



**GLEN CARBON FIRE PROTECTION DISTRICT**

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED  
MAY 31, 2022

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**GLEN CARBON FIRE PROTECTION DISTRICT**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Glen Carbon Fire Protection District

### **Opinions**

We have audited the accompanying modified cash basis financial statements of the governmental activities and the major fund of the Glen Carbon Fire Protection District ("District"), as of and for the year ended May 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and the major fund of the District as of May 31, 2022, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Glen Carbon Fire Protection District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter—Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Other Matters**

#### *Other Information*

Management is responsible for the other information included in the annual report. The other information is comprised of the budgetary comparison information but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*C. J. Schloss & Company, LLC*

Certified Public Accountants  
Alton, Illinois

August 7, 2023

**GLEN CARBON FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the Glen Carbon Fire Protection District's (District) financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended May 31, 2022. Please read it in conjunction with the District's financial statements, which follow this section.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts: 1) management's discussion and analysis (this section), 2) the basic financial statements, and 3) other information.

**Basic Financial Statements:**

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets and liabilities, 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 government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event affects cash flows.

Both of the government-wide financial statements report the functions of the District that are principally supported by taxes and intergovernmental revenues. The District's sole function is considered that of governmental activities.

The government-wide financial statements can be found in the far right column of pages 7 and 9 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District is comprised of one governmental fund.

*Governmental fund.* Governmental fund statements report how general government services were financed in the short term as well as what remains for future spending. The District maintains one general governmental fund. The governmental fund statements can be found in the first column of pages 7 and 9 of this report.

**GLEN CARBON FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Reconciliation of the government-wide financial statements to fund financial statements

The amounts reported in the fund financial statements differ from the government-wide financial statements due to the method of recognizing assets and liabilities. Capital outlay is expensed in the fund financial statements whereas it is capitalized and depreciated in the government-wide financial statements. In addition, outstanding debt is reported in the government-wide financial statements whereas debt proceeds are shown as other financing sources and the principal payments are recorded as expense in the fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11 to 21 of this report.

**FINANCIAL ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Net Position

Over time, net position may serve as a useful indicator of a government's financial position. At May 31, 2022, the District's assets exceeded liabilities by \$4,463,456.

	<u>2022</u>	<u>%</u>	<u>2021</u>	<u>%</u>
<u>Fund Balance/Net Position</u>				
Unrestricted	\$ 1,870,691	0.419	\$ 1,987,099	0.441
Net Investment in Capital Assets	<u>2,592,765</u>	<u>0.581</u>	<u>2,516,069</u>	<u>0.559</u>
	<u>\$ 4,463,456</u>	<u>1.000</u>	<u>\$ 4,503,168</u>	<u>1.000</u>

A portion of this balance, \$1,870,691, is unrestricted and available to use as the District desires. The unrestricted balance decreased \$116,408 from the prior year. The remainder of the District's net position reflects its investment in capital assets (e.g. land, building, vehicles and equipment). The District uses these capital assets to provide fire protection services to the citizens; consequently these assets are not available for future spending. Total net position decreased in the current year by \$39,712 to an ending balance of \$4,463,456.

**GLEN CARBON FIRE PROTECTION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Changes in Cash Receipts

The following is a comparison of District cash receipts for the last two years.

	<u>2022</u>	<u>%</u>	<u>2021</u>	<u>%</u>
Property Taxes	\$ 2,553,324	0.793	\$ 2,433,977	0.756
Intergovernmental	46,662	0.014	38,733	0.012
Charges for Services	577,044	0.179	426,436	0.132
Investment Earnings	1,397	0.000	12,258	0.004
Gain (Loss) on Asset Disposal	30,010	0.009	40,000	0.012
Miscellaneous	<u>10,999</u>	<u>0.003</u>	<u>6,141</u>	<u>0.002</u>
	<u>\$ 3,219,436</u>	<u>1.000</u>	<u>\$ 2,957,545</u>	<u>0.919</u>

The District reported increases for property taxes and intergovernmental taxes. Investment income decreased due to spending down the cash balances from the bond issue that were spent to pay construction costs and to lower interest rates. The District sold a 2012 ambulance that was not fully depreciated in the current year.

Changes in Expenditures

The following is a comparison of District expenditures for the last two years.

	<u>2022</u>	<u>%</u>	<u>2021</u>	<u>%</u>
Personal Services	\$ 1,867,222	0.560	\$ 1,632,866	0.459
Contractual Services	555,703	0.167	581,336	0.163
Materials and Supplies	163,365	0.049	313,534	0.088
Debt Service	460,794	0.138	670,405	0.189
Capital Outlay	<u>288,760</u>	<u>0.087</u>	<u>358,169</u>	<u>0.101</u>
	<u>\$ 3,335,844</u>	<u>1.000</u>	<u>\$ 3,556,310</u>	<u>1.000</u>

Expenditures decreased by \$220,466 from the prior year. The largest category of expenditures is related to personal services which includes salaries, payroll taxes, retirement payments and health insurance.

**CAPITAL ASSETS**

The District expended \$288,760 on fire protection and ambulance capital outlay. The additions were primarily comprised of a new ambulance and miscellaneous other equipment. Depreciation expense on the District's capital assets was \$386,960 for the period ended May 31, 2022. See Note 4 of the financial statements for additional information related to capital assets.

**GLEN CARBON FIRE PROTECTION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**DEBT**

The overall debt balances decreased by \$306,176 due to normal debt maturity payments. Additional information related to the debt of the District can be found in Note 5 of the financial statements.

**BUDGETARY HIGHLIGHTS**

The District approved an appropriation ordinance which provides the budgetary amounts reported in the financial statements. The appropriations ordinance is presented on the modified cash basis of accounting. The appropriations were approved for \$5,125,957 of which the District only spent \$3,335,844 in the current period using the modified cash basis of accounting.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Glen Carbon Fire Protection District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for financial information should be addressed to the Glen Carbon Fire Protection District, PO Box 254, Glen Carbon, Illinois, 62034.



**GLEN CARBON FIRE PROTECTION DISTRICT**

STATEMENT OF NET POSITION AND STATEMENT OF  
ASSETS, LIABILITIES AND FUND BALANCES ARISING  
FROM MODIFIED CASH BASIS TRANSACTIONS - GOVERNMENTAL FUNDS  
MAY 31, 2022

	<u>General Fund</u>	<u>Adjustments (See Page 8)</u>	<u>Statement of Net Position</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 1,872,014	\$ -	\$ 1,872,014
Advance Payment	3,370	-	3,370
Capital Assets:			
Land	-	383,676	383,676
Buildings and Improvements	-	7,052,951	7,052,951
Equipment	-	1,428,071	1,428,071
Vehicles	-	2,804,485	2,804,485
Accumulated Depreciation	-	<u>(4,172,808)</u>	<u>(4,172,808)</u>
Total Assets	<u>1,875,384</u>	<u>7,496,375</u>	<u>9,371,759</u>
<b><u>Liabilities</u></b>			
Payroll Withholdings	4,693	-	4,693
Noncurrent Liabilities:			
Due Within One Year	-	305,906	305,906
Due in More Than One Year	-	<u>4,597,704</u>	<u>4,597,704</u>
Total Liabilities	<u>4,693</u>	<u>4,903,610</u>	<u>4,908,303</u>
<b><u>Fund Balance/Net Position</u></b>			
Fund Balance/Net Position:			
Unrestricted	<u>1,870,691</u>	-	1,870,691
Total Liabilities and Fund Balance	<u>\$ 1,875,384</u>		
Net Investment in Capital Assets		<u>2,592,765</u>	<u>2,592,765</u>
Total Net Position		<u>2,592,765</u>	<u>\$ 4,463,456</u>

The notes to the financial statements are an integral part of this statement

**GLEN CARBON FIRE PROTECTION DISTRICT**

RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM MODIFIED CASH BASIS  
TRANSACTIONS TO THE STATEMENT OF NET POSITION  
MAY 31, 2022

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 1,870,691
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the statement of assets, liabilities, and fund balances of the governmental funds.	7,496,375
Long-term debt used in governmental activities are not reported on the statement of assets, liabilities, and fund balances of the governmental funds.	<u>(4,903,610)</u>
Net position of governmental activities	<u>\$ 4,463,456</u>

The notes to the financial statements are an integral part of this statement

**GLEN CARBON FIRE PROTECTION DISTRICT**

STATEMENT OF ACTIVITIES AND STATEMENT OF  
REVENUES AND EXPENDITURES ARISING FROM MODIFIED  
CASH BASIS TRANSACTIONS - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED MAY 31, 2022

	<u>General Fund</u>	<u>Adjustments (See Page 10)</u>	<u>Statement of Activities</u>
Cash Receipts			
Property Taxes	\$ 2,553,324	\$ -	\$ 2,553,324
Replacement Tax	18,594	-	18,594
2% Foreign Fire Tax	28,068	-	28,068
Charges for Services	577,044	-	577,044
Interest Income	1,397	-	1,397
Gain (Loss) on Sale of Assets	30,010	(131,280)	(101,270)
Miscellaneous	10,999	-	10,999
Total Revenues	<u>3,219,436</u>	<u>(131,280)</u>	<u>3,088,156</u>
Expenditures/Expenses:			
Fire Protection:			
Current:			
Personal Services	1,867,222	-	1,867,222
Contractual Services	555,703	-	555,703
Materials and Supplies	163,365	-	163,365
Depreciation	-	386,960	386,960
Debt Service:			
Principal	306,176	(306,176)	-
Interest and Costs	154,618	-	154,618
Capital Outlay	288,760	(288,760)	-
Total Expenditures/Expenses	<u>3,335,844</u>	<u>(207,976)</u>	<u>3,127,868</u>
Excess (Deficiency) of Revenues Over Expenditures	(116,408)	76,696	(39,712)
Fund Balances/Net Position:			
Beginning of the Year	<u>1,987,099</u>	<u>2,516,069</u>	<u>4,503,168</u>
End of the Year	<u>\$ 1,870,691</u>	<u>\$ 2,592,765</u>	<u>\$ 4,463,456</u>

The notes to the financial statements are an integral part of this statement

**GLEN CARBON FIRE PROTECTION DISTRICT**

RECONCILIATION OF THE STATEMENT OF REVENUES AND  
EXPENDITURES ARISING FROM MODIFIED CASH BASIS TRANSACTIONS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2022

Amounts reported for governmental activities in the statement of activities  
are different because:

Net change in fund balances - total governmental funds \$ (116,408)

Governmental funds report capital outlays as expenditures. However, in the statement of revenues and expenditures arising from cash transactions, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$386,960) and loss on disposals exceeds current year capital additions (\$288,760) in the current year. (229,480)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of revenues and expenditures arising from cash transactions. This amount is the net effect of those differences in the treatment of long-term debt and related items. 306,176

Change in net position of governmental activities \$ (39,712)

The notes to the financial statements are an integral part of this statement

**GLEN CARBON FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2022

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Glen Carbon Fire Protection District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. These financial statements are presented in accordance with GASB 34. The more significant of the District's accounting policies are described below.

**The financial reporting entity**

The District's combined financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

The District is unaware of any organization that should be included as a component unit of the District. In addition, the District does not consider itself to be a component unit of any other government.

**Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the government. The District is comprised of only governmental activities, which are supported mainly by taxes and intergovernmental revenues.

The statement of activities demonstrates to the degree to which the expenses of a given function are offset by program revenues and taxes.

The government reports all its financial activity in one general operating fund.

**GLEN CARBON FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Measurement focus, basis of accounting, and financial statement presentation

The government-wide and governmental fund financial statements are reported using the economic resources measurement focus and the modified cash basis of accounting. Accordingly, receipts are recorded when cash is received and disbursements are recorded when checks are written. Only assets representing a right to receive cash arising from a previous payment of cash are recorded as assets of a fund. In the same manner, only liabilities resulting from previous cash transactions are recorded as liabilities of a particular fund.

Assets, liabilities, and net position:

Deposits and investments

The District's cash and cash equivalents are comprised of checking accounts. Cash and cash equivalents are deposits or short-term investments with original maturities of three months or less. Deposits and investments are reported at fair value.

The District is authorized by state statute to invest in obligations of the United States of America, insured interest bearing accounts of banks, savings and loan associations or credit unions, certain short-term obligations of corporations organized in the United States, money market mutual funds that invest in obligations of the United States of America or its agencies or are guaranteed by the full faith and credit of the United States of America.

Capital assets

Capital assets, which include property, and equipment, are reported in the governmental activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	30 - 40
Vehicles and equipment	5 - 20

**GLEN CARBON FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Equity classification

Government-wide statements

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

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

Fund financial statements

Governmental fund equity is classified upon the following criteria:

Nonspendable - balances that are not in "spendable" form and are not expected to be converted to cash. This category also includes funds required to be retained in perpetuity.

Restricted - balances with restrictions that are either externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation.

Committed - balances that are to be only used for specific purposes pursuant to constraints imposed by formal action of the District's Board, the government's highest level of decision-making authority.

Assigned - balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned - the residual classification of the District's fund balance.

When expenditures are incurred for which the District has both restricted and unrestricted funds available, the District spends any restricted funds before using unrestricted sources. Likewise, the District uses committed, assigned and then unassigned balances, in that order, when spending amounts for which all three categories are available.

**GLEN CARBON FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Risk Management

The District is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverages in the past three years.

Subsequent Events

The District has evaluated events occurring after the financial statement date through August 7, 2023 in order to determine their potential for recognition or disclosure in the financial statements. The latter date is the same date the financial statements were available to be issued.

**NOTE 2: BUDGETARY AND LEGAL COMPLIANCE**

Appropriation budgets are adopted on a basis consistent with the modified cash basis of accounting. Annual appropriated budgets are adopted for the General Fund. All annual appropriations lapse at fiscal year.

On July 27, 2021, the District approved an ordinance adopting the appropriation which is the budgetary data reflected in these financial statements. Formal budgetary integration is employed as a management control device during the year for the General Fund.

**NOTE 3: CASH AND CASH EQUIVALENTS**

As of May 31, 2022, the carrying amount of the District's cash and cash equivalents was \$1,872,014 and the respective bank balances totaled \$1,880,881. The entire balance was either insured through the Federal Depository Insurance Corporation (FDIC) or collateralized.



**GLEN CARBON FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the period ended May 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated				
Land	\$ 383,676	\$ -	\$ -	\$ 383,676
Capital assets, being depreciated:				
Buildings and improvements	7,052,951	-	-	7,052,951
Vehicles	2,830,475	242,345	268,335	2,804,485
Equipment	1,381,656	46,415	-	1,428,071
Total capital assets being depreciated	<u>11,265,082</u>	<u>288,760</u>	<u>268,335</u>	<u>11,285,507</u>
Less accumulated depreciation for:				
Buildings and improvements	1,083,350	181,889	-	1,265,239
Vehicles	1,787,146	123,449	137,055	1,773,540
Equipment	1,052,407	81,622	-	1,134,029
Total accumulated depreciation	<u>3,922,903</u>	<u>386,960</u>	<u>137,055</u>	<u>4,172,808</u>
Total capital assets being depreciated, net	<u>7,342,179</u>	<u>(98,200)</u>	<u>131,280</u>	<u>7,112,699</u>
Governmental activities capital assets, net	<u>\$ 7,725,855</u>	<u>\$ (98,200)</u>	<u>\$ 131,280</u>	<u>\$ 7,496,375</u>

Buildings, vehicles and equipment are depreciated using the straight-line method over the estimated useful lives. Depreciation expense for the year ended May 31, 2022 was \$386,960.

**NOTE 5: LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the District for the year ended May 31, 2022:

Payable June 1, 2021	\$ 5,209,786
Additions	--
Retirements	<u>306,176</u>
Payable May 31, 2022	<u>\$ 4,903,610</u>

**GLEN CARBON FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

The long-term debt at May 31, 2022 is comprised of the following note payable:

The District issued General Obligation Bonds (Alternate Revenue Source), Series 2018 in the amount of \$6,000,000 on August 21, 2018. The bonds are being used to construct, furnish, and equip a new fire station and demolish the existing station. The bonds will be retired by annual principal installments through December 1, 2038, including interest at 2.44% to 2.74%. The balance at the end of the year was \$4,897,704.

The District entered into a lease purchase agreement with Flex Financial dated August 14, 2019. The agreement provided \$22,942 for the purchase of a MTS Power Load. The lease purchase agreement is to be retired by 4 annual payments of \$6,279 on August 20 through 2022, including interest at 6.12%. The related equipment is being held as security for the loan. Upon default of the loan, the lender has the right to declare the balance immediately due, repossess the security, increase the interest rate on the loan, or take legal action to make collection. The balance at the end of the year was \$5,906.

The annual requirements to amortize the debt outstanding as of May 31, 2022, including interest of \$1,064,236, are as follows:

Fiscal Year Ended May 31,	Governmental Activities	
	Principal	Interest
2023	\$ 305,906	\$ 119,892
2024	300,000	112,199
2025	300,000	104,879
2026	300,000	97,559
2027	300,000	90,239
2028-2032	1,500,000	347,990
2033-2037	1,500,000	177,870
2036-2039	397,704	13,608
	<u>\$ 4,903,610</u>	<u>\$ 1,064,236</u>

**NOTE 6: RETIREMENT FUND COMMITMENTS**

**Illinois Municipal Retirement Fund**

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

**GLEN CARBON FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

*Funding Policy.* As set by statute, 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 2021 was 5.07 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.

*Covered Employees.* The following types of employees comprise the membership of the plan.

Retirees and Beneficiaries	0
Inactive, non-Retired Members	7
Active Members	<u>14</u>
Total	<u>21</u>

*Discount Rate.* GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph.

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 1.84%; and the resulting single discount rate is 7.25%.

**GLEN CARBON FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Actuarial Valuation Date	12/31/21
Measurement Date of the Net Pension Liability	12/31/21
Fiscal Year End	05/31/22

Development of the Single Discount Rate as of December 31, 2021	
Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	1.84%
Last year ending December 31 in the 2022 to 2121 projection period for which projected benefit payments are fully funded	2121
Resulting Single Discount Rate based on the above development	7.25%
Single Discount Rate calculated using December 31, 2020 Measurement Date	7.25%

The Long-Term Municipal Bond Rate is based on Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2021.

*Actuarial Assumptions.* The following are the actuarial assumptions used in the calculation of the net pension liability.

Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

**GLEN CARBON FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

*Net Pension Liability.* The following is a summary of the Net Pension Liability as shown as a liability in the financial statements.

<b>Total pension liability</b>	
Service Cost	\$ 82,659
Interest on the Total Pension Liability	77,818
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	(98,758)
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(17,424)</u>
Net change in total pension liability	\$ 44,295
Total pension liability - beginning	<u>1,040,728</u>
Total pension liability - ending	<u>\$ 1,085,023</u>
 <b>Plan fiduciary net position</b>	
Contributions - employer	\$ 46,651
Contributions - employee	42,753
Net investment income	179,370
Benefit payments, including refunds of employee contributions	(17,424)
Other	<u>(17,650)</u>
Net change in plan fiduciary net position	\$ 233,700
Plan fiduciary net position - beginning	<u>1,188,343</u>
Plan fiduciary net position - ending	<u>\$ 1,422,043</u>
 <b>Net pension liability/(asset)</b>	 <u>\$ (337,020)</u>
 <b>Plan fiduciary net position as a percentage of the total pension liability</b>	 131.06%
 <b>Covered valuation payroll</b>	 \$ 1,027,490
 <b>Net pension liability as a percentage of covered valuation payroll</b>	 -32.80%

**GLEN CARBON FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

To report the sensitivity of the net pension liability to the selected discount rate, the following table displays the variation given a 1% increase or decrease.

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Total Pension Liability	\$ 1,276,356	\$ 1,085,023	\$ 974,853
Plan Fiduciary Net Position	<u>1,422,043</u>	<u>1,422,043</u>	<u>1,422,043</u>
Net Pension Liability/(Asset)	<u>\$ (145,687)</u>	<u>\$ (337,020)</u>	<u>\$ (447,190)</u>

*Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses.* The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 37,289	\$ 184,352
Changes in assumptions	21,346	29,072
Subsequent employer contributions	17,844	-
Net difference between projected and actual earnings on pension plan investments	-	117,916
Total	<u>\$ 76,479</u>	<u>\$ 331,340</u>

Year Ending <u>December 31,</u>	Net Deferred Inflows of <u>Resources</u>
2022	\$ (46,249)
2023	(63,040)
2024	(48,628)
2025	(37,667)
2026	(19,417)
Thereafter	<u>(57,704)</u>
	<u>\$ (272,705)</u>

**GLEN CARBON FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 7: PROPERTY TAXES**

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The Board of Trustees passed the 2021 levy on October 26, 2021. Property taxes attach as an enforceable lien on property as of January 1 and are payable in four installments. The County had not mailed tax bills as of May 31, 2022. Past mailing practices of the County have generally been subsequent to May 31 of each year. The District begins to receive significant distributions of tax receipts in June of each year.

The following are the tax rates applicable to the various levies per \$100 of assessed valuation:

	Maximum Rate	Levy Year		
		2021	2020	2019
<u>Tax Rate:</u>				
General	\$ .3000	\$ .2976	\$ .2931	\$ .2872
Insurance		.0364	.0357	.0350
Ambulance	.3000	<u>.2976</u>	<u>.2931</u>	<u>.2872</u>
		<u>\$ .6316</u>	<u>\$ .6219</u>	<u>\$ .6094</u>
Assessed Valuations		<u>\$ 426,227,783</u>	<u>\$ 412,615,611</u>	<u>\$ 400,907,563</u>
Tax Extension		<u>\$ 2,692,055</u>	<u>\$ 2,566,056</u>	<u>\$ 2,443,112</u>
Tax Collections		<u>\$ --</u>	<u>\$ 2,553,300</u>	<u>\$ 2,433,949</u>
Percent Collected		<u>-- %</u>	<u>99.50%</u>	<u>99.62%</u>

**GLEN CARBON FIRE PROTECTION DISTRICT**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (MODIFIED CASH BASIS)  
 FOR THE YEAR ENDED MAY 31, 2022

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
Cash Receipts:			
Property Taxes	\$ 2,565,753	\$ 2,565,753	\$ 2,553,324
Corporate Personal Property			
Replacement Taxes	10,000	10,000	18,594
2% Foreign Fire Tax	28,000	28,000	28,068
Charges for Services	475,000	475,000	577,044
Interest Income	13,000	13,000	1,397
Sale of Assets	-	-	30,010
Miscellaneous	46,650	46,650	10,999
Total Cash Receipts	<u>3,138,403</u>	<u>3,138,403</u>	<u>3,219,436</u>
Cash Disbursements:			
Current:			
Administrative:			
Contractual Services:			
Education and Training	43,500	43,500	33,683
Fire Chief and Assistants Meeting	500	500	407
IAFPD Dues and Indemnity Fund	200	200	723
Janitorial Services	10,500	10,500	6,430
MCFA Dues and Death Assessments	2,000	2,000	1,381
Printing, Postage, Bank Fee, Box Rental	600	600	387
Publications	5,000	5,000	2,910
MCFA Meeting	-	-	-
Public Education	5,000	5,000	5,309
Software Licensing	22,500	22,500	17,651
Payroll Service	10,000	10,000	13,231
Employee Awards/Recognition	10,000	10,000	4,361
Child Passenger Seat	250	250	-
Annual Dues/IFFFA/Haz Mat/Code Red/MABAS	2,500	2,500	901
Bank Fees	1,000	1,000	358
Billing Services	40,000	40,000	25,848
Dispatch Services	20,185	20,185	20,185
Audits	5,000	5,000	4,200
Materials and Services:			
Office Furniture, Equipment and Supplies	13,000	13,000	3,287



## GLEN CARBON FIRE PROTECTION DISTRICT

### REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (MODIFIED CASH BASIS) FOR THE YEAR ENDED MAY 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Cash Disbursements:			
Current:			
Ambulance/Fire Equipment Expense:			
Contractual Services:			
Annual Inspections & Maintenance/Licensing	25,000	25,000	15,822
Building Repairs	25,000	25,000	20,459
Grass Cutting, Landscaping and Snow Removal	35,000	35,000	28,148
Heating & Electricity	30,000	30,000	29,802
Medical Expenses for Firefighters	12,500	12,500	9,825
Radio Communications Service/Repairs	8,000	8,000	1,267
Equipment Repairs	70,000	70,000	84,214
Water and Sewer	2,000	2,000	1,519
Annual Maintenance & Pump Testing	13,000	13,000	18,333
Hose Testing	4,000	4,000	4,928
Starcom Airway Fee	25,000	25,000	26,697
Voice, Cable & Internet	22,500	22,500	18,153
Web Page, Email & Hosting	10,000	10,000	622
Materials and Supplies:			
EMS Supplies	25,000	25,000	25,704
Uniforms and Apparel	62,000	62,000	26,779
Gasoline, Oil and Grease	27,000	27,000	34,573
Miscellaneous Equipment & Supplies	40,000	40,000	63,083
Fire Hose	5,000	5,000	75
Computer Equipment and Supplies	35,000	35,000	14,738
Small Tools & Equipment	17,500	17,500	20,555
Salary/Payroll and Benefits			
Personal Services:			
Payroll - FF & EMTP	1,425,000	1,425,000	1,265,494
Chief/EMS Director Salary	90,000	90,000	90,000
Administrative Assistant Salary	78,000	78,000	76,000
Trustees' Salaries	11,250	11,250	11,250
Payroll Taxes	120,000	120,000	132,101
Retirement Plan	60,000	60,000	49,889
Health and Life Insurance	175,000	175,000	242,488
Contractual Services:			
Legal Fees	17,000	17,000	7,305

**GLEN CARBON FIRE PROTECTION DISTRICT**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (MODIFIED CASH BASIS)  
 FOR THE YEAR ENDED MAY 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>
	<u>Original</u>	<u>Final</u>	
Cash Disbursements:			
Current:			
Insurance Expense:			
Contractual Services:			
Bonds	510	510	765
Liability and Property Insurance	43,000	43,000	46,150
Worker's Compensation Insurance	103,490	103,490	107,729
Contingency	129,472	129,472	-
Debt Payment - Ambulance/Equipment	-	-	6,279
Debt Payment - Fire Station	1,150,000	1,150,000	454,515
Capital Outlay:			
Accessories & Equipment for Fire Truck/Ambulance	105,000	105,000	2,163
Communication Equipment & Siren Purchase	40,000	40,000	14,823
Fire Apparatus/Ambulance Acquisition	343,000	343,000	242,345
Property/Building Additions	<u>550,000</u>	<u>550,000</u>	<u>-</u>
Total Cash Disbursements	<u>5,125,957</u>	<u>5,125,957</u>	<u>3,335,844</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (1,987,554)</u>	<u>\$ (1,987,554)</u>	(116,408)
No change for modified cash basis			<u>-</u>
Per the Statement of Activities and Statement of Revenues and Expenditures Arising From Modified Cash Basis Transactions			<u>\$ (116,408)</u>