><u>REVENUE</u></b>			
Real Estate Taxes	\$1,082	\$1,077	\$5
Interest	<u>150</u>	<u>33</u>	<u>117</u>
<b>Total Revenue</b>	<b><u>\$1,232</u></b>	<b><u>\$1,110</u></b>	<b><u>\$122</u></b>
<b><u>EXPENDITURES</u></b>			
Auditing	\$14,000	\$14,000	\$0
<b>Total</b>	<b><u>\$14,000</u></b>	<b><u>\$14,000</u></b>	<b><u>\$0</u></b>
<b><u>PENSION TAX LEVY FUND</u></b>			
<b><u>REVENUE</u></b>			
Real Estate Taxes	\$909,140	\$906,747	\$2,393
Personal Property Taxes	26,500	28,980	(2,480)
Transfer From General Fund	0	0	0
Transfer From Ambulance Fund	0	0	0
Interest	<u>20</u>	<u>10</u>	<u>10</u>
<b>Total Revenue</b>	<b><u>\$935,660</u></b>	<b><u>\$935,737</u></b>	<b><u>(\$77)</u></b>
<b><u>EXPENDITURES</u></b>			
Pension Payments	\$935,660	\$935,737	(\$77)
<b>Total</b>	<b><u>\$935,660</u></b>	<b><u>\$935,737</u></b>	<b><u>(\$77)</u></b>

**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, 2012**

	<u>Budget</u>	<u>Actual</u>	Actual Under (Over) <u>Budget</u>
<b><u>CAPITAL FUND</u></b>			
<b><u>REVENUE</u></b>			
Plan Review Fees	\$15,000	\$19,795	(\$4,795)
Transition Fees	0	55,200	(55,200)
Grants Received	286,470	105,935	180,535
Sale of Surplus Apparatus	15,000	32,050	(17,050)
Transfer from General Fund	525,560	525,560	0
Transfer from Ambulance Fund	525,560	525,560	0
Interest	<u>500</u>	<u>12,736</u>	<u>(12,236)</u>
<b>Total Revenue</b>	<b><u>\$1,368,090</u></b>	<b><u>\$1,276,836</u></b>	<b><u>\$91,254</u></b>
<b><u>EXPENDITURES</u></b>			
<b><u>DEBT</u></b>			
Debt Service Interest	\$386,232	\$347,120	\$39,112
Debt Service Principal	<u>440,000</u>	<u>400,000</u>	<u>40,000</u>
<b>Total</b>	<b><u>826,232</u></b>	<b><u>747,120</u></b>	<b><u>79,112</u></b>
<b><u>CAPITAL*</u></b>			
Buildings/Land	60,000	14,706	45,294
Office/Communications Equip.	37,860	0	37,860
FF/Rescue Equipment	351,960	52,084	299,876
EMS Equipment	25,875	22,352	3,523
Vehicle/Apparatus	<u>257,986</u>	<u>231,168</u>	<u>26,818</u>
<b>Total</b>	<b><u>733,681</u></b>	<b><u>320,310</u></b>	<b><u>413,371</u></b>
<b>Total Expenditures</b>	<b><u>\$1,559,913</u></b>	<b><u>\$1,067,430</u></b>	<b><u>\$492,483</u></b>

\* Items under \$10,000 capitalization threshhold totalled \$63,877

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

**SCHEDULE OF GOVERNMENTAL FIXED ASSETS  
April 30, 2012**

		<u>BALANCE</u>			<u>BALANCE</u>
		<u>May 1, 2011</u>	<u>ADDITIONS*</u>	<u>DELETIONS</u>	<u>April 30, 2012</u>
<b><u>COST</u></b>					
Land - Headquarters - Station #1		\$641,954	\$0	\$0	\$641,954
Land - Harnish - Station #2		627,808	0	0	627,808
Land - Cumberland Station #3		147,094	0	0	147,094
Headquarters - Station #1		3,812,320	0	0	3,812,320
Harnish - Station #2		2,427,180	0	0	2,427,180
Cumberland Station #3		986,960	0	0	986,960
Apparatus & Vehicles		3,928,405	256,433	(236,018)	3,948,820
Equipment		428,447	0	0	428,447
<b>TOTAL</b>		<b><u>\$13,000,168</u></b>	<b><u>\$256,433</u></b>	<b><u>(\$236,018)</u></b>	<b><u>13,020,583</u></b>
<b><u>ACCUMULATED DEPRECIATION</u></b>					
	Life				
Headquarters - Station #1	40 YR	\$748,758	\$95,308	\$0	844,066
Harnish - Station #2	40 YR	480,379	60,680	0	541,059
Cumberland Station #3	40 YR	359,829	24,674	0	384,503
Apparatus & Vehicles	7-15 YR	1,032,550	251,293	(158,212)	1,125,631
Equipment	10 YR	98,040	44,477	0	142,517
<b>TOTAL</b>		<b><u>\$2,719,556</u></b>	<b><u>\$476,432</u></b>	<b><u>(\$158,212)</u></b>	<b><u>3,037,776</u></b>
<b>NET - APRIL 30, 2012</b>					<b><u>\$9,982,807</u></b>

\*Additions include fixed assets that were placed in service in FY12/13 and therefore not depreciated in 11/12. This schedule includes only governmental fixed assets. The RFFA Fund's fixed assets from business-type activities are not included.

**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**

**2011**

**ASSESSED VALUES**

Mc Henry County	\$981,949,029
Kane County	<u>184,329,638</u>

Total	<b><u>\$1,166,278,667</u></b>
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<b><u>RATES, EXTENSIONS AND PERCENTAGES</u></b>	<b><u>Rate</u></b>	<b><u>Extended</u></b>	<b><u>Percent</u></b>
Mc Henry County			
General Fund	0.309706	\$3,041,155	42.95%
Insurance Fund	0.036743	360,798	5.09%
Audit Fund	0.000385	3,780	0.05%
Ambulance Fund	0.297557	2,921,858	41.26%
Pension Fund	<u>0.076847</u>	<u>754,599</u>	<u>10.65%</u>
Total Mc Henry County	<u>0.721238</u>	<u>7,082,190</u>	<u>100.00%</u>

Kane County			
General Fund	0.310766	572,834	44.21%
Insurance Fund	0.036869	67,960	5.24%
Audit Fund	0.000386	712	0.05%
Ambulance Fund	0.298574	550,360	42.46%
Pension Fund	0.077083	142,087	10.96%
Adjustment - Prior Year Per County	<u>-0.020511</u>	<u>(37,808)</u>	<u>-2.92%</u>
Total Kane County	<u>0.703167</u>	<u>1,296,145</u>	<u>100.00%</u>

Grand Total	<b><u>\$8,378,335</u></b>
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**COLLECTIONS - Including Prior Years' Settlements**

All Funds			
McHenry County		\$0	
Kane County		0	
Total		<b><u>\$0</u></b>	

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

<u>2010</u>			<u>2009</u>		
<u>\$1,101,933,557</u>			<u>\$1,162,103,302</u>		
<u>Rate</u>	<u>Extended</u>	<u>Percent</u>	<u>Rate</u>	<u>Extended</u>	<u>Percent</u>
<u>0.277713</u>	<u>\$3,060,213</u>	<u>43.55%</u>	<u>0.244145</u>	<u>\$2,837,217</u>	<u>41.70%</u>
<u>0.026442</u>	<u>291,373</u>	<u>4.15%</u>	<u>0.031322</u>	<u>363,994</u>	<u>5.35%</u>
<u>0.000083</u>	<u>915</u>	<u>0.01%</u>	<u>0.00007</u>	<u>813</u>	<u>0.01%</u>
<u>0.263813</u>	<u>2,907,044</u>	<u>41.36%</u>	<u>0.242251</u>	<u>2,815,207</u>	<u>41.37%</u>
<u>0.069724</u>	<u>768,312</u>	<u>10.93%</u>	<u>0.067761</u>	<u>787,453</u>	<u>11.57%</u>
<u>0.637775</u>	<u>7,027,857</u>	<u>100.00%</u>	<u>0.585549</u>	<u>6,804,684</u>	<u>100.00%</u>
 <u>0.286106</u>			 <u>0.244145</u>		
<u>0.027241</u>	<u>560,923</u>	<u>43.55%</u>	<u>0.031322</u>	<u>514,488</u>	<u>41.70%</u>
<u>0.000085</u>	<u>53,407</u>	<u>4.15%</u>	<u>0.000070</u>	<u>66,005</u>	<u>5.35%</u>
<u>0.271786</u>	<u>167</u>	<u>0.01%</u>	<u>0.242251</u>	<u>147</u>	<u>0.01%</u>
<u>0.071831</u>	<u>532,849</u>	<u>41.36%</u>	<u>0.067761</u>	<u>510,497</u>	<u>41.37%</u>
<u>0.657049</u>	<u>140,828</u>	<u>10.93%</u>	<u>0.585549</u>	<u>142,793</u>	<u>11.57%</u>
 <u>1,288,174</u>			 <u>1,233,930</u>		
 <u>100.00%</u>			 <u>100.00%</u>		
 <u>\$8,316,031</u>			 <u>\$8,038,614</u>		
 <u>\$7,007,570</u>			 <u>\$6,796,793</u>		
<u>1,286,561</u>			<u>1,233,901</u>		
 <u>\$8,294,131</u>			 <u>\$8,030,694</u>		

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