

**Algonquin-Lake in the Hills Fire Protection District
Annual Financial Report
For The Year Ended April 30, 2013**

Algonquin-Lake in the Hills Fire Protection District
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For The Year Ended April 30, 2013

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Algonquin-Lake in the Hills Fire Protection District, including the fiduciary funds, as of and for the year ended April 30, 2013, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the fiduciary funds, of the Algonquin-Lake in the Hills Fire Protection District, as of April 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

The management's discussion and analysis and the schedule of funding progress are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The major fund budgetary comparison schedules, schedules of funding progress, and schedule of employer contributions listed on the table of contents are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The Required Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ending April 30, 2013 and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the Algonquin-Lake in the Hills Fire Protection District's basic financial statements. The combining and individual fund financial schedules for the year ended April 30, 2013 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining and individual fund financial schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended April 30, 2013 and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Kunstle & Associates, P.C.
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ALGONQUIN LAKE IN THE HILLS FIRE PROTECTION DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED APRIL 30, 2013

As the Algonquin Lake in the Hills Fire Protection District (District) management, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended April 30, 2013. The management of the District encourages the readers of this financial information presented in conjunction with the financial statements to obtain a better understanding of the District's financial operations.

Financial Highlights

The assets of District exceeded its liabilities by \$4,040,271 and \$3,340,023 as of April 30, 2013 and 2012, respectively. The District's net position increased \$700,248 in fiscal year 2013. The majority of this increase is due to increased property taxes from \$8,294,131 in fiscal year 2012 to \$8,357,885 in fiscal year 2013. Additionally, the District had a prior period adjustment to compensated absences which increased the District's net position by \$588,005. After fiscal year 2013, the impact of this change will end and changes in net position are projected to remain relatively flat into the future.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information and additional information.

Government-Wide Financial Analysis

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

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year.

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

Government-Wide Financial Analysis (Continued)

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

Fund Financial Statements

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

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

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to assist in understanding the differences between these two perspectives.

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

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

Proprietary funds are reported in the fund financial statements and generally report services for which the District charges customers a fee. There are two types of proprietary funds. These are enterprise funds and internal service funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the governmental-wide statements. Services are provided to customers external to the District organization such as the golf course. Internal service funds provide services to customers within the District's organization.

The proprietary fund financial statements are presented on pages 13 through 16 of this report.

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

Fund Financial Statements (Continued)

The basic fiduciary fund financial statements are presented on pages 17 through 20 of this report.

Notes to financial statements

The notes provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 21 of this report.

Required Supplementary Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees. Additionally, required supplementary information regarding a statement of revenues, expenditures, and changes in fund balance - budget vs. actual for each major fund is presented in this section. Supplementary information can be found on pages 40 through 45 of this report.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets & deferred outflows exceeded liabilities & deferred inflows by \$4,040,271 for the year ended April 30, 2013. A portion of the District's net position reflects its investment in capital assets of \$10,199,509. The District uses these capital assets to provide services, and consequently these assets are not available to liquidate liabilities or for other spending.

Condensed Statement of Net Position

	April 30, 2013	April 30, 2012
Current and Other Assets	\$ 12,144,442	\$ 12,134,575
Capital Assets, net of accumulated depreciation	<u>10,199,509</u>	<u>10,257,054</u>
Total Assets and Deferred Outflows	22,343,951	22,391,629
Current Liabilities and Deferred Inflows	9,140,289	9,137,480
Non-Current Liabilities	<u>9,163,391</u>	<u>9,846,553</u>
Total Liabilities and Deferred Inflows	18,303,680	18,984,033
Net Position		
Net Investment in Capital Assets	2,639,509	2,287,054
Restricted Amounts	1,371,527	32,385
Unrestricted Amounts	<u>29,235</u>	<u>1,088,157</u>
Total Net Position	<u><u>\$ 4,040,271</u></u>	<u><u>\$ 3,407,596</u></u>

Condensed Statement of Activities

	For Years Ended,	
	April 30, 2013	April 30, 2012
Revenues		
Program Revenues		
Charges for Services	\$ 1,352,687	\$ 1,485,621
Operating Grants and Contributions	219,692	105,935
General Revenues		
Property Taxes	8,357,885	8,294,131
State Replacement Taxes	28,732	28,980
Foreign Fire Insurance Taxes	0	39,049
Interest Income	11,058	20,825
Other	19,870	(34,045)
Total Revenues	9,989,924	9,940,496
Expenses		
Program Expenses		
Public Safety	9,113,243	8,942,084
Interest on Long-Term Debt	335,020	347,120
Radio Frequency Fire Alarm Service	429,418	393,565
Total Expenses	9,877,681	9,682,769
Change in Net Position	112,243	257,727
Net Position		
Beginning of Year, as originally stated	3,340,023	3,149,869
Prior Period Adjustment	588,005	0
Beginning of Year, as restated	3,928,028	3,149,869
End of Year	\$ 4,040,271	\$ 3,407,596

Note: For the year ended April 30, 2013, the Foreign Fire Insurance Tax Fund was excluded from the net position totals due to its nature as a Fiduciary Fund.

Financial Analysis (Continued)

During the year \$1,055,120 was transferred from the General, Ambulance, and Foreign Fire Insurance Tax Funds to the Capital Projects Fund for vehicle replacement reserves as well as debt retirement.

Budgetary Highlights

During the 2013 Budget year, the District did not revise the annual operating budget.

The Corporate and Ambulance funds are reported as a major funds and account for the routine operations of the District. Actual revenues in these major governmental funds were \$7,926,386 which underperformed budget estimates by 2%. Additionally, actual expenditures were \$7,205,994 which outperformed budget estimates by 2%.

The Corporate and Ambulance funds excess of revenues over expenditures was \$720,392. Due to transfers for to reserves, the fund balance decreased to \$2,338,977 from \$2,667,705 the previous year.

Capital Assets

The following is a summary of capital assets, net of accumulated depreciation:

	<u>April 30,2013</u>	<u>April 30,2012</u>
Land	\$ 1,416,856	\$ 1,416,856
Buildings & Improvements	7,287,521	7,226,460
Apparatus & Vehicles	4,109,664	3,948,820
Equipment	1,238,989	1,029,209
Cost of Capital Assets	14,053,030	13,621,345
Less Accumulated Depreciation	(3,853,521)	(3,364,291)
Net Capital Assets	<u>\$10,199,509</u>	<u>\$10,257,054</u>

Description of Current or Expected Conditions

Currently, management is not aware of any changes in conditions that could have a significant effect on the financial position or results of activities of the District in the near future.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Finance, Algonquin Lake in the Hills Fire Protection District, 1020 West Algonquin Road, Lake in the Hills, Illinois 60156.

Algonquin-Lake in the Hills Fire Protection District
Statement of Net Position
April 30, 2013

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash	\$ 2,934,294	\$ 325,320	\$ 3,259,614
Property Taxes Receivable, Net of Allowance	8,596,722	0	8,596,722
Ambulance Fees Receivable, Net of Allowance	205,070	0	205,070
Other Accounts Receivable	21,840	28,094	49,934
Prepaid Expenses	33,102	0	33,102
Capital Assets			
Capital Assets Not Being Depreciated	1,416,856	0	1,416,856
Other Capital Assets, Net of Depreciation	8,569,501	213,152	8,782,653
Total Capital Assets	9,986,357	213,152	10,199,509
TOTAL ASSETS	21,777,385	566,566	22,343,951
TOTAL DEFERRED OUTFLOWS	0	0	0
LIABILITIES			
Accounts Payable	49,580	12,012	61,592
Accrued Interest Payable	108,940	0	108,940
Accrued Liabilities	146,670	0	146,670
Due Within One Year			
Bonds Payable	440,000	0	440,000
Accrued Compensated Absences	63,485	0	63,485
Due in More Than One Year			
Bonds Payable	7,120,000	0	7,120,000
Accrued Compensated Absences	578,463	0	578,463
Net Pension Obligation	961,443	0	961,443
TOTAL LIABILITIES	9,468,581	12,012	9,480,593
DEFERRED INFLOWS			
Deferred Property Taxes	8,596,722	0	8,596,722
Deferred Grant Revenue	34,000	0	34,000
Deferred Monitoring Fees	0	192,365	192,365
TOTAL DEFERRED INFLOWS	8,630,722	192,365	8,823,087
NET POSITION			
Net Investment in Capital Assets	2,426,357	213,152	2,639,509
Restricted Amounts	1,371,527	0	1,371,527
Unrestricted Amounts	(119,802)	149,037	29,235
TOTAL NET POSITION	\$ 3,678,082	\$ 362,189	\$ 4,040,271

See Accompanying Notes to the Financial Statements

Algonquin-Lake in the Hills Fire Protection District
 Statement of Activities
 For The Year Ended April 30, 2013

	Net (Expenses) Revenues and Changes in Net Position					
	Program Revenues			Business Type Activities		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Total	
FUNCTIONS/PROGRAMS						
Governmental Activities						
Public Safety	\$ 9,113,243	\$ 945,451	\$ 219,692	\$ (7,948,100)	\$ 0	\$ (7,948,100)
Interest on Long-Term Debt	335,020	0	0	(335,020)	0	(335,020)
Total Governmental Activities	9,448,263	945,451	219,692	(8,283,120)	0	(8,283,120)
Business Type Activities						
Radio Frequency Fire Alarm Service	429,418	407,236	0	0	(22,182)	(22,182)
Total Business Type Activities	429,418	407,236	0	0	(22,182)	(22,182)
TOTAL	\$ 9,877,681	\$ 1,352,687	\$ 219,692	(8,283,120)	(22,182)	(8,305,302)
GENERAL REVENUES						
Taxes						
Property taxes levied for general purposes				8,357,885	0	8,357,885
Replacement taxes for general purposes				28,732	0	28,732
Interest Income				10,624	434	11,058
Miscellaneous				16,257	3,613	19,870
TOTAL GENERAL REVENUES				8,413,498	4,047	8,417,545
CHANGE IN NET POSITION						
				130,378	(18,135)	112,243
NET POSITION,						
BEGINNING OF YEAR						
				2,959,699	380,324	3,340,023
PRIOR PERIOD ADJUSTMENT						
				588,005	0	588,005
BEGINNING OF YEAR, RESTATED						
				3,547,704	380,324	3,928,028
END OF YEAR						
				\$ 3,678,082	\$ 362,189	\$ 4,040,271

See Accompanying Notes to the Financial Statements

**Algonquin-Lake in the Hills Fire Protection District
Governmental Funds
Balance Sheet
April 30, 2013**

	General	Ambulance	Pension Tax Levy	Capital	Other Governmental Funds	Total
ASSETS						
Cash	\$ 1,100,975	\$ 1,219,568	\$ 21,683	\$ 588,704	\$ 3,364	\$ 2,934,294
Property Taxes Receivable, Net of Allowance	4,131,310	3,106,005	923,997	0	435,410	8,596,722
Ambulance Fees Receivable, Net of Allowance	0	205,070	0	0	0	205,070
Other Accounts Receivable	2,824	0	0	19,016	0	21,840
Prepaid Expenditures	0	0	0	0	33,102	33,102
TOTAL ASSETS	5,235,109	4,530,643	945,680	607,720	471,876	11,791,028
TOTAL DEFERRED OUTFLOWS						
OUTFLOWS	0	0	0	0	0	0
TOTAL ASSETS AND DEFERRED OUTFLOWS						
DEFERRED OUTFLOWS	5,235,109	4,530,643	945,680	607,720	471,876	11,791,028
LIABILITIES						
Accounts Payable	19,762	23,028	6,790	0	0	49,580
Accrued Liabilities	65,228	81,442	0	0	0	146,670
TOTAL LIABILITIES	84,990	104,470	6,790	0	0	196,250
DEFERRED INFLOWS						
Deferred Property Taxes	4,131,310	3,106,005	923,997	0	435,410	8,596,722
Deferred Grant Revenue	0	0	0	34,000	0	34,000
TOTAL DEFERRED INFLOWS	4,131,310	3,106,005	923,997	34,000	435,410	8,630,722
FUND BALANCES						
Fund Balances						
Non-spendable	0	0	0	0	33,102	33,102
Restricted	0	1,320,168	14,893	0	3,364	1,338,425
Assigned	0	0	0	573,720	0	573,720
Unassigned	1,018,809	0	0	0	0	1,018,809
TOTAL FUND BALANCES	1,018,809	1,320,168	14,893	573,720	36,466	2,964,056
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
DEFERRED INFLOWS	\$ 5,235,109	\$ 4,530,643	\$ 945,680	\$ 607,720	\$ 471,876	
AMOUNTS REPORTED IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:						
Capital Assets used in governmental funds are not financial resources and therefore are not reported in the fund financial statements.						9,986,357
Accrued Interest Payable is not reported as a liability in the fund financial statements.						(108,940)
Accrued Compensated Absences are not reported as a liability in the fund financial statements.						(641,948)
Bonds Payable are not reported as a liability in the fund financial statements.						(7,560,000)
Net Pension Obligation is not reported as a liability in the fund financial statements.						(961,443)
NET POSITION OF GOVERNMENTAL FUNDS						\$ 3,678,082

See Accompanying Notes to the Financial Statements

**Algonquin-Lake in the Hills Fire Protection District
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For The Year Ended April 30, 2013**

	General	Ambulance	Pension Tax Levy	Capital	Other Governmental Funds		Total
REVENUES							
Property Taxes	\$ 3,567,494	\$ 3,463,713	\$ 894,489	\$ 0	\$ 432,189	\$ 8,357,885	
Replacement Tax	0	0	28,732	0	0	28,732	
Foreign Fire Insurance Tax	0	0	0	0	0	0	
Interest Earned	3,498	4,121	3	2,919	83	10,624	
Charges for Services	27,650	847,796	0	70,005	0	945,451	
Grants	0	0	0	219,692	0	219,692	
Miscellaneous	11,349	765	0	10,726	0	22,840	
TOTAL REVENUES	3,609,991	4,316,395	923,224	303,342	432,272	9,585,224	
EXPENDITURES							
Fire and Ambulance	3,089,619	4,116,375	0	0	0	7,205,994	
Pension	0	0	908,331	0	0	908,331	
Insurance	0	0	0	0	444,603	444,603	
Audit	0	0	0	0	14,250	14,250	
Debt Service							
Bond Principal	0	0	0	410,000	0	410,000	
Bond Interest	0	0	0	339,120	0	339,120	
Capital Outlay	0	0	0	526,301	0	526,301	
TOTAL EXPENDITURES	3,089,619	4,116,375	908,331	1,275,421	458,853	9,848,599	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES							
	520,372	200,020	14,893	(972,079)	(26,581)	(263,375)	
OTHER FINANCING							
SOURCES (USES)							
Transfers In	0	0	0	1,055,120	0	1,055,120	
Transfers Out	(524,560)	(524,560)	0	0	0	(1,049,120)	
TOTAL OTHER FINANCING							
SOURCES (USES)							
	(524,560)	(524,560)	0	1,055,120	0	6,000	
NET CHANGE IN FUND BALANCE	(4,188)	(324,540)	14,893	83,041	(26,581)	(257,375)	
FUND BALANCES,							
BEGINNING OF YEAR	904,956	1,477,803	0	377,639	63,047	2,823,445	
PRIOR PERIOD ADJUSTMENT	118,041	166,905	0	113,040	0	397,986	
BEGINNING OF YEAR, RESTATED	1,022,997	1,644,708	0	490,679	63,047	3,221,431	
END OF YEAR	\$ 1,018,809	\$ 1,320,168	\$ 14,893	\$ 573,720	\$ 36,466	\$ 2,964,056	

See Accompanying Notes to the Financial Statements

Algonquin-Lake in the Hills Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For The Year Ended April 30, 2013

Net Change in Fund Balances - Total Governmental Funds (Combined Statement of Revenues, Expenditures, and Changes in Fund Balances)	\$ (1,306,495)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Depreciation of capital assets is not considered an expenditure in the fund financial statements.	(500,552)
Purchases of capital assets are treated as an expenditure in the fund financial statements.	510,685
Gains from the sale of capital assets are not treated as revenues in the fund financial statements.	(6,583)
Accrued interest on bonds is not considered an expenditure in the fund financial statements.	4,100
The annual change in accrued compensated absences is not recorded in the fund financial statements.	5,345
Payments of debt principal are treated as an expenditure in the fund financial statements.	410,000
Change in Net Pension Obligation	<u>(35,242)</u>
Change in Net Assets of Governmental Activities (Statement of Activities)	<u>\$ (918,742)</u>

**Algonquin-Lake in the Hills Fire Protection District
Proprietary Funds
Statement of Fund Net Position
April 30, 2013**

	Radio Frequency Fire Alarm
ASSETS	
Cash	\$ 325,320
Accounts Receivable, Net of Allowance	28,094
Capital Assets	
Equipment	600,762
Less: Accumulated Depreciation	<u>(387,610)</u>
Total Capital Assets	<u>213,152</u>
TOTAL ASSETS	<u>566,566</u>
TOTAL DEFERRED OUTFLOWS	<u>0</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>566,566</u>
LIABILITIES	
Accounts Payable	<u>12,012</u>
TOTAL LIABILITIES	<u>12,012</u>
DEFERRED INFLOWS	
Deferred Monitoring Fees	<u>192,365</u>
TOTAL DEFERRED INFLOWS	<u>192,365</u>
NET POSITION	
Net Investment in Capital Assets	213,152
Unrestricted Amounts	<u>149,037</u>
TOTAL NET POSITION	<u>\$ 362,189</u>

See Accompanying Notes to the Financial Statements

**Algonquin-Lake in the Hills Fire Protection District
 Proprietary Funds
 Statement of Revenues, Expenses, and Changes in Net Position
 April 30, 2013**

	Radio Frequency Fire Alarm
OPERATING REVENUES	
Charges for Services	\$ 407,236
Interest	434
Miscellaneous	3,613
TOTAL OPERATING REVENUES	411,283
OPERATING EXPENSES	
Personnel Services	
Salaries and Wages	38,425
Operations & Supplies	
Administrative Expenses	1,377
Communications Expenses	56,485
Professional Services	270,719
Utilities	1,317
Depreciation	61,095
TOTAL OPERATING EXPENSES	429,418
CHANGE IN FUND NET POSITION	(18,135)
FUND NET POSITION, BEGINNING OF YEAR	380,324
END OF YEAR	\$ 362,189

**Algonquin-Lake in the Hills Fire Protection District
 Proprietary Funds
 Statement of Cash Flows
 For the Year Ended April 30, 2013**

	Radio Frequency Fire Alarm
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Public	\$ 385,726
Interest Received	434
Cash Paid to Vendors and Employees	(375,616)
Interest Paid	0
Income Taxes Paid	0
NET CASH PROVIDED BY OPERATING ACTIVITIES	10,544
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,544
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	314,776
END OF YEAR	\$ 325,320

**Algonquin-Lake in the Hills Fire Protection District
 Proprietary Funds
 Statement of Cash Flows (Continued)
 For the Year Ended April 30, 2013**

	Radio Frequency Fire Alarm
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Fund Net Position	\$ (18,135)
Adjustment to Reconcile Change in Fund Net Position to Net Cash Provided By Operating Activities	
Depreciation	61,095
Changes In	
Accounts Receivable	(9,077)
Accounts Payable	(7,293)
Deferred Monitoring Fees	<u>(16,046)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 10,544</u>

See Accompanying Notes to the Financial Statements

**Algonquin-Lake in the Hills Fire Protection District
 Fiduciary Fund
 Firefighters' Pension Fund
 Statement of Fiduciary Net Assets
 April 30, 2013**

	Firefighters' Pension
ASSETS	
Cash	\$ 12,294
Investments	
Money Market Funds	83,824
U.S. Government Obligations	1,440,672
U.S. Agency Obligations	4,278,650
State and Local Obligations	787,328
U.S. Agency Mortgage Pools	237,123
Mutual Funds	<u>7,714,345</u>
Total Investments	<u>14,541,942</u>
Accrued Interest Receivable	59,507
Prepaid Expenses	<u>4,392</u>
TOTAL ASSETS	<u><u>14,618,135</u></u>
LIABILITIES	
Accounts Payable	<u>600</u>
TOTAL LIABILITIES	<u><u>600</u></u>
PLAN NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u><u>\$ 14,617,535</u></u>

See Accompanying Notes to the Financial Statements

**Algonquin-Lake in the Hills Fire Protection District
Fiduciary Fund
Firefighters' Pension Fund
Statement of Changes in Fiduciary Net Assets
April 30, 2013**

	Firefighters' Pension
ADDITIONS	
Contributions	
Employer	\$ 901,621
Employee	348,744
Total Contributions	<u>1,250,365</u>
Investment Income	
Net Appreciation in Fair Value of Investments	848,507
Interest and Dividends Earned	<u>414,663</u>
Total Investment Income	1,263,170
Less: Investment Fees	46,849
Net Investment Income	<u>1,216,321</u>
Donations	100
TOTAL ADDITIONS	<u>2,466,786</u>
DEDUCTIONS	
Benefits Paid to Participants	
Retirement	231,238
Disability	230,883
Survivor	<u>13,911</u>
Total Benefits Paid to Participants	476,032
Refund of Contributions	11,465
Administrative Expenses	24,648
TOTAL DEDUCTIONS	<u>512,145</u>
NET INCREASE IN PLAN NET ASSETS	1,954,641
PLAN NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
BEGINNING OF YEAR	<u>12,662,894</u>
END OF YEAR	<u><u>\$ 14,617,535</u></u>

See Accompanying Notes to the Financial Statements

**Algonquin-Lake in the Hills Fire Protection District
Fiduciary Fund
Foreign Fire Insurance Tax Fund
Statement of Fiduciary Net Position
April 30, 2013**

	Foreign Fire Insurance Tax Fund
ASSETS	
Cash	\$ 67,246
TOTAL ASSETS	<hr/> 67,246 <hr/>
TOTAL DEFERRED OUTFLOWS	<hr/> 0 <hr/>
TOTAL LIABILITIES	<hr/> 0 <hr/>
TOTAL DEFERRED INFLOWS	<hr/> 0 <hr/>
NET POSITION	
Restricted for Foreign Fire Tax	67,246
TOTAL NET POSITION	<hr/> \$ 67,246 <hr/>

**Algonquin-Lake in the Hills Fire Protection District
 Fiduciary Fund
 Foreign Fire Insurance Tax Fund
 Statement of Changes in Fiduciary Net Position
 For The Year Ended April 30, 2013**

	Foreign Fire Insurance Tax Fund
REVENUES	
Foreign Fire Insurance Tax	\$ 36,761
TOTAL REVENUES	<u>36,761</u>
EXPENSES	
Foreign Fire Insurance Tax	31,088
TOTAL EXPENSES	<u>31,088</u>
EXCESS OF REVENUES OVER EXPENSES	<u>5,673</u>
OTHER FINANCING SOURCES	
Transfers Out	(6,000)
TOTAL OTHER FINANCING SOURCES	<u>(6,000)</u>
NET CHANGE IN FUND NET POSITION	<u>(327)</u>
NET POSITION, BEGINNING OF YEAR	<u>67,573</u>
END OF YEAR	<u>\$ 67,246</u>

**Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements
For The Year Ended April 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

As required by accounting principles generally accepted in the United States of America, these financial statements present the financial reporting entity of the District, including the "Firefighters' Pension Fund" and the "Foreign Fire Insurance Tax Fund", blended component units. These component units' funds are blended into those of the District's by appropriate activity type to compose the primary government presentation.

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

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

**Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. New Accounting Standards

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

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

C. Basis of Presentation

GOVERNMENT -WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

**Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

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

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

Governmental Fund Types (Governmental Activities)

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

General Fund

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

Ambulance Fund

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

Pension Tax Levy Fund

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

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.

**Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

Governmental Fund Types (Governmental Activities) (Continued)

Special Revenue Funds

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

Funds included in this fund category are:

Insurance
Audit

Proprietary Funds Types (Business -Type Activities)

The proprietary fund type is used to account for activities which are similar to those often found in the private sector, where the determination of net income is necessary or useful to sound financial administration. A brief explanation of the District's proprietary fund follows:

Radio Frequency Fire Alarm Fund

The Radio Frequency Fire Alarm fund is used to account for all revenues and expenses generated from the transmission of any activated alarm via the Radio Frequency Fire Alarm system.

Fiduciary Fund Types

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

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

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

Foreign Fire Insurance Tax Fund (Not included in the government-wide statements)

The Foreign Fire Insurance Tax Fund is used to account for assets held by the District in a trustee capacity.

**Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

MAJOR FUND

The District reports the following major governmental funds:

- General Fund
- Ambulance Fund
- Pension Tax Levy Fund
- Capital Fund

The District reports the following major business-type activity fund:

- Radio Fire Frequency Alarm Fund

NON-MAJOR FUNDS

The District reports the following non-major governmental funds:

- Insurance
- Audit

D. Basis of Accounting

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

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

Property taxes and charges for services are the primary revenue sources susceptible to accrual. The District considers property taxes available if they are due and collected within the year end. All other revenues are recognized when cash is received. Expenditures are recorded when the related fund liability is incurred.

**Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

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

The Radio Frequency Fire Alarm Fund, a Proprietary Fund Type, is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned and its expenses are recognized when they are incurred.

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

E. Measurement Focus

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

The measurement focus of all governmental and proprietary funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity. Liabilities for claims, judgments, compensated absences and pension contributions, which will not be currently liquidated using expendable available financial resources, are included as liabilities in the government-wide and proprietary fund financial statements, but are excluded from the governmental funds financial statements. The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

F. Use of Estimates

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

**Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Budgetary Data

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

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

The budget is prepared for all funds on the same basis as the basic financial statements. The budget is prepared in accordance with the Illinois Fire District Code and is derived from the combined annual budget and appropriation ordinance of the District. All budgets are prepared based on the annual fiscal year of the District. All budgetary funds are controlled by an integrated budgetary accounting system in accordance with the various legal requirements which govern the District. For the Radio Frequency Fire Alarm Fund, depreciation expense is budgeted through the operating budget, not the legally adopted budget ordinance. The operating budget does not exceed the appropriations for the year.

H. Budget Basis of Accounting

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

I. Cash and Cash Equivalents

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

J. Interfund Receivables and Payables

Amounts due to and due from other funds may arise during the course of the District's operations because of numerous transactions between funds to finance operations, provide services, construct assets, and service debt. Interfund receivables and payables between funds within governmental activities are eliminated in the government-wide financial statements. At April 30, 2013, the District reports an interfund receivable and payable of \$0 between governmental activities.

**Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Receivables

Receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for governmental activities include ambulance fees and property taxes. The major receivable balance for business-type activities is for radio frequency fire alarm fees. The District carries its receivables at cost less an allowance for doubtful accounts. On a periodic basis, the District evaluates its accounts receivable and establishes the amount of its allowance for doubtful accounts based on a history of past write-offs and collections. The allowance for doubtful accounts amounts to \$47,008 for ambulance fees receivable, \$15,502 for property taxes receivable, and \$0 for other receivables.

L. Prepaid Expenses/Expenditures

Payments are made to vendors for services that will benefit periods beyond April 30, 2013 are recorded as prepaid expenses/expenditures.

M. Capital Assets

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

GOVERNMENT -WIDE FINANCIAL STATEMENTS

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

Prior to May 1, 2004, capital assets of governmental funds were accounted for in the general fixed assets account group and were not recorded directly as a part of any individual fund's financial statements. Infrastructure of governmental funds was not previously capitalized. Upon implementing GASB 34, governmental units are required to account for all capital assets, including infrastructure, in the government wide financial statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is currently encouraged, but not required.

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

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

Capital assets in the proprietary fund type are capitalized at historical cost in the fund in which they are utilized. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives by type of asset are as follows:

RFFA Equipment	10 years
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**Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Capital Assets (Continued)

FUND FINANCIAL STATEMENTS

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

The costs of normal maintenance and repairs that do not add value to the value of the asset or materially extend asset lives are not included as capital assets or capitalized in the governmental or proprietary funds.

N. Accrued Compensated Absences

It is District policy to permit employees to accumulate earned, but unused vacation, personal, and sick days. Vacation leave and compensated time off are expected to be taken by the end of the calendar year following the year earned and may not be carried forward between calendar years. Accumulated sick leave may be carried forward between calendar years. Accumulated vacation and a portion of accumulated sick leave are paid upon termination of employment. The portion of Accrued Compensated Absences related to sick leave is recorded as a long-term liability on the Statement of Net Position.

O. Long-Term Liabilities

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

P. Property Taxes

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

The District recognizes property taxes on a levy year basis. The uncollected portion of the 2012 levy has been recorded as a receivable at April 30, 2013.

**Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Equity Classifications

GOVERNMENT -WIDE FINANCIAL STATEMENTS

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

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

FUND FINANCIAL STATEMENTS

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

- Non-spendable – consists of resources that cannot be spent because of their form.
- Restricted – consists of resources which have limitations imposed by enabling legislation and limitations imposed by creditors, grantors, or contributors.
- Committed – consists of resources which have limitations imposed by the governing board through formal action.
- Assigned – consists of resources which have limitations resulting from intended use.
- Unassigned – consists of the residual net resources of a fund.

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

Fund	General		Ambulance		Pension Tax Levy		Capital		Non-Major Funds		Total	
	\$	0	\$	0	\$	0	\$	0	\$	33,102	\$	33,102
Non-spendable												
Prepaid Items												
Restricted												
Ambulance	0		1,320,168		0		0		0		1,320,168	
Pension Tax Levy	0		0		14,893		0		0		14,893	
Insurance	0		0		0		0		861		861	
Audit	0		0		0		0		2,503		2,503	
Assigned	0		0		0		573,720		0		573,720	
Unassigned	1,018,809		0		0		0		0		1,018,809	
	\$ 1,018,809		\$ 1,320,168		\$ 14,893		\$ 573,720		\$ 36,466		\$ 2,964,056	

**Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Transfers

During the normal course of Fire operations, transfers between funds arise to reimburse individual funds for expenditures/expenses incurred for the benefit of other funds. Typical expenses in the category are general administrative and maintenance expenses. Transfers during the year ended April 30, 2013 are as follows:

Fund	Transfers In	Transfers Out
General	\$ 0	\$ 524,560
Ambulance	0	524,560
Capital	1,055,120	0
Foreign Fire Insurance Tax	0	6,000
	<u>\$ 1,055,120</u>	<u>\$ 1,055,120</u>

S. Prior Period Adjustment

A prior period adjustment of \$303,059 was necessary in the government-wide financial statements to correct differences in a prior year's accrued compensated absences resulting from incorrect accrual procedures.

A prior period adjustment of \$113,040 was necessary in the government-wide financial statements to include accrued interest payable in the government-wide financial statements.

A prior period adjustment of \$113,040 was necessary in the Capital fund to remove accrued interest payable from the fund financial statements.

A prior period adjustment of \$118,041 and \$166,905 was necessary in the General and Ambulance funds, respectively, to remove the accrued compensated absences from the fund financial statements.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Bank Deposits and Investments

At April 30, 2013, the carrying amount of the District's deposits was \$3,259,464 not including a petty cash fund of \$150 and the bank balance was \$3,345,049. The deposits are categorized in accordance with risk factors created by governmental reporting standards.

**Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2013**

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

A. Bank Deposits and Investments (Continued)

The following table categorizes the District's cash and cash equivalents according to levels of custodial credit risk.

Category:	Bank Balances	Carrying Amount
Deposits covered by depository insurance or collateralized, with securities held by the District or by its agent in the District's name.	\$ 2,419,355	\$ 2,419,355
Deposits which are collateralized, with securities held by the pledging financial institution's trust department or agent in the District's name.	0	0
Deposits which are collateralized with securities held by the pledging financial institution, by its trust department, or by its agent, but not in the District's name. This category also includes uncollateralized deposits, of which there are none.	925,694	838,890
Total Bank Deposits	\$ 3,345,049	\$ 3,258,245

B. Policies for Investments

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity, and yield. Illinois Compiled Statutes allow deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with securities guaranteed by the U.S. government, repurchase agreements, short-term commercial paper within the three highest classifications, and Illinois Funds.

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral of all bank balances in excess of federal depository insurance with the collateral held by a third party in the District's name.

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government.

**Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2013**

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Policies for Investments (Continued)

The investments in the Firefighters' Pension Fund include investments in money market mutual funds and mutual funds. The investments of this fund that are in security form include U.S. Treasury, Federal Agency Obligations, 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 purchased from certain syndicates of Lloyd's of London and various underwriters 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.

C. Investment Credit Risk

The Firefighters' 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. Following is an illustration of credit quality with the level of investment displayed as a percentage of total investments in debt securities.

Category	AAA	AA+	AA	AA-	A	Not Rated
U.S. Agency Obligations	\$ 1,216,203	\$ 3,062,447	\$ 0	\$ 0	\$ 0	\$ 0
State & Local Obligations	0	261,784	169,631	50,577	107,809	197,527
U.S. Agency Mortgage Pools	0	0	0	0	0	237,123
Total	<u>\$ 1,216,203</u>	<u>\$ 3,324,231</u>	<u>\$ 169,631</u>	<u>\$ 50,577</u>	<u>\$ 107,809</u>	<u>\$ 434,650</u>
Percentage of Debt Portfolio	<u>22.93%</u>	<u>62.68%</u>	<u>3.20%</u>	<u>0.95%</u>	<u>2.03%</u>	<u>8.20%</u>

D. Concentration of Credit Risk

More than 5% of the Firefighters' Pension Fund's debt investments are in the following:

Entity	Percentage
Federal Farm Credit Bank	8%
Federal Home Loan Bank	18%

E. Interest Rate Risk

As of April 30, 2013, the Firefighters' Pension Fund's debt investments had the following maturities.

Category	Fair Value	< 1 Year	1 - 5 Years	6 - 10 Years	> 10 Years
U.S. Governmental Obligations	\$ 1,440,672	\$ 0	\$ 860,352	\$ 580,320	\$ 0
U.S. Agency Obligations	4,278,650	46,002	1,383,708	2,693,973	154,967
State & Local Obligations	787,328	0	324,218	313,716	149,394
U.S. Agency Mortgage Pools	237,123	0	132	332	236,659
Total	<u>\$ 6,743,773</u>	<u>\$ 46,002</u>	<u>\$ 2,568,410</u>	<u>\$ 3,588,341</u>	<u>\$ 541,020</u>

**Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2013**

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

E. Interest Rate Risk (Continued)

According to the Firefighters' 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 monthly maturity and duration of the portfolio will be maintained at approximately five years and will range from two to seven years. This type of strategy will often result in increasing maturity/duration of the portfolio when interest rates are rising and decreasing maturity/duration of the portfolio when interest rates are declining. The investment manager may change the duration of the portfolio as market conditions permit."

NOTE 3 - CAPITAL ASSETS

A summary of the changes in capital assets for the year follows. Total depreciation expense for the year charged for governmental activities was \$500,552. Depreciation expense charged for business-type activities was \$61,095.

	Balance at May 1, 2012	Additions	Retirements	Balance at April 30, 2013
Governmental Activities				
Capital Assets, Not Subject to Depreciation				
Land	\$ 1,416,856	\$ 0	\$ 0	\$ 1,416,856
Capital Assets Subject to Depreciation				
Buildings & Improvements	7,226,460	61,061	0	7,287,521
Apparatus & Vehicles	3,948,820	239,844	(79,000)	4,109,664
Equipment	428,447	209,780	0	638,227
	<u>11,603,727</u>	<u>510,685</u>	<u>(79,000)</u>	<u>12,035,412</u>
Less Accumulated Depreciation				
Buildings & Improvements	(1,769,628)	(184,673)	0	(1,954,301)
Apparatus & Vehicles	(1,125,631)	(253,900)	72,417	(1,307,114)
Equipment	(142,517)	(61,979)	0	(204,496)
	<u>(3,037,776)</u>	<u>(500,552)</u>	<u>72,417</u>	<u>(3,465,911)</u>
Net Capital Assets - Governmental Activities	<u>\$ 9,982,807</u>	<u>\$ 10,133</u>	<u>\$ (6,583)</u>	<u>\$ 9,986,357</u>
Business-Type Activities				
Capital Assets Subject to Depreciation				
Equipment	\$ 600,762	\$ 0	\$ 0	\$ 600,762
Less Accumulated Depreciation				
Equipment	(326,515)	(61,095)	0	(387,610)
Net Capital Assets - Business-Type Activities	<u>\$ 274,247</u>	<u>\$ (61,095)</u>	<u>\$ 0</u>	<u>\$ 213,152</u>

**Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2013**

NOTE 4 – DEBT COMMITMENTS

A summary of changes in long-term debt for the year ended April 30, 2013 is as follows:

Type	Balance at May 1, 2012	Advances	Repayments	Balance at April 30, 2013	Amount Due Within One Year
General Obligation Bonds					
Series 2002	\$ 1,125,000	\$ 0	\$ 0	\$ 1,125,000	\$ 0
Series 2010	6,845,000	0	(410,000)	6,435,000	440,000
Total	7,970,000	0	(410,000)	7,560,000	440,000

Debt commitments at April 30, 2013 are comprised of the following:

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

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

Future payments of long-term debt at April 30, 2013 consist of the following:

Fiscal Year	Principal	Interest	Total
2014	\$ 440,000	\$ 326,820	\$ 766,820
2015	450,000	313,620	763,620
2016	450,000	297,870	747,870
2017	475,000	279,870	754,870
2018	500,000	260,870	760,870
2019 - 2023	2,385,000	1,008,550	3,393,550
2024 - 2028	2,860,000	406,130	3,266,130
	\$ 7,560,000	\$ 2,893,730	\$ 10,453,730

NOTE 5 – DEFERRED COMPENSATION PLAN

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

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

NOTE 6 – DEFICIT FUND BALANCES

At April 30, 2013, none of the funds has a deficit fund balance.

**Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2013**

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

The following funds had an excess of actual expenditures over legally enacted budgeted amounts for the year ended April 30, 2013:

Fund	Budget	Actual	Appropriations
Capital	\$ 1,263,745	\$ 1,275,421	\$ 1,441,582
Insurance	425,550	444,603	510,660

NOTE 8 – RISK MANAGEMENT

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

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

**Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2013**

NOTE 9 – ILLINOIS MUNICIPAL RETIREMENT FUND

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

Funding Policy. As set by statute, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 was 12.03 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2012 was \$19,188.

Actual Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/12	\$ 19,188	100%	\$ 0
12/31/11	17,209	100%	0
12/31/10	17,815	100%	0

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 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 your employer 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 actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2010 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, 2012, the most recent actuarial valuation date, the Regular plan was 74.87 percent funded. The actuarial accrued liability for benefits was \$461,801, and the actuarial value of assets was \$345,748, resulting in an underfunded actuarial accrued liability (UAAL) of \$116,053. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$159,501 and the ratio of the UAAL to the covered payroll was 73 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.

**Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2013**

NOTE 10 – PENSION FUND

The Firefighters' Pension Plan is a single employer defined benefit pension plan that covers the full time fire personnel of the District. The defined benefits and employer and employee contribution levels are governed by Illinois Compiled Statues (40 ILCS 5/4-1) and may be amended only by the Illinois Legislature. The pension fund is reported in the fund financial statements as a fiduciary fund.

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

Covered employees are required to contribute 9.455% of their base salary to the plan. The District is required to finance the plan and the administrative costs as actuarially determined by an enrolled actuary.

Annual Required Contribution	\$ 919,853
Interest on Net Pension Obligation	64,834
Adjustment to Annual Required Contribution	(47,824)
Annual Pension Cost	936,863
Contributions Made	(901,621)
Increase in Net Pension Obligation	35,242
Net Pension Obligation	
Beginning of Year	926,201
End of Year	<u>\$ 961,443</u>

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
4/30/2013	\$ 936,863	96.24%	\$ 961,443
4/30/2012	937,298	100.02%	937,298
4/30/2011	945,333	83.26%	945,333

Actuarial methods and assumptions are as follows:

Valuation Date	May 1, 2012
Actuarial Cost Method	Entry Age Normal (Level % Pay)
Amortization Method	Level % Pay (Closed)
Amortization Target	100% Funded in Year 2040
Asset Valuation Method	5-Year Smooth
Investment Rate of Return	7.00%
Projected Salary Increases	5.50%
Aggregate Payroll Increases	5.50%
Inflation Rate Included	3.00%

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.

**Algonquin -Lake in the Hills Fire Protection District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2013**

NOTE 11 – POST-EMPLOYEMENT HEALTH PLAN

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

NOTE 12 – SUBSEQUENT EVENTS

The date to which events occurring after April 30, 2013, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is October 8, 2013, the date the financial statements were available to be issued.

Algonquin -Lake in the Hills Fire Protection District
Required Supplementary Information
For The Year Ended April 30, 2013

Algonquin/Lake in the Hills Fire Protection District
EMPLOYER NUMBER: 09584R
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress
Illinois Municipal Retirement Fund (IMRF)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)			Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2012	\$ 345,748	\$ 461,801			\$ 116,053	74.87%	\$ 159,501	72.76%
12/31/2011	300,839	413,381			112,542	72.78%	170,889	65.86%
12/31/2010	265,294	380,119			114,825	69.79%	171,294	67.03%

On a market value basis, the actuarial valuation of assets as of December 31, 2012 is \$354,628. On a market basis, the funded ratio would be 76.79%.

The actuarial value of assets and accrued liabilities cover active and inactive members who have service credit with Algonquin-Lake in the Hills Fire Protection District. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

**Algonquin -Lake in the Hills Fire Protection District
Required Supplementary Information (Continued)
For The Year Ended April 30, 2013**

**REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress
Firefighters' Pension Fund**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
5/1/2012	\$ 12,806,909	\$ 16,916,970	\$ 4,110,061	75.70%	\$ 3,424,018	120.04%
5/1/2011	11,249,232	15,843,095	4,593,863	71.00%	3,417,408	134.43%
5/1/2010	9,417,428	14,107,242	4,689,814	66.76%	3,190,443	147.00%
5/1/2009	7,419,823	12,189,421	4,769,598	60.87%	3,286,831	145.11%
5/1/2008	7,683,273	10,872,816	3,189,543	70.66%	3,130,415	101.89%
5/1/2007	6,883,317	9,052,414	2,169,097	76.04%	2,863,365	75.75%

The information presented in the schedule above was determined as a part of the actuarial valuations at the date indicated.

Additional information as of the latest actuarial valuation date is as follows:

Valuation Date	May 1, 2012
Actuarial Cost Method	Entry Age Normal (Level % Pay)
Amortization Method	Level % Pay (Closed)
Amortization Target	100% Funded in Year 2040
Asset Valuation Method	5-Year Smooth
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
Required Supplementary Information (Continued)
For The Year Ended April 30, 2013**

**REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Employer Contributions
Firefighters' Pension Fund
April 30, 2013**

Fiscal Year	Annual Required	Percentage Contributed
4/30/2013	\$ 919,853	98.02%
4/30/2012	921,493	101.55%
4/30/2011	927,373	103.97%
4/30/2010	964,157	84.66%
4/30/2009	846,678	85.66%
4/30/2008	748,474	83.68%

The information presented in the schedule above was determined as a part of the actuarial valuations at the date indicated.

**Algonquin-Lake in the Hills Fire Protection District
General Fund
Budgetary Comparison Schedule
For The Year Ended April 30, 2013**

	Budgeted Amounts		Variance With Final Budget	
	Original	Final	Actual	
REVENUES				
Property Taxes	\$ 3,597,525	\$ 3,597,525	\$ 3,567,494	\$ (30,031)
Foreign Fire Insurance Tax	37,000	37,000	0	(37,000)
Interest Earned	4,000	4,000	3,498	(502)
Charges for Services	25,100	25,100	27,650	2,550
Grants	28,582	28,582	0	(28,582)
Miscellaneous	10,395	10,395	11,349	954
TOTAL REVENUES	3,702,602	3,702,602	3,609,991	(92,611)
EXPENDITURES				
Personnel Services				
Salaries and Wages	2,262,067	2,262,067	2,236,701	25,366
Unemployment Taxes	4,885	4,885	5,358	(473)
Employer's FICA	60,625	60,625	59,286	1,339
Other Payroll	35,200	35,200	39,441	(4,241)
Life Insurance	2,370	2,370	4,214	(1,844)
Hospital / Medical Insurance	290,080	290,080	284,194	5,886
Operations & Supplies				
Administrative	18,808	18,808	16,712	2,096
Buildings & Grounds	36,030	36,030	40,552	(4,522)
Commission	2,225	2,225	1,190	1,035
Communications / IT	20,156	20,156	24,013	(3,857)
Fire Prevention / Pub Ed	15,121	15,121	8,214	6,907
Protective Clothing & Equipment	45,355	45,355	31,517	13,838
Employee Wellness	12,638	12,638	8,746	3,892
Professional Services	32,795	32,795	61,948	(29,153)
Special Teams	23,609	23,609	11,329	12,280
Training	45,625	45,625	40,384	5,241
Travel & Conference	36,839	36,839	17,442	19,397
Utilities	49,795	49,795	51,793	(1,998)
Vehicle & Equipment	187,923	187,923	146,585	41,338
TOTAL EXPENDITURES	3,182,146	3,182,146	3,089,619	92,527
EXCESS OF REVENUES OVER EXPENDITURES	520,456	520,456	520,372	(84)
OTHER FINANCING SOURCES				
Transfers Out	(561,560)	(561,560)	(524,560)	37,000
TOTAL OTHER FINANCING SOURCES	(561,560)	(561,560)	(524,560)	37,000
NET CHANGE IN FUND BALANCE	\$ (41,104)	\$ (41,104)	(4,188)	\$ 36,916
FUND BALANCES, BEGINNING OF YEAR				904,956
PRIOR PERIOD ADJUSTMENT				118,041
BEGINNING OF YEAR, RESTATED				1,022,997
END OF YEAR				\$ 1,018,809

Required Supplementary Information

**Algonquin-Lake in the Hills Fire Protection District
Ambulance Fund
Budgetary Comparison Schedule
For The Year Ended April 30, 2013**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 3,456,580	\$ 3,456,580	\$ 3,463,713	\$ 7,133
Interest Earned	5,000	5,000	4,121	(879)
Charges for Services	931,816	931,816	847,796	(84,020)
Grants	19,298	19,298	0	(19,298)
Miscellaneous	0	0	765	765
TOTAL REVENUES	4,412,694	4,412,694	4,316,395	(96,299)
EXPENDITURES				
Personnel Services				
Salaries and Wages	3,154,838	3,154,838	3,185,935	(31,097)
Unemployment Taxes	7,325	7,325	7,519	(194)
Employer's FICA	86,615	86,615	86,321	294
Other Payroll	41,355	41,355	42,531	(1,176)
Life Insurance	3,580	3,580	2,180	1,400
Hospital / Medical Insurance	435,120	435,120	425,883	9,237
Operations & Supplies				
Administrative	18,803	18,803	15,607	3,196
Buildings & Grounds	36,030	36,030	30,426	5,604
Commission	2,205	2,205	1,460	745
Communications / IT	20,157	20,157	16,668	3,489
EMS / CPR	57,730	57,730	35,968	21,762
Protective Clothing & Equipment	44,930	44,930	19,046	25,884
Employee Wellness	12,638	12,638	8,629	4,009
Professional Services	88,295	88,295	118,856	(30,561)
Special Teams	675	675	276	399
Travel & Conference	14,596	14,596	8,471	6,125
Utilities	49,795	49,795	50,827	(1,032)
Vehicle & Equipment	72,389	72,389	59,772	12,617
TOTAL EXPENDITURES	4,147,076	4,147,076	4,116,375	30,701
EXCESS OF REVENUES OVER EXPENDITURES	265,618	265,618	200,020	(65,598)
OTHER FINANCING SOURCES				
Transfers Out	(524,560)	(524,560)	(524,560)	0
TOTAL OTHER FINANCING SOURCES	(524,560)	(524,560)	(524,560)	0
NET CHANGE IN FUND BALANCE	\$ (258,942)	\$ (258,942)	(324,540)	\$ (65,598)
FUND BALANCES,				
BEGINNING OF YEAR				1,477,803
PRIOR PERIOD ADJUSTMENT				166,905
BEGINNING OF YEAR, RESTATED				1,644,708
END OF YEAR				\$ 1,320,168

Required Supplementary Information

**Algonquin-Lake in the Hills Fire Protection District
Pension Tax Levy Fund
Budgetary Comparison Schedule
For The Year Ended April 30, 2013**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 892,550	\$ 892,550	\$ 894,489	\$ 1,939
Replacement Tax	29,000	29,000	28,732	(268)
Interest Earned	20	20	3	(17)
TOTAL REVENUES	921,570	921,570	923,224	1,654
EXPENDITURES				
Payments to Pension Fund	921,570	921,570	908,331	13,239
TOTAL EXPENDITURES	921,570	921,570	908,331	13,239
NET CHANGE IN FUND BALANCE	\$ 0	\$ 0	14,893	\$ 14,893
FUND BALANCES, BEGINNING OF YEAR			0	
END OF YEAR			\$ 14,893	

**Algonquin-Lake in the Hills Fire Protection District
 Capital Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For The Year Ended April 30, 2013**

	Budgeted Amounts		Variance With Final Budget	
	Original	Final	Actual	
REVENUES				
Interest Earned	\$ 7,500	\$ 7,500	\$ 2,919	\$ (4,581)
Charges for Services	15,000	15,000	70,005	55,005
Grants	219,680	219,680	219,692	12
Miscellaneous	5,750	5,750	10,726	4,976
TOTAL REVENUES	247,930	247,930	303,342	55,412
EXPENDITURES				
Debt				
Principal	410,000	410,000	410,000	0
Interest	339,120	339,120	339,120	0
Capital				
Buildings / Lands	77,000	77,000	72,545	4,455
Office / Communications Equipment	172,360	172,360	183,437	(11,077)
FF / Rescue Equipment	265,265	265,265	270,319	(5,054)
TOTAL EXPENDITURES	1,263,745	1,263,745	1,275,421	(11,676)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,015,815)	(1,015,815)	(972,079)	43,736
OTHER FINANCING SOURCES				
Transfers In	1,055,120	1,055,120	1,055,120	0
TOTAL OTHER FINANCING SOURCES	1,055,120	1,055,120	1,055,120	0
NET CHANGE IN FUND BALANCE	\$ 39,305	\$ 39,305	83,041	\$ 43,736
FUND BALANCES,				
BEGINNING OF YEAR				377,639
PRIOR PERIOD ADJUSTMENT				113,040
BEGINNING OF YEAR, RESTATED				490,679
END OF YEAR			\$ 573,720	

**Algonquin-Lake in the Hills Fire Protection District
 Radio Fire Frequency Alarm Fund
 Schedule of Revenues, Expenses, and Changes in Net Position
 Budget and Actual
 For The Year Ended April 30, 2013**

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
REVENUES				
Charges for Services	\$ 388,805	\$ 388,805	\$ 407,236	\$ 18,431
Interest Earned	400	400	434	34
Miscellaneous	1,000	1,000	3,613	2,613
TOTAL REVENUES	390,205	390,205	411,283	21,078
EXPENSES				
Personnel Services				
Salaries and Wages	38,420	38,420	38,425	(5)
Operations & Supplies				
Administrative	4,000	4,000	1,377	2,623
Communications	71,792	71,792	56,485	15,307
Professional Services	277,410	277,410	270,719	6,691
Utilities	1,130	1,130	1,317	(187)
Depreciation	58,000	58,000	61,095	(3,095)
TOTAL EXPENSES	450,752	450,752	429,418	21,334
NET CHANGE IN FUND NET POSITION	\$ (60,547)	\$ (60,547)	(18,135)	\$ 42,412
FUND NET POSITION, BEGINNING OF YEAR			380,324	
END OF YEAR			\$ 362,189	

Algonquin-Lake in the Hills Fire Protection District
Non-Major Governmental Funds
Combining Balance Sheet
April 30, 2013

	Insurance	Audit	Total
ASSETS			
Cash	\$ 861	\$ 2,503	\$ 3,364
Property Taxes Receivable, Net of Allowance	430,698	4,712	435,410
Prepaid Expenditures	33,102	0	33,102
TOTAL ASSETS	464,661	7,215	471,876
TOTAL DEFERRED OUTFLOWS	0	0	0
TOTAL ASSETS AND AND DEFERRED OUTFLOWS	464,661	7,215	471,876
TOTAL LIABILITIES	0	0	0
DEFERRED INFLOWS			
Deferred Property Taxes	430,698	4,712	435,410
TOTAL DEFERRED INFLOWS	430,698	4,712	435,410
FUND BALANCES			
Fund Balances			
Non-spendable	33,102	0	33,102
Restricted	861	2,503	3,364
TOTAL FUND BALANCES	33,963	2,503	36,466
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 464,661	\$ 7,215	\$ 471,876

See Accompanying Notes to the Financial Statements

Algonquin-Lake in the Hills Fire Protection District
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Year Ended April 30, 2013

	Insurance	Audit	Total
REVENUES			
Property Taxes	\$ 427,708	\$ 4,481	\$ 432,189
Interest Earned	77	6	83
TOTAL REVENUES	427,785	4,487	432,272
EXPENDITURES			
Insurance	444,603	0	444,603
Audit	0	14,250	14,250
TOTAL EXPENDITURES	444,603	14,250	458,853
NET CHANGE IN FUND BALANCE	(16,818)	(9,763)	(26,581)
FUND BALANCES, BEGINNING OF YEAR	50,781	12,266	63,047
END OF YEAR	\$ 33,963	\$ 2,503	\$ 36,466

See Accompanying Notes to the Financial Statements

**Algonquin-Lake in the Hills Fire Protection District
Insurance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Year Ended April 30, 2013**

	Budgeted Amounts			Variance With Final Budget	
	Original	Final	Actual		
REVENUES					
Property Taxes	\$ 427,195	\$ 427,195	\$ 427,708	\$ 513	
Interest Earned	50	50	77	27	
TOTAL REVENUES	427,245	427,245	427,785	540	
EXPENDITURES					
Workers Compensation	352,500	352,500	359,594	(7,094)	
Vehicle Liability	14,200	14,200	14,344	(144)	
General Liability	50,350	50,350	62,371	(12,021)	
Accident & Sickness	8,500	8,500	8,294	206	
TOTAL EXPENDITURES	425,550	425,550	444,603	(19,053)	
NET CHANGE IN FUND BALANCE	\$ 1,695	\$ 1,695	(16,818)	\$ (18,513)	
FUND BALANCES, BEGINNING OF YEAR			50,781		
END OF YEAR			\$ 33,963		

**Algonquin-Lake in the Hills Fire Protection District
Audit Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For The Year Ended April 30, 2013**

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
REVENUES				
Property Taxes	\$ 4,485	\$ 4,485	\$ 4,481	\$ (4)
Interest Earned	20	20	6	(14)
TOTAL REVENUES	4,505	4,505	4,487	(18)
EXPENDITURES				
Audit	14,250	14,250	14,250	0
TOTAL EXPENDITURES	14,250	14,250	14,250	0
NET CHANGE IN FUND BALANCE	\$ (9,745)	\$ (9,745)	(9,763)	\$ (18)
FUND BALANCES, BEGINNING OF YEAR			12,266	
END OF YEAR			\$ 2,503	

Algonquin-Lake in the Hills Fire Protection District
Debt Service Requirements
General Obligation Bonds, Series 2002
April 30, 2013

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

Fiscal Year	Requirements			Interest Due On			
	Principal Payments	Interest	Total	July 1	Amount	January 1	Amount
2014	\$ 0	\$ 72,000	\$ 72,000	2014	\$ 36,000	2014	\$ 36,000
2015	0	72,000	72,000	2015	36,000	2015	36,000
2016	0	72,000	72,000	2016	36,000	2016	36,000
2017	0	72,000	72,000	2017	36,000	2017	36,000
2018	0	72,000	72,000	2018	36,000	2018	36,000
2019	0	72,000	72,000	2019	36,000	2019	36,000
2020	0	72,000	72,000	2020	36,000	2020	36,000
2021	0	72,000	72,000	2021	36,000	2021	36,000
2022	0	72,000	72,000	2022	36,000	2022	36,000
2023	0	72,000	72,000	2023	36,000	2023	36,000
2024	535,000	72,000	607,000	2024	36,000	2024	36,000
2025	<u>590,000</u>	<u>37,760</u>	<u>627,760</u>	2025	<u>18,880</u>	2025	<u>18,880</u>
	<u>\$ 1,125,000</u>	<u>\$ 829,760</u>	<u>\$ 1,954,760</u>		<u>\$ 414,880</u>		<u>\$ 414,880</u>

Algonquin-Lake in the Hills Fire Protection District
Debt Service Requirements
General Obligation Bonds, Series 2010
April 30, 2013

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

Fiscal Year	Requirements			Interest Due On			
	Principal Payments	Interest	Total	July 1	Amount	January 1	Amount
2014	\$ 440,000	\$ 254,820	\$ 694,820	2014	\$ 127,410	2014	\$ 127,410
2015	450,000	241,620	691,620	2015	120,810	2015	120,810
2016	450,000	225,870	675,870	2016	112,935	2016	112,935
2017	475,000	207,870	682,870	2017	103,935	2017	103,935
2018	500,000	188,870	688,870	2018	94,435	2018	94,435
2019	500,000	168,870	668,870	2019	84,435	2019	84,435
2020	525,000	148,870	673,870	2020	74,435	2020	74,435
2021	435,000	127,870	562,870	2021	63,935	2021	63,935
2022	450,000	110,470	560,470	2022	55,235	2022	55,235
2023	475,000	92,470	567,470	2023	46,235	2023	46,235
2024	0	73,470	73,470	2024	36,735	2024	36,735
2025	0	73,470	73,470	2025	36,735	2025	36,735
2026	555,000	73,470	628,470	2026	36,735	2026	36,735
2027	580,000	50,160	630,160	2027	25,080	2027	25,080
2028	600,000	25,800	625,800	2028	12,900	2028	12,900
	\$ 6,435,000	\$ 2,063,970	\$ 8,498,970		\$ 1,031,985		\$ 1,031,985

Algonquin-Lake in the Hills Fire Protection District
Assessed Valuations, Extensions, Collections, and Tax Rates (Unaudited)
Last Four Tax Years

	2012	2011	2010	2009
Assessed Valuation				
McHenry County	\$ 872,912,480	\$ 981,949,029	\$ 1,101,933,557	\$ 1,162,103,302
Kane County	168,045,864	184,329,638	196,054,444	210,730,482
Total Assessed Valuation	<u><u>\$ 1,040,958,344</u></u>	<u><u>\$ 1,166,278,667</u></u>	<u><u>\$ 1,297,988,001</u></u>	<u><u>\$ 1,372,833,784</u></u>
Tax Rates				
McHenry County				
General	0.397643	0.309706	0.277713	0.244145
Insurance	0.041308	0.036743	0.026442	0.031322
Audit	0.000452	0.000385	0.000083	0.000070
Ambulance	0.298709	0.297557	0.263813	0.242251
Pension	0.088620	0.076847	0.069724	0.067761
Total McHenry County	<u>0.826732</u>	<u>0.721238</u>	<u>0.637775</u>	<u>0.585549</u>
Kane County				
General	0.400000	0.310766	0.286106	0.244145
Insurance	0.042186	0.036869	0.027241	0.031322
Audit	0.000461	0.000386	0.000085	0.000070
Ambulance	0.300000	0.298574	0.271786	0.242251
Pension	0.090504	0.077083	0.071831	0.067761
Prior Year Adjustment	<u>(0.002677)</u>	<u>(0.020511)</u>	<u>0.000000</u>	<u>0.000000</u>
Total Kane County	<u>0.830474</u>	<u>0.703167</u>	<u>0.657049</u>	<u>0.585549</u>
Total Tax Rate	<u><u>1.657206</u></u>	<u><u>1.424405</u></u>	<u><u>1.294824</u></u>	<u><u>1.171098</u></u>
Tax Extension				
McHenry County				
General	3,471,075	3,041,155	3,060,213	2,837,217
Insurance	360,583	360,798	291,373	363,994
Audit	3,946	3,780	915	813
Ambulance	2,607,468	2,921,858	2,907,044	2,815,207
Pension	773,595	754,599	768,312	787,453
Total McHenry County	<u>7,216,667</u>	<u>7,082,190</u>	<u>7,027,857</u>	<u>6,804,684</u>
Kane County				
General	672,183	572,834	560,923	514,488
Insurance	70,892	67,960	53,407	66,005
Audit	775	712	167	147
Ambulance	504,138	550,360	532,849	510,497
Pension	152,088	142,087	140,828	142,793
Prior Year Adjustment	<u>(4,499)</u>	<u>(37,808)</u>	<u>0</u>	<u>0</u>
Total Kane County	<u>1,395,577</u>	<u>1,296,145</u>	<u>1,288,174</u>	<u>1,233,930</u>
Total Tax Extension	<u><u>8,612,244</u></u>	<u><u>8,378,335</u></u>	<u><u>8,316,031</u></u>	<u><u>8,038,614</u></u>
Collections				
McHenry County		7,065,781	7,007,570	6,796,793
Kane County		<u>1,292,032</u>	<u>1,286,561</u>	<u>1,233,901</u>
Total Collections		<u><u>8,357,813</u></u>	<u><u>8,294,131</u></u>	<u><u>8,030,694</u></u>
Percent Collected		<u><u>99.76%</u></u>	<u><u>99.74%</u></u>	<u><u>99.90%</u></u>

Algonquin-Lake in the Hills Fire Protection District
Computation of Legal Debt Margin
April 30, 2013

Assessed Valuation (2012)	<u>\$ 1,040,958,344</u>
Statutory Debt Limit (5.75% of Assessed Valuation)	59,855,105
Outstanding Bonded Debt	<u>7,560,000</u>
Legal Debt Margin	<u><u>\$ 52,295,105</u></u>