

09-1547

**Grayslake Fire Protection
District**

Annual Financial Report

April 30, 2008

Wolf & Company LLP
Certified Public Accountants

GRAYSLAKE FIRE PROTECTION DISTRICT

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GRAYSLAKE FIRE PROTECTION DISTRICT

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Grayslake Fire Protection District
Grayslake, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of GRAYSLAKE FIRE PROTECTION DISTRICT as of and for the year ended April 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Grayslake Fire Protection District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 1, Grayslake Fire Protection District prepares its Government-wide and governmental fund financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Pension Fund is reported using generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of Grayslake Fire Protection District as of April 30, 2008, and the respective changes in financial position - modified cash basis thereof for the year ended in conformity with the basis of accounting described in Note 1.

The Management's Discussion and Analysis and budgetary comparison information on pages 2 through 8 and 45 through 47 are not a required part 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 supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grayslake Fire Protection District's basic financial statements. The combining and individual fund financial statements and schedules 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all respects in relation to the basic financial statements taken as a whole.

Wolf & Company LLP

Oak Brook, Illinois
October 17, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - The Fire Protection District's investment in capital assets for its governmental activities as of April 30, 2008 amounts to \$1,656,835 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, apparatus equipment, and other equipment. The total decrease in the Fire Protection District's investment in capital assets for the year ended April 30, 2008 was 6 percent.

Major capital asset events during the fiscal year ended April 30, 2008 included the following:

- Purchase of a 2008 Ford Explorer \$28,081.

**Grayslake Fire Protection District's Capital Assets
(Net of Depreciation)**

	Governmental Activities	
	Year Ended April 30,	
	2008	2007
Land	\$ 33,000	\$ 33,000
Buildings and Improvements	559,363	584,618
Apparatus Equipment	959,389	1,060,772
Other Equipment	105,083	89,918
Total	\$ 1,656,835	\$ 1,768,308

Additional information on the Fire Protection District's capital assets can be found in Note 5 on page 25 of this report.

Long-term debt - At April 30, 2008, the Fire Protection District had total debt outstanding of \$477,143. The lease payable debt is collateralized by a ladder truck, a pumper truck and a medtek ambulance.

Grayslake Fire Protection District's Outstanding Debt

	Governmental Activities	
	Year Ended April 30,	
	2008	2007
Lease Payable	\$ 137,187	\$ 246,954
Compensated Absences	339,956	251,327
Total	\$ 477,143	\$ 498,281

The Fire Protection District's lease obligations decreased by \$109,767 (22 percent) during the year ended April 30, 2008. The key factor in this decrease was principal payments made on the debt during the year. Additional information on the Fire Protection District's long-term debt can be found in Note 7 on page 32 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The assessed valuation for fiscal year 2007-2008 is \$4,172,525, an increase of \$190,493 (4.78 percent) over the prior year.
- Several large non-commercial developments were slated to begin in fiscal year 2008-2009 including a large shopping mall, several smaller retail centers, and early phase development of the Central Range Industrial Park. Due to abrupt changes in the economic environment, all of those projects have either slowed in their development or placed on hold. Very limited new growth is anticipated in the fiscal year 2008-2009.
- The Fire Protection District will place a referendum question on the November 4, 2008 ballot, requesting a tax rate increase equal to 0.166% above the limiting rate for levy year 2007. For tax levy years 2008-2011, the rate increase would equal 0.60% of the equalized assessed value of taxable property. If successful, this would generate approximately an additional \$1,596,000 in the 2008 tax levy. The funds will be used to build, staff, and equip a third fire station in the south end of the district.
- Firefighters and Officers will receive a 4.5% increase in salaries effective May 2008.
- The Fire Protection District will apply for a FEMA grant worth \$115,650 for radio purchases during fiscal year 2008-2009, but will not know if it gets approved until early 2009.
- A replacement ambulance will be placed in service in June of 2008.
- No other capital projects are planned for fiscal year 2008-2009.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Fire Protection District's finances for all those with an interest in the Fire Protection District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Fire Chief, Grayslake Fire Protection District, 160 Hawley Street, Grayslake, IL 60030.

BASIC FINANCIAL STATEMENTS

GRAYSLAKE FIRE PROTECTION DISTRICT

Statement of Net Assets - Modified Cash Basis

April 30, 2008

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$ 362,747
Capital Assets	
Land	33,000
Other Capital Assets, Net of Depreciation	<u>1,623,835</u>
Total Assets	<u>2,019,582</u>
Liabilities	
Net Pension Liability	15,229
Non-Current Liabilities:	
Due Within One Year	116,050
Due in More Than One Year	<u>361,093</u>
Total Liabilities	<u>492,372</u>
Net Assets	
Investment in Capital Assets, Net of Related Debt	1,519,648
Restricted for	
Ambulance Service	220,962
Audit	24,338
Social Security	47,063
Unrestricted Deficit	<u>(284,801)</u>
Total Net Assets	<u>\$ 1,527,210</u>

See accompanying Notes to the Financial Statements.

GRAYSLAKE FIRE PROTECTION DISTRICT

Statement of Activities - Modified Cash Basis
 Year Ended April 30, 2008

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Capital Grants and Contributions	
Governmental Activities				
General Government	\$ 348,425	108		(348,317)
Public Safety	4,424,617	558,058		(3,866,559)
Depreciation - Unallocated	4,702			(4,702)
Interest on Long-Term Debt	11,659			(11,659)
Total Primary Government	\$ 4,789,403	558,166	-	(4,231,237)
General Revenues				
Taxes				
Property Taxes				3,990,615
Personal Property Replacement Taxes				8,927
Foreign Fire Insurance Taxes				21,826
Unrestricted Investment Earnings				49,111
Impact Fees				28,010
Memorial Donations				9,125
Other Income				5,121
Total General Revenues				4,112,735
Decrease in Net Assets				(118,502)
Net Assets - Beginning of Year				1,645,712
Net Assets - End of Year				1,527,210

GRAYSLAKE FIRE PROTECTION DISTRICT

Governmental Funds

Balance Sheet - Modified Cash Basis
 April 30, 2008

	General Corporate Fund	Ambulance Service Fund	Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 79,145	190,452	93,150	362,747
LIABILITIES AND FUND BALANCES				
Liabilities	\$			
Fund Balances				
Unreserved	79,145	190,452		269,597
Unreserved, Reported in Nonmajor Special Revenue Funds			93,150	93,150
Total Fund Balances	79,145	190,452	93,150	362,747
Total Liabilities and Fund Balances	\$ 79,145	190,452	93,150	362,747

See accompanying Notes to the Financial Statements.

GRAYSLAKE FIRE PROTECTION DISTRICT

Reconciliation of Balance Sheet - Modified Cash Basis -
Governmental Funds - to the Statement of Net Assets - Modified Cash Basis
April 30, 2008

Fund Balances - Total Governmental Funds \$ 362,747

Amounts reported for governmental activities in the Statement of Net Assets -
Modified Cash Basis are different because:

Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the funds.

Capital Assets	\$ 2,964,132	
Less: Accumulated Depreciation	<u>(1,307,297)</u>	
		1,656,835

The Net Pension Liability is not included in the governmental funds. (15,229)

Long-term liabilities are not due and payable in the current period
and, therefore, are not reported in the funds.

Capital Leases Payable	(137,187)	
Compensated Absences	<u>(339,956)</u>	
		<u>(477,143)</u>

Net Assets of Governmental Activities \$ 1,527,210

GRAYSLAKE FIRE PROTECTION DISTRICT

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balance -
 Modified Cash Basis
 Year Ended April 30, 2008

	General Corporate Fund	Ambulance Service Fund	Nonmajor Governmental Funds	Total
Revenues				
Property Taxes	\$ 2,059,963	1,548,108	382,544	3,990,615
Personal Property Replacement Taxes	8,927			8,927
Foreign Fire Insurance Taxes	21,826			21,826
Ambulance Fees		558,058		558,058
Service Fees	108			108
Earnings on Investments	18,514	23,325	7,272	49,111
Impact Fees	28,010			28,010
Memorial Donations	9,125			9,125
Miscellaneous	5,121			5,121
Total Revenues	2,151,594	2,129,491	389,816	4,670,901
Expenditures				
Current				
General Government	123,970	177,818	34,812	336,599
Public Safety	1,953,262	1,909,608	325,352	4,188,223
Capital Outlay	24,036	33,688		57,724
Debt Service				
Principal	81,586	28,181		109,767
Interest	9,330	2,329		11,659
Total Expenditures	2,192,184	2,151,624	360,164	4,703,972
Net Change in Fund Balances	(40,590)	(22,133)	29,652	(33,071)
Fund Balances				
May 1, 2007	119,735	212,585	63,498	395,818
April 30, 2008	\$ 79,145	190,452	93,150	362,747

GRAYSLAKE FIRE PROTECTION DISTRICT

Reconciliation of Statement of Revenues, Expenditures and
 Changes in Fund Balances - Modified Cash Basis - Governmental Funds
 to Statement of Activities - Modified Cash Basis
 April 30, 2008

Net Change in Fund Balances - Total Governmental Funds \$ (33,071)

Amounts reported for governmental activities in the Statement of Activities -
 Modified Cash Basis are different because:

Governmental funds report capital outlays as expenditures. However, in the
 Statement of Activities - Modified Cash Basis, the cost of these assets is
 depreciated over their estimated useful lives and reported as depreciation
 expense. This is the amount by which capital outlay exceeds depreciation
 expense in the current period.

Capital Outlay	\$ 28,081	
Depreciation Expense	<u>(139,554)</u>	(111,473)

Some expenses reported in the Statement of Activities - Modified Cash Basis
 do not require the use of current financial resources and, therefore, are not
 reported as expenditures in governmental funds.

Change in Compensated Absences	(88,629)
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The change in the Net Pension Liability is not included in the governmental funds.	4,904
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Repayment of long-term debt requires the use of current financial resources
 of governmental funds and is, therefore, shown as an expenditure in the
 Statement of Revenues, Expenditures and Changes in Fund Balances - Modified
 Cash Basis but the repayment reduces long-term liabilities in the Statement of
 Net Assets - Modified Cash Basis and is, therefore, not reported in the Statement
 of Activities - Modified Cash Basis.

Repayment of Long-Term Debt	<u>109,767</u>
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Change in Net Assets of Governmental Activities	<u><u>\$ (118,502)</u></u>
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GRAYSLAKE FIRE PROTECTION DISTRICT

Pension Fund

Statement of Fiduciary Net Assets

April 30, 2008

Assets

Cash and Cash Equivalents	\$ 1,661,116
Investments	
US Government & Agency Obligations	3,272,982
Mutual Funds	1,364,215
Accrued Interest Receivable	<u>10,397</u>

Total Assets 6,308,710

Liabilities

Net Assets Held in Trust for Pension Benefits \$ 6,308,710

GRAYSLAKE FIRE PROTECTION DISTRICT

Pension Fund

Statement of Changes in Fiduciary Net Assets
Year Ended April 30, 2008

Additions

Contributions

Employer	\$ 511,852
Plan Members	214,295
Total Contributions	<u>726,147</u>

Investment and Other Income

Interest	238,056
Net Depreciation in Fair Value of Investments	(8,502)
Amortization of Premium/Discount	<u>(1,748)</u>
Total Investment and Other Income	<u>227,806</u>

Total Additions 953,953

Deductions

Benefits	78,005
Administrative	<u>29,361</u>

Total Deductions 107,366

Net Increase 846,587

Net Assets Held in Trust for Pension Benefits

Beginning 5,462,123

Ending \$ 6,308,710

GRAYSLAKE FIRE PROTECTION DISTRICT

Notes to the Financial Statements
April 30, 2008

1. Summary of Significant Accounting Policies

Grayslake Fire Protection District (District) was organized November 23, 1976 under the provisions of Chapter 70 of the Illinois Compiled Statutes. The District operates under the direction of a Board of Trustees appointed by the Chairman of the County Board, and provides fire and ambulance protection services in the Grayslake area. The District's Pension Fund Board consists of the Fire District Treasurer, two (2) active members who are appointed by the Fire District Trustees, two (2) active members who are elected by the active members, and one (1) retired member who is elected by the retired members. Currently, there are no retired members to elect, so the vacancy has been filled with another elected member.

The District's financial statements are prepared in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), except for the Pension Fund financial statements which are prepared on the accrual basis of accounting in conformity with generally accepted accounting principles. The District follows all Government Accounting Standard Board (GASB) pronouncements and pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 that do not conflict with or contradict GASB pronouncements, to the extent they are applicable to the modified cash basis of accounting, where applicable. The more significant accounting policies used by the District are described below.

A. Reporting Entity

The accompanying financial statements comply with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. The District has determined that the Grayslake Firefighter's Pension Fund meets the above criteria. The Grayslake Firefighter's Pension Fund is blended into the District's primary government financial statements as a Fiduciary Fund although it remains a separate legal entity. In addition, the District is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund (reporting the District's major funds) financial statements. Both the government-wide and fund financial statements categorize all of the primary activities of the District as governmental activities. The District's general and public safety functions are classified as governmental activities. The District does not have any business-type activities.

In the government-wide Statement of Net Assets - Modified Cash Basis, the governmental activities column (a) is presented on a consolidated basis by column, and (b) is reported on a modified cash, economic resource basis, which recognizes all long-term assets as well as long-term debt and obligations arising from cash transactions. The District's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources to financial qualifying activities.

GRAYSLAKE FIRE PROTECTION DISTRICT

Notes to the Financial Statements
April 30, 2008

1. Summary of Significant Accounting Policies (Cont.)

B. Government-wide and Fund Financial Statements (Cont.)

Government-wide Financial Statements (Cont.)

The government-wide Statement of Activities - Modified Cash Basis reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, unrestricted investment earnings, etc.) The Statement of Activities - Modified Cash Basis reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants (where applicable). Program revenues must be directly associated with the function (general government and public safety). Program revenues include charges to customers, or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The District had no operating grants or capital grants for the year ended April 30, 2008.

The net costs (by function) are normally covered by general revenue (property taxes, personal property replacement taxes, unrestricted investment earnings, etc.)

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

Fund Financial Statements

The financial statements of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. GASB Statement No. 34 sets forth the minimum criteria (percentage of assets, liabilities, revenues and expenditures of all governmental funds) for the determination of major funds. The nonmajor funds are combined in a single column in the fund financial statements.

(1) Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The District reports these major governmental funds and fund types:

The **General Corporate Fund** is the District's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

GRAYSLAKE FIRE PROTECTION DISTRICT

Notes to the Financial Statements
April 30, 2008

1. Summary of Significant Accounting Policies (Cont.)

B. Government-wide and Fund Financial Statements (Cont.)

Fund Financial Statements (Cont.)

(1) Governmental Funds (Cont.)

The **Ambulance Service Fund** is used to account for the proceeds of specific revenue sources that are legally restricted to cash disbursements for specified purposes.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

(2) Fiduciary Fund Types

The Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and, therefore, are not available to support District programs. The reporting focus is on net assets and changes in net assets and is reported using generally accepted accounting principles.

The District's Fiduciary Fund is presented in the fiduciary fund financial statements by type (pension). Because by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the government, this fund is not incorporated into the government-wide financial statements.

C. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

(1) Modified Cash

In the government-wide Statement of Net Assets - Modified Cash Basis and Statement of Activities - Modified Cash Basis and the fund financial statements (except for the Fiduciary Fund statements), governmental activities are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues and expenditures/expenses when they result from cash transactions, with a provision for depreciation in the government-wide financial statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

GRAYSLAKE FIRE PROTECTION DISTRICT

Notes to the Financial Statements
April 30, 2008

1. Summary of Significant Accounting Policies (Cont.)

C. Basis of Accounting (Cont.)

(1) Modified Cash (Cont.)

If the District utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. The government-wide financial statements would be presented on the accrual basis of accounting.

(2) Accrual

The Fiduciary Fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

D. Cash and Cash Equivalents and Investments

Separate bank accounts are not maintained for the District's governmental funds. Instead, the funds maintain their uninvested cash balances in common checking and money market accounts, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain of the funds participating in the common bank account may incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other District funds and are, therefore, interfund loans that have not been authorized by Grayslake Fire Protection District Board action.

No District funds had a cash overdraft at April 30, 2008.

The District has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred.

E. Interfund Activity

Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

F. Inventories

It is the District's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the values of resale or supply items on hand.

GRAYSLAKE FIRE PROTECTION DISTRICT

Notes to the Financial Statements
April 30, 2008

1. Summary of Significant Accounting Policies (Cont.)

G. Capital Assets

Capital assets purchased or acquired with the original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Building and Improvements	10 - 75 years
Apparatus Equipment	8 - 35 years
Other Equipment	10 - 20 years

H. Compensated Absences

The District accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by employees. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is reported only as a general long-term obligation in the government-wide Statement of Net Assets and represents a reconciling item between the fund and government-wide presentations.

Vacation and holiday benefits are granted to employees in varying amounts depending on tenure with the District. Unused vacation and holiday benefits are accumulated and carried over to subsequent years and are, therefore, recorded as a liability in the government-wide financial statements.

In accordance with provisions of Financial Accounting Standards Board Statement No. 43, "Accounting for Compensated Absences," no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, the District does have a policy that would allow one-quarter (1/4) unused accumulated sick time up to 1,440 hours to be paid upon retirement from the District. No employees are currently eligible for retirement and, therefore, no liability for sick time was recorded at April 30, 2008.

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column of the Statement of Net Assets - Modified Cash Basis.

GRAYSLAKE FIRE PROTECTION DISTRICT

Notes to the Financial Statements
April 30, 2008

1. Summary of Significant Accounting Policies (Cont.)

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (Pension Fund) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

K. Government-wide and Propriety Fund Net Assets

Government-wide and proprietary fund net assets are divided into three components:

Invested in capital assets, net of related debt consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted net assets consist of net assets that are restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), by tax levies, and by other contributors.

Unrestricted net assets consist of all other net assets.

L. Governmental Fund Balances

Governmental fund balances are reported as "reserved" when the balances are not available for appropriation or expenditures or because they are legally segregated for a specific future use (for example, because the government has encumbered assets pending vendor completion of supplies orders). The remaining balances are "unreserved" fund balances. The District may agree to set aside or "designate" resources for future use – such as for specific capital projects. These unreserved, designated balances are based on management's tentative plans that are subject to change.

M. Property Tax Calendar and Revenues

The District is responsible for levying property taxes, but the taxes are collected by the County. The District's property tax is levied each calendar year on all taxable real property located in the District on or before the last Tuesday in December. The 2007 levy was passed by the Board on November 21, 2007. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The District receives significant distributions of tax receipts approximately one month after these dates.

GRAYSLAKE FIRE PROTECTION DISTRICT

Notes to the Financial Statements
April 30, 2008

2. Property Taxes Revenue

Property taxes recorded in these financial statements are from the 2006 tax levy. A summary of the assessed valuations, rates and extensions for the years 2006, 2005 and 2004 follows:

Assessed Valuation	2006		2005		2004	
	Rate	Extension	Rate	Extension	Rate	Extension
Assessed Valuation	\$ 867,545,270		780,005,728		722,245,076	
Corporate Fund	0.178	\$ 1,544,231	0.187	1,458,611	0.194	1,401,155
Ambulance Service Fund	0.178	1,544,231	0.186	1,450,811	0.180	1,300,041
Audit Fund			0.002	15,600	0.002	14,445
Liability Insurance Fund	0.020	173,509	0.020	156,001	0.020	144,449
Social Security Fund	0.024	208,211	0.025	195,001	0.024	173,339
Firefighter's Pension Fund	0.059	511,852	0.055	429,003	0.054	390,112
	0.459	\$ 3,982,034	0.475	3,705,027	0.474	3,423,541

The District did not have a 2006 tax levy for the Audit Fund due to the ability of the existing fund balance to meet short-term future needs.

3. Special Tax Levies and Restricted Net Assets

Revenues and the related expenditures of restricted tax levies are accounted for in the governmental funds. Portions of the governmental funds' net assets represent the excess of cumulative revenues over cumulative expenditures which are restricted for future expenditures. There is no restricted balance for the special tax levies when the cumulative expenditures exceed the cumulative revenues. A summary of the restricted net assets balances at April 30, 2008 is as follows:

Ambulance Service	\$ 220,962
Audit	24,338
Social Security	47,063

4. Deposits and Investments

The District is allowed to invest in securities as authorized by the Illinois Compiles Statutes, Chapter 30, Act 235/Articles and 6, and Chapter 40, Act 5/Article 4 - Pensions.

A. Deposits

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of April 30, 2008, none of the District's bank balance was exposed to custodial credit risk.

GRAYSLAKE FIRE PROTECTION DISTRICT

Notes to the Financial Statements
 April 30, 2008

4. Deposits and Investments

B. Investments

The following table categorizes Pension Fund investments according to levels of risk:

	Fair Value	Investment Maturities (in Years)		
		1 - 5	5 - 10	More Than 10
Federal Home Loan Mtg. Corp. Mutual Funds	\$ 357,312 1,364,215		207,642	149,670
Federal Home Loan Bank	359,296	359,296		
Government National Mtg. Assoc.	609,844			609,844
U.S. Treasury Notes and Strips	1,946,530	397,074		1,473,225
	<u>\$ 4,637,197</u>	<u>756,370</u>	<u>207,642</u>	<u>2,232,739</u>

Investment Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments based on credit risk. The District has no investment policy that would further limit its investment choices. As of April 30, 2008, the District's investments were rated as follows:

Investment	Credit Rating	Rating Source
Federal Home Loan Mtg. Corp.	AAA/Aaa	Standard and Poor's/Moody's
Federal Home Loan Bank	AAA/Aaa	Standard and Poor's/Moody's
Federal Farm Credit Bank	NR/Aaa	Standard and Poor's/Moody's
U.S. Treasury Notes and Strips	AAA/Aaa	Standard and Poor's/Moody's
Mutual Funds	Three-Five Stars	Morningstar

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer. More than 5% of the District's investments are in Federal Home Loan Mortgage Corporation, Federal Home Loan Bank and the Government National Mortgage Association (8%, 8% and 13%, respectively).

GRAYSLAKE FIRE PROTECTION DISTRICT

Notes to the Financial Statements
April 30, 2008

5. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated				
Land	\$ 33,000			33,000
Capital Assets Being Depreciated				
Buildings and Improvements	866,097			866,097
Apparatus Equipment	1,893,499			1,893,499
Other Equipment	143,455	28,081		171,536
Total Capital Assets Being Depreciated	2,903,051	28,081	-	2,931,132
Less Accumulated Depreciation For				
Buildings and Improvements	281,479	25,255		306,734
Apparatus Equipment	832,727	101,383		934,110
Other Equipment	53,537	12,916		66,453
Total Accumulated Depreciation	1,167,743	139,554	-	1,307,297
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 1,768,308	(111,473)	-	1,656,835

Depreciation expense was charged to functions as follows:

GOVERNMENTAL ACTIVITIES	
General Government	\$ 868
Public Safety	133,984
Unallocated	4,702
	<u>\$ 139,554</u>

GRAYSLAKE FIRE PROTECTION DISTRICT

Notes to the Financial Statements
April 30, 2008

6. Retirement Fund Commitments

A. Firefighter's Pension Fund

Plan Description and Contribution Information

The Grayslake Firefighter's Pension Fund (Plan) is a defined benefit single-employer pension plan that covers all full-time firefighters of the District. The Plan provides retirement, disability, and death benefits to Plan members and their beneficiaries. Chapter 40-Pension-Act 5/Article 4 of the Illinois Compiled Statutes assigns the authority to establish and amend the benefit provisions of the Plan to the Illinois legislature.

Membership in the Plan consisted of the following at April 30, 2006, the date of the latest actuarial valuation:

Retirees and Beneficiaries Receiving Benefits	3
Active Plan Members	<u>29</u>
	<u>32</u>

Plan members are required to contribute 9.455% of their annual covered salary. The District is required to contribute at an actuarially determined rate. Contribution requirements of both the Plan members and the District are established and may be amended by the Illinois legislature. Administrative costs of the Plan are financed through investment earnings.

Summary of Significant Accounting Policies

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The District contributions to the Plan are recognized when due and when the District has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Any investments that do not have an established market are reported at estimated fair value.

GRAYSLAKE FIRE PROTECTION DISTRICT

Notes to the Financial Statements
April 30, 2008

6. Retirement Fund Commitments (Cont.)

A. Firefighter's Pension Fund (Cont.)

Annual Pension Cost and Net Pension Obligation

The District's annual pension cost and net pension obligation to the Plan as of April 30, 2008 is as follows:

Annual Required Contribution	\$ 411,536
Adjustment to Annual Required Contribution	<u>95,412</u>
Annual Pension Cost	506,948
Contributions Made	<u>511,852</u>
Decrease in Net Pension Obligation	(4,904)
Net Pension Obligation, Beginning of Year	<u>20,133</u>
Net Pension Obligation, End of Year	<u><u>\$ 15,229</u></u>

The annual required contribution for the current year was determined as part of the April 30, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.0% investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.5%. Both (a) and (b) include an inflation component. The assumptions include post-retirement benefit increases of 3%. The unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll on a closed basis. The remaining amortization period at April 26, 2007 was 26 years.

Required Supplementary Information

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
4/30/08	\$ 506,948	101.0%	15,229
4/30/07	468,048	91.4%	20,133
4/30/06	385,014	99.3%	(20,241)
4/30/05	361,745	84.8%	(22,906)
4/30/04	361,745	84.8%	(22,906)

GRAYSLAKE FIRE PROTECTION DISTRICT

Notes to the Financial Statements
April 30, 2008

6. Retirement Fund Commitments (Cont.)

A. Firefighter's Pension Fund (Cont.)

Required Supplementary Information (Cont.)

Schedule of Funding Progress

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)
4/30/07	\$ 5,406,258	7,758,129	2,351,871	69.7%	2,052,093	114.6%
4/30/06	4,587,936	6,725,770	2,137,834	68.2%	1,911,224	111.9%
4/30/05	3,863,854	5,783,946	1,920,092	66.8%	1,788,744	107.3%
4/30/04	3,683,022	4,639,777	956,755	79.4%	1,609,098	59.5%
4/30/03	3,130,479	4,050,198	919,719	77.3%	1,520,770	60.5%
4/30/02	2,710,255	3,405,041	694,786	79.6%	1,213,021	57.3%
4/30/01	2,313,939	3,218,787	904,848	71.9%	1,158,450	78.1%
4/30/00	1,878,357	2,385,849	507,492	78.7%	1,053,135	48.2%
4/30/99	1,537,337	2,083,440	546,103	73.8%	757,712	72.1%

Schedule of Employee Contributions

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
2008	\$ 411,536	124.4%
2007	384,849	111.1%
2006	344,714	110.9%
2005	324,042	94.6%
2004	324,042	94.6%
2003	257,641	110.0%
2002	195,295	113.8%
2001	152,618	133.7%
2000	N/A	N/A
1999	132,356	81.7%

GRAYSLAKE FIRE PROTECTION DISTRICT

Notes to the Financial Statements
April 30, 2008

6. Retirement Fund Commitments (Cont.)

A. Firefighter's Pension Fund (Cont.)

Required Supplementary Information (Cont.)

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

	<u>SEPP</u>
Valuation Date	April 30, 2007
Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level Percentage of Payroll in Accordance With Section 4-118 of the Illinois Pension Code
Remaining Amortization Period	26.1699 Years
Actuarial Assumptions:	
Investment Rate of Return	7.00%
Projected Salary Increases (Including Inflation)	5.50%

B. Illinois Municipal Retirement Fund

Plan Description and Contribution Information

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

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

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The District rate for calendar year 2007 was 15.48% of payroll. The District contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2007 was 29 years.

GRAYSLAKE FIRE PROTECTION DISTRICT

Notes to the Financial Statements
April 30, 2008

6. Retirement Fund Commitments (Cont.)

B. Illinois Municipal Retirement Fund (Cont.)

Plan Description and Contribution Information (Cont.)

For December 31, 2007, the District's annual pension cost of \$10,896 was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2007 actuarial valuation were based on the 2002-2004 Experience Study.

Required Supplementary Information

Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/07	\$ 10,896	100.0%	0
12/31/06	10,471	100.0%	0
12/31/05	9,947	100.0%	0
12/31/04	9,181	100.0%	0
12/31/03	6,315	100.0%	0
12/31/02	1,831	100.0%	0

GRAYSLAKE FIRE PROTECTION DISTRICT

Notes to the Financial Statements
 April 30, 2008

6. Retirement Fund Commitments (Cont.)

B. Illinois Municipal Retirement Fund (Cont.)

Required Supplementary Information (Cont.)

Schedule of Funding Progress

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)
12/31/07	\$ 97,921	191,968	94,047	51.01%	70,390	133.61%
12/31/06	78,151	169,981	91,830	45.98%	67,039	136.98%
12/31/05	62,032	149,684	87,652	41.44%	63,847	137.28%
12/31/04	46,595	131,228	84,633	35.51%	61,002	138.74%
12/31/03	34,710	119,582	84,872	29.03%	60,960	139.23%
12/31/02	27,427	95,221	67,794	28.80%	17,673	383.60%

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$102,170. On a market basis, the funded ratio would be 53.22%.

Digest of Change

The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002-2004 Experience Study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For Regular members, fewer normal and early retirements are expected to occur.

C. Social Security

All employees are covered under Social Security. The District paid \$204,477 in fiscal year 2008, the total contribution required.

REQUIRED SUPPLEMENTARY INFORMATION

GRAYSLAKE FIRE PROTECTION DISTRICT

Required Supplementary Information

General Fund - General Corporate Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Modified Cash Basis - Budget and Actual
 Year Ended April 30, 2008

	Original/ Final Budget	Actual	Variance from Final Budget Over (Under)
Revenues			
Property Taxes - General	\$ 1,544,230	1,548,111	3,881
Property Taxes - Pension	511,851	511,852	1
Personal Property Replacement Taxes	7,500	8,927	1,427
Foreign Fire Insurance Taxes	23,000	21,826	(1,174)
Reimbursement - Fire Training	4,000		(4,000)
Service Fees	15,000	108	(14,892)
Grants	170,000		(170,000)
Earnings on Investments	20,000	18,514	(1,486)
Impact Fees	50,000	28,010	(21,990)
Memorial Donations	20,000	9,125	(10,875)
Miscellaneous	1,500	5,121	3,621
Total Revenues	2,367,081	2,151,594	(215,487)
Expenditures			
Current			
General Government			
Chief Salary	40,260	37,847	(2,413)
Trustees Salary	2,530	1,625	(905)
Administrative Assistant Salary	39,600	37,096	(2,504)
IMRF Contribution	6,050	5,749	(301)
Legal Fees	12,100	10,073	(2,027)
Printing and Publications	2,200	1,895	(305)
Office Supplies	3,300	3,080	(220)
Repairs - Office Equipment	8,250	4,554	(3,696)
Postage	1,100	859	(241)
Telephone	9,900	7,496	(2,404)
Dues to Organizations	3,025	2,011	(1,014)
Conference Expenses	3,300	2,834	(466)
Meeting and Practice Meals	1,100	770	(330)
Annual Functions	4,400	3,372	(1,028)
Unemployment Tax	7,040	2,399	(4,641)
Miscellaneous	1,100	2,310	1,210
Total General Government	145,255	123,970	(21,285)

(Cont.)

GRAYSLAKE FIRE PROTECTION DISTRICT

Required Supplementary Information

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Modified Cash Basis - Budget and Actual (Cont.)
Year Ended April 30, 2008

	Original/ Final Budget	Actual	Variance from Final Budget Over (Under)
Expenditures (Cont.)			
Current (Cont.)			
Public Safety			
Fire Station Building			
Repairs - Station Equipment	2,750	2,061	(689)
Maintenance and Repairs	16,500	14,583	(1,917)
Materials and Supplies	5,500	4,823	(677)
Insurance	3,630	3,578	(52)
Utilities	13,200	13,409	209
Miscellaneous	110		(110)
Traffic Signal Pre-emption	4,950	269	(4,681)
	46,640	38,723	(7,917)
Fire Fighting, Emergency Rescue Apparatus, Equipment and Supplies			
Maintenance Apparatus	49,500	25,703	(23,797)
Maintenance Equipment	7,150	2,617	(4,533)
Supplies - Small Tools	3,300	4,174	874
Personnel - Protective Gear	11,000	1,284	(9,716)
Personnel - Uniforms	10,450	12,898	2,448
Gasoline and Diesel Fuel	18,700	18,161	(539)
Chiefs Assessment	6,050	4,810	(1,240)
Insurance - Vehicles	5,720	4,240	(1,480)
Insurance - Equipment	660	1,144	484
Miscellaneous	110	692	582
	112,640	75,723	(36,917)
Fire Protection Service			
Chief Salary	26,840	25,231	(1,609)
Salaries - Full Time	913,000	857,132	(55,868)
Salaries - P.O.C.	110,000	91,720	(18,280)
Salaries - Overtime	71,500	68,247	(3,253)
Pension Contribution	511,851	511,852	1
Inspection Bureau Expenses	6,050	5,563	(487)
Dispatcher - Alarm	44,000	32,187	(11,813)
Alarm Facilities	330		(330)
Communication Service	15,400	11,769	(3,631)

(Cont.)

GRAYSLAKE FIRE PROTECTION DISTRICT

Required Supplementary Information

General Fund - General Corporate Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Modified Cash Basis - Budget and Actual (Cont.)
 Year Ended April 30, 2008

	Original/ Final Budget	Actual	Variance from Final Budget Over (Under)
Expenditures (Cont.)			
Current (Cont.)			
Public Safety (Cont.)			
Fire Protection Service (Cont.)			
Insurance - Life	5,720	4,800	(920)
Insurance - Medical	231,000	200,917	(30,083)
Training Expenses	11,000	7,999	(3,001)
Employee Assessment	5,500	907	(4,593)
Miscellaneous	1,510		(1,510)
Physicals	10,450	8,892	(1,558)
	1,964,151	1,827,216	(136,935)
Provisions for Contingencies	22,000	11,600	(10,400)
Total Public Safety	2,145,431	1,953,262	(192,169)
Total Current Expenditures	2,290,686	2,077,232	(213,454)
Capital Outlay			
General Government			
Office Equipment	5,500	5,989	489
Public Safety			
Fire Station Building			
Station Equipment	1,100		(1,100)
Capital Building Reserve	5,500	108	(5,392)
	6,600	108	(6,492)
Fire Fighting, Emergency Rescue Apparatus, Equipment and Supplies			
Capital Equipment	22,000	2,775	(19,225)
Apparatus Reserve	46,584	14,669	(31,915)
Communication Equipment Grant	187,000		(187,000)
	255,584	17,444	(238,140)

(Cont.)

GRAYSLAKE FIRE PROTECTION DISTRICT

Required Supplementary Information

General Fund - General Corporate Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Modified Cash Basis - Budget and Actual (Cont.)
 Year Ended April 30, 2008

	Original/ Final Budget	Actual	Variance from Final Budget Over (Under)
Expenditures (Cont.)			
Capital Outlay (Cont.)			
Public Safety (Cont.)			
Fire Protection Service			
Radio Equipment	2,750	495	(2,255)
Total Public Safety	264,934	18,047	(246,887)
Total Capital Outlay	270,434	24,036	(246,398)
Debt Service			
Principal	81,586	81,586	
Interest	9,330	9,330	
Total Debt Service	90,916	90,916	-
Total Expenditures	2,652,036	2,192,184	(459,852)
Net Change in Fund Balance	(284,955)	(40,590)	244,365
Fund Balance			
May 1, 2007	119,735	119,735	
April 30, 2008	\$ (165,220)	79,145	244,365

GRAYSLAKE FIRE PROTECTION DISTRICT

Required Supplementary Information

Ambulance Service Fund - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Modified Cash Basis - Budget and Actual
Year Ended April 30, 2008

	Original/ Final Budget	Actual	Variance from Final Budget Over (Under)
Revenues			
Property Taxes - Ambulance Service	\$ 1,544,230	1,548,108	3,878
Ambulance Fees	500,000	558,058	58,058
Earnings on Investments	24,000	23,325	(675)
Miscellaneous	1,000		(1,000)
Total Revenues	2,069,230	2,129,491	60,261
Expenditures			
Current			
General Government			
Chief Salary	40,260	37,847	(2,413)
Trustees Salary	2,530	1,625	(905)
Administrative Assistant Salary	39,600	37,096	(2,504)
IMRF Contribution	6,050	5,749	(301)
Legal Fees	12,100	10,073	(2,027)
Printing and Publications	2,200	1,895	(305)
Office Supplies	3,300	3,080	(220)
Repairs - Office Equipment	8,250	4,555	(3,695)
Postage	1,100	859	(241)
Telephone	9,900	7,495	(2,405)
Dues to Organizations	3,025	2,111	(914)
Ambulance Billing	55,000	55,935	935
Conference Expenses	3,300	2,834	(466)
Meeting and Practice Meals	1,100	611	(489)
Annual Functions	4,400	3,372	(1,028)
Unemployment Tax	7,040	2,399	(4,641)
Miscellaneous	1,100	282	(818)
Total General Government	200,255	177,818	(22,437)
Public Safety			
Fire Station Building			
Repairs - Station Equipment	2,750	2,061	(689)
Maintenance and Repairs	16,500	14,582	(1,918)
Materials and Supplies	5,500	4,786	(714)
Insurance	3,630	3,578	(52)

(Cont.)

GRAYSLAKE FIRE PROTECTION DISTRICT

Required Supplementary Information

Ambulance Service Fund - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Modified Cash Basis - Budget and Actual (Cont.)
Year Ended April 30, 2008

	Original/ Final Budget	Actual	Variance from Final Budget Over (Under)
Expenditures (Cont.)			
Current (Cont.)			
Public Safety (Cont.)			
Fire Station Building (Cont.)			
Utilities	13,200	13,409	209
Miscellaneous	110		(110)
Traffic Signal Pre-emption	4,950	269	(4,681)
	46,640	38,685	(7,955)
Fire Fighting, Emergency Rescue Apparatus, Equipment and Supplies			
Maintenance Apparatus	14,300	9,196	(5,104)
Maintenance Equipment	8,250	2,164	(6,086)
Supplies - Small Tools	13,200	14,796	1,596
Personnel - Protective Gear	11,000	1,111	(9,889)
Personnel - Uniforms	10,450	12,826	2,376
Gasoline and Diesel Fuel	18,700	18,161	(539)
Chiefs Assessment	5,720	4,810	(910)
Insurance - Vehicles	5,720	4,240	(1,480)
Insurance - Equipment	660	1,144	484
Miscellaneous	110		(110)
	88,110	68,448	(19,662)
Fire Protection Service			
Chief Salary	26,840	25,231	(1,609)
Salaries - Full Time	1,369,500	1,280,868	(88,632)
Salaries - P.O.C.	165,000	116,057	(48,943)
Salaries - Overtime	107,250	102,371	(4,879)
Dispatcher - Alarm	44,000	32,187	(11,813)
Communication Service	15,400	11,768	(3,632)
Insurance - Life	5,720	4,800	(920)
Insurance - Medical	231,000	200,830	(30,170)
Training Expenses	11,000	6,964	(4,036)
Employee Assessment	5,500	907	(4,593)
Physical	10,450	8,892	(1,558)
Miscellaneous	440		(440)
	1,992,100	1,790,875	(201,225)

(Cont.)

GRAYSLAKE FIRE PROTECTION DISTRICT

Required Supplementary Information

Ambulance Service Fund - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Modified Cash Basis - Budget and Actual (Cont.)
Year Ended April 30, 2008

	Original/ Final Budget	Actual	Variance from Final Budget Over (Under)
Expenditures (Cont.)			
Current (Cont.)			
Provisions for Contingencies	33,000	11,600	(21,400)
Total Public Safety	2,159,850	1,909,608	(250,242)
Total Current Expenditures	2,360,105	2,087,426	(272,679)
Capital Outlay			
General Government			
Office Equipment	5,500	5,989	489
Public Safety			
Fire Station Building			
Station Equipment	1,100		(1,100)
Capital Building Reserve	5,500	108	(5,392)
	6,600	108	(6,492)
Fire Fighting, Emergency Rescue Apparatus, Equipment and Supplies			
Capital Equipment	16,500	5,451	(11,049)
Capital Reserve	13,490	14,584	1,094
FEMA - Communications Grant	22,000	7,061	(14,939)
	51,990	27,096	(24,894)
Fire Protection Service			
Radio Equipment	2,750	495	(2,255)
Total Public Safety	61,340	27,699	(33,641)
Total Capital Outlay	66,840	33,688	(33,152)

(Cont.)

GRAYSLAKE FIRE PROTECTION DISTRICT

Required Supplementary Information

Ambulance Service Fund - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Modified Cash Basis - Budget and Actual (Cont.)
 Year Ended April 30, 2008

	Original/ Final Budget	Actual	Variance from Final Budget Over (Under)
Expenditures (Cont.)			
Debt Service			
Principal	28,181	28,181	
Interest	2,329	2,329	
Total Debt Service	30,510	30,510	-
Total Expenditures	2,457,455	2,151,624	(305,831)
Net Change in Fund Balance	(388,225)	(22,133)	366,092
Fund Balance			
May 1, 2007	212,585	212,585	
April 30, 2008	\$ (175,640)	190,452	366,092

GRAYSLAKE FIRE PROTECTION DISTRICT

Note to Required Supplementary Information
April 30, 2008

1. Budget

The budget for all governmental fund types is prepared on the modified cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 70, Act 705/Article 16.14 of the Illinois Compiled Statutes. The budget was passed on July 18, 2007.

The fire chief submits an annual budget request to the trustees of the District prior to the end of the fiscal year or as may be requested by the trustees. The trustees shall provide adequate funding in the annual appropriation ordinance, which in all cases is higher than the budget, for the operation of the District.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

GRAYSLAKE FIRE PROTECTION DISTRICT

Nonmajor Governmental Funds

Combining Balance Sheet - Modified Cash Basis
April 30, 2008

	<u>Audit Fund</u>	<u>Liability Insurance Fund</u>	<u>Social Security Fund</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 24,338	21,749	47,063	93,150
LIABILITIES AND FUND BALANCES				
Liabilities	\$			
Fund Balances				
Unreserved, Reported in Nonmajor Special Revenue Funds	24,338	21,749	47,063	93,150
Total Liabilities and Fund Balances	\$ 24,338	21,749	47,063	93,150

GRAYSLAKE FIRE PROTECTION DISTRICT

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Modified Cash Basis
Year Ended April 30, 2008

	Audit Fund	Liability Insurance Fund	Social Security Fund	Total
Revenues				
Property Taxes	\$	173,883	208,661	382,544
Earnings on Investments	1,287	1,805	4,180	7,272
Total Revenues	1,287	175,688	212,841	389,816
Expenditures				
Current				
General Government				
Audit	6,050			6,050
Liability Insurance		14,964		14,964
Social Security			13,798	13,798
Public Safety				
Liability Insurance		134,673		134,673
Social Security			190,679	190,679
Total Expenditures	6,050	149,637	204,477	360,164
Net Change in Fund Balances	(4,763)	26,051	8,364	29,652
Fund Balances				
May 1, 2007	29,101	(4,302)	38,699	63,498
April 30, 2008	\$ 24,338	21,749	47,063	93,150

GRAYSLAKE FIRE PROTECTION DISTRICT

Audit Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Modified Cash Basis - Budget and Actual
 Year Ended April 30, 2008

	Original/ Final Budget	Actual	Variance from Final Budget Over (Under)
Revenues			
Earnings on Investments	\$	1,287	1,287
Expenditures			
Current			
General Government			
Audit	7,150	6,050	(1,100)
Net Change in Fund Balance	(7,150)	(4,763)	2,387
Fund Balance			
May 1, 2007	29,101	29,101	
April 30, 2008	\$ 21,951	24,338	2,387

GRAYSLAKE FIRE PROTECTION DISTRICT

Liability Insurance Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Modified Cash Basis - Budget and Actual
Year Ended April 30, 2008

	Original/ Final Budget	Actual	Variance from Final Budget Over (Under)
Revenues			
Property Taxes	\$ 173,509	173,883	374
Earnings on Investments		1,805	1,805
Total Revenues	<u>173,509</u>	<u>175,688</u>	<u>2,179</u>
Expenditures			
Current			
General Government			
Liability Insurance	17,269	14,964	(2,305)
Public Safety			
Liability Insurance	155,418	134,673	(20,745)
Total Expenditures	<u>172,687</u>	<u>149,637</u>	<u>(23,050)</u>
Net Change in Fund Balance	822	26,051	25,229
Fund Balance			
May 1, 2007	<u>(4,302)</u>	<u>(4,302)</u>	
April 30, 2008	<u>\$ (3,480)</u>	<u>21,749</u>	<u>25,229</u>

GRAYSLAKE FIRE PROTECTION DISTRICT

Social Security Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Modified Cash Basis - Budget and Actual
 Year Ended April 30, 2008

	Original/ Final Budget	Actual	Variance from Final Budget Over (Under)
Revenues			
Property Taxes	\$ 208,210	208,661	451
Earnings on Investments		4,180	4,180
Total Revenues	<u>208,210</u>	<u>212,841</u>	<u>4,631</u>
Expenditures			
Current			
General Government			
Social Security	23,000	13,798	(9,202)
Public Safety			
Social Security	207,900	190,679	(17,221)
Total Expenditures	<u>230,900</u>	<u>204,477</u>	<u>(26,423)</u>
Net Change in Fund Balance	(22,690)	8,364	31,054
Fund Balance			
May 1, 2007	<u>38,699</u>	<u>38,699</u>	
April 30, 2008	<u>\$ 16,009</u>	<u>47,063</u>	<u>31,054</u>