



C. J. SCHLOSSER
& COMPANY, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

GLEN CARBON FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED
MAY 31, 2020

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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

We have audited the accompanying financial statements of the governmental activities of the Glen Carbon Fire Protection District, as of and for the year ended May 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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 from material misstatement.

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

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

Opinion

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 and the major fund of the Glen Carbon Fire Protection District as of May 31, 2020, and the respective changes in financial position-modified cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

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 that matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Glen Carbon Fire Protection District's basic financial statements. The management's discussion and analysis (pages 3 to 6), and budgetary comparison information (pages 22 to 24), which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

C. J. Schlosser & Company LLC

Certified Public Accountants
Alton, Illinois

November 18, 2020

**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, 2020. 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, 2020, the District's assets exceeded liabilities by \$4,725,449.

	<u>2020</u>	<u>%</u>	<u>2019</u>	<u>%</u>
<u>Fund Balance/Net Position</u>				
Unrestricted	\$ 2,585,864	0.547	\$ 1,346,353	0.278
Net Investment in Capital Assets	<u>2,139,585</u>	<u>0.453</u>	<u>3,495,658</u>	<u>0.722</u>
	<u>\$ 4,725,449</u>	<u>1.000</u>	<u>\$ 4,842,011</u>	<u>1.000</u>

A portion of this balance, \$2,585,864, is unrestricted and available to use as the District desires. The unrestricted balance increased \$1,239,511 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 \$116,562 to an ending balance of \$4,725,449.

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>2020</u>	<u>%</u>	<u>2019</u>	<u>%</u>
Property Taxes	\$ 2,308,957	0.763	\$ 2,306,723	0.786
Intergovernmental	32,665	0.011	30,217	0.010
Grant Receipts	17,293	0.006	-	0.000
TIF Allocation Paymen	111,641	0.037	-	0.000
Charges for Services	478,401	0.158	441,764	0.151
Investment Earnings	39,893	0.013	112,963	0.039
Miscellaneous	36,114	0.012	41,643	0.014
	<u>\$ 3,024,964</u>	<u>1.000</u>	<u>\$ 2,933,310</u>	<u>1.000</u>

The District reported increases across most of the revenue categories. Investment income decreased due to spending down the cash balances from the bond issue that were spent to pay construction costs. The District received a distribution of TIF surplus from the Village of Glen Carbon in the current year as well as money from grants.

Changes in Expenditures

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

	<u>2020</u>	<u>%</u>	<u>2019</u>	<u>%</u>
Personal Services	\$ 1,629,905	0.331	\$ 1,526,080	0.262
Contractual Services	562,695	0.114	326,838	0.056
Materials and Supplies	113,839	0.023	128,544	0.022
Debt Service	575,794	0.117	73,110	0.013
Capital Outlay	<u>2,046,181</u>	<u>0.415</u>	<u>3,775,505</u>	<u>0.648</u>
	<u>\$ 4,928,414</u>	<u>1.000</u>	<u>\$ 5,830,077</u>	<u>1.000</u>

Expenditures decreased by \$901,663 from the prior year. Personal services increased due to increased wages from the District hiring several new employees and the related health insurance increases. Capital outlay decreased due to finalizing the construction costs related to the new fire station.

CAPITAL ASSETS

The District expended \$2,046,181 on fire protection and ambulance capital outlay. The additions were primarily comprised of construction costs related to the new fire station. Depreciation expense on the District's capital assets was \$615,549 for the period ended May 31, 2020. 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 District entered into a capital lease agreement for \$22,942 to purchase a MTS Power Load. The overall debt balances decreased by \$333,314 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 \$7,268,872 of which the District only spent \$4,905,472 in the current period using the modified cash basis of accounting. The appropriation ordinance was amended for line item reclassifications in the current period.

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, 2020

	<u>General Fund</u>	<u>Adjustments (See Page 8)</u>	<u>Statement of Net Position</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 2,585,864	\$ -	\$ 2,585,864
Capital Assets:			
Land	-	383,676	383,676
Buildings and Improvements	-	6,988,707	6,988,707
Equipment	-	1,583,576	1,583,576
Vehicles	-	2,841,400	2,841,400
Accumulated Depreciation	-	<u>(3,941,088)</u>	<u>(3,941,088)</u>
Total Assets	<u>2,585,864</u>	<u>7,856,271</u>	<u>10,442,135</u>
<u>Liabilities</u>			
Noncurrent Liabilities:			
Due Within One Year	-	305,223	305,223
Due in More Than One Year	-	<u>5,411,463</u>	<u>5,411,463</u>
Total Liabilities	-	<u>5,716,686</u>	<u>5,716,686</u>
<u>Fund Balance/Net Position</u>			
Fund Balance/Net Position:			
Unrestricted	<u>2,585,864</u>	-	2,585,864
Total Liabilities and Fund Balance	<u>\$ 2,585,864</u>		
Net Investment in Capital Assets		<u>2,139,585</u>	<u>2,139,585</u>
Total Net Position		<u>2,139,585</u>	<u>\$ 4,725,449</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, 2020

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 2,585,864
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.	7,856,271
Long-term debt used in governmental activities are not reported on the statement of assets, liabilities, and fund balances of the governmental funds.	<u>(5,716,686)</u>
Net position of governmental activities	<u>\$ 4,725,449</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, 2020

	<u>General Fund</u>	<u>Adjustments (See Page 10)</u>	<u>Statement of Activities</u>
Cash Receipts			
Property Taxes	\$ 2,308,957	\$ -	\$ 2,308,957
Replacement Tax	9,279	-	9,279
2% Foreign Fire Tax	23,386	-	23,386
Grant Receipts	17,293	-	17,293
TIF Allocation Payments	111,641	-	111,641
Charges for Services	478,401	-	478,401
Interest Income	39,893	-	39,893
Miscellaneous	<u>36,114</u>	<u>-</u>	<u>36,114</u>
Total Revenues	<u>3,024,964</u>	<u>-</u>	<u>3,024,964</u>
Expenditures/Expenses:			
Fire Protection:			
Current:			
Personal Services	1,629,905	-	1,629,905
Contractual Services	562,695	-	562,695
Materials and Supplies	113,839	-	113,839
Depreciation	-	615,549	615,549
Debt Service:			
Principal	356,256	(356,256)	-
Interest and Costs	219,538	-	219,538
Capital Outlay	<u>2,046,181</u>	<u>(2,046,181)</u>	<u>-</u>
Total Expenditures/Expenses	<u>4,928,414</u>	<u>(1,786,888)</u>	<u>3,141,526</u>
Excess of Revenues Over Expenditures	(1,903,450)	1,786,888	(116,562)
Other Financing Sources:			
Proceeds From Debt	<u>22,942</u>	<u>(22,942)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(1,880,508)	1,763,946	(116,562)
Fund Balances/Net Position:			
Beginning of the Year	<u>4,466,372</u>	<u>375,639</u>	<u>4,842,011</u>
End of the Year	<u>\$ 2,585,864</u>	<u>\$ 2,139,585</u>	<u>\$ 4,725,449</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, 2020**

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

Net change in fund balances - total governmental funds \$ (1,880,508)

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 capital outlay (\$2,046,181) exceeds current year depreciation expense (\$615,549) and loss on disposition in the current year.

1,430,632

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.

333,314

Change in net position of governmental activities

\$ (116,562)

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

GLEN CARBON FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
MAY 31, 2020

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 November 18, 2020 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 30, 2019, 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. The budget was amended for reclasses of budget line items on June 30, 2020.

NOTE 3: CASH AND CASH EQUIVALENTS

As of May 31, 2020, the carrying amount of the District's cash and cash equivalents was \$2,585,864 and the respective bank balances totaled \$2,691,640. A portion of the balance, \$519,652, was not 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, 2020 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	5,053,106	1,935,601	-	6,988,707
Vehicles	2,841,400	-	-	2,841,400
Equipment	<u>1,472,996</u>	<u>110,580</u>	-	<u>1,583,576</u>
Total capital assets being depreciated	<u>9,367,502</u>	<u>2,046,181</u>	-	<u>11,413,683</u>
 Less accumulated depreciation for:				
Buildings and improvements	542,729	375,181	-	917,910
Vehicles	1,721,140	125,242	-	1,846,382
Equipment	<u>1,061,670</u>	<u>115,126</u>	-	<u>1,176,796</u>
Total accumulated depreciation	<u>3,325,539</u>	<u>615,549</u>	-	<u>3,941,088</u>
 Total capital assets being depreciated, net	 <u>6,041,963</u>	 <u>1,430,632</u>	 -	 <u>7,472,595</u>
 Governmental activities capital assets, net	 <u>\$ 6,425,639</u>	 <u>\$1,430,632</u>	 <u>\$ -</u>	 <u>\$ 7,856,271</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, 2020 was \$615,549.

NOTE 5: LONG-TERM DEBT

The following is a summary of long-term debt transactions of the District for the year ended May 31, 2020:

Payable June 1, 2019	\$ 6,050,000
Additions	22,942
Retirements	<u>356,256</u>
Payable May 31, 2020	<u>\$ 5,716,686</u>

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

The long-term debt at May 31, 2020 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 2.85% to 4.00%. The balance at the end of the year was \$5,700,000.

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 \$16,686.

The annual requirements to amortize the debt outstanding as of May 31, 2020, including interest of \$1,816,402, are as follows:

Fiscal Year Ended May 31,	Governmental Activities	
	Principal	Interest
2021	\$ 305,223	\$ 163,506
2022	305,556	154,623
2023	305,907	145,723
2024	300,000	136,800
2025	300,000	128,250
2026-2030	1,500,000	547,500
2031-2035	1,500,000	420,000
2036-2039	1,200,000	120,000
	<u>\$ 5,716,686</u>	<u>\$ 1,816,402</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.

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 2019 was 6.37 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	6
Active Members	<u>17</u>
Total	<u>23</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 2.75%; and the resulting single discount rate is 7.25%.

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

Actuarial Valuation Date	12/31/19
Measurement Date of the Net Pension Liability	12/31/19
Fiscal Year End	05/31/20

Development of the Single Discount Rate as of December 31, 2019	
Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	2.75%
Last year ending December 31 in the 2020 to 2119 projection period for which projected benefit payments are fully funded	2119
Resulting Single Discount Rate based on the above development	7.25%
Single Discount Rate calculated using December 31, 2018 Measurement Date	7.25%

The Long-Term Municipal Bond Rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2019.

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

Actuarial Cost Method	Entry Age Normal
Remaining Amortization Period	Non-Taxing bodies: 10 year rolling period Taxing bodies: 24 year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERL.
Asset Valuation Method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
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 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disables retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, and IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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.

Total pension liability	
Service Cost	\$ 69,339
Interest on the Total Pension Liability	60,762
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	(5,894)
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(9,532)</u>
Net change in total pension liability	\$ 114,675
Total pension liability - beginning	<u>808,198</u>
Total pension liability - ending	<u>\$ 922,873</u>
Plan fiduciary net position	
Contributions - employer	\$ 50,804
Contributions - employee	35,816
Net investment income	132,260
Benefit payments, including refunds of employee contributions	(9,532)
Other	<u>(9,596)</u>
Net change in plan fiduciary net position	\$ 199,752
Plan fiduciary net position - beginning	<u>796,603</u>
Plan fiduciary net position - ending	<u>\$ 996,355</u>
Net pension liability/(asset)	<u>\$ (73,482)</u>
Plan fiduciary net position as a percentage of the total pension liability	107.96%
Covered valuation payroll	\$ 783,285
Net pension liability as a percentage of covered valuation payroll	-9.38%

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	\$ 1,099,787	\$ 922,873	\$ 784,516
Plan Fiduciary Net Position	<u>996,355</u>	<u>996,355</u>	<u>996,355</u>
Net Pension Liability/(Asset)	<u>\$ 103,432</u>	<u>\$ (73,482)</u>	<u>\$ (211,839)</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	\$ 37,271	\$ 124,251
Changes in assumptions	27,642	17,868
Subsequent employer contributions	18,957	-
Net difference between projected and actual earnings on pension plan investments	<u>51,382</u>	<u>75,602</u>
Total	<u>\$ 135,252</u>	<u>\$ 217,721</u>

Year Ending <u>December 31,</u>	Net Deferred Inflows of <u>Resources</u>
2020	\$ 5,074
2021	(14,894)
2022	(5,916)
2023	(22,707)
2024	(8,295)
Thereafter	<u>(35,731)</u>
	<u>\$ (82,469)</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 2019 levy on October 29, 2019. 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, 2020. 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:

	<u>Maximum Rate</u>	<u>Levy Year</u>		
		<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Tax Rate:</u>				
General	\$.3000	\$.2872	\$.2799	\$.3000
Insurance		.0350	.0373	.0351
Ambulance	.3000	<u>.2872</u>	<u>.2799</u>	<u>.3000</u>
		<u>\$.6094</u>	<u>\$.5971</u>	<u>\$.6351</u>
 Assessed Valuations		 <u>\$ 400,904,563</u>	 <u>\$ 389,504,283</u>	 <u>\$ 365,238,387</u>
 Tax Extension		 <u>\$ 2,443,112</u>	 <u>\$ 2,325,730</u>	 <u>\$ 2,319,629</u>
 Tax Collections		 <u>\$ --</u>	 <u>\$ 2,308,913</u>	 <u>\$ 2,306,579</u>
 Percent Collected		 <u>-- %</u>	 <u>99.28%</u>	 <u>99.44%</u>

GLEN CARBON FIRE PROTECTION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (MODIFIED CASH BASIS)
FOR THE YEAR ENDED MAY 31, 2020

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
Cash Receipts:			
Property Taxes	\$ 2,307,000	\$ 2,307,000	\$ 2,308,957
Corporate Personal Property			
Replacement Taxes	10,000	10,000	9,279
2% Foreign Fire Tax	15,000	15,000	23,386
Grant Receipts	-	-	17,293
TIF Allocation Payments	-	-	111,641
Charges for Services	460,000	460,000	478,401
Interest Income	4,700	4,700	39,893
Miscellaneous	5,800	5,800	36,114
Total Cash Receipts	<u>2,802,500</u>	<u>2,802,500</u>	<u>3,024,964</u>
Cash Disbursements:			
Current:			
Administrative:			
Contractual Services:			
Education and Training	28,000	28,000	16,717
Fire Chief and Assistants Meeting	300	300	-
IAFPD Dues and Indemnity Fund	125	125	100
Janitorial Services	6,200	10,021	9,714
MCFA Dues and Death Assessments	1,500	1,535	1,535
Printing, Postage, Bank Fee, Box Rental	2,300	2,300	253
Publications	1,000	2,696	2,696
Public Education	3,000	3,000	2,049
Software Licensing	14,500	16,327	14,262
Internet Service/Web Page	-	-	-
Payroll Service	8,000	12,030	9,030
Employee Awards/Recognition	3,200	3,482	3,170
Child Passenger Seat	1,400	1,400	-
Annual Dues/IFFFA/Haz Mat/Code Red/MABAS	2,000	2,040	1,809
Bank Fees	550	726	627
Billing Services	31,000	31,000	28,339
Dispatch Services	18,435	18,435	18,435
Audits	4,000	4,100	4,100
Materials and Services:			
Office Furniture, Equipment and Supplies	11,000	11,350	9,126

GLEN CARBON FIRE PROTECTION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (MODIFIED CASH BASIS)
FOR THE YEAR ENDED MAY 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>
	<u>Original</u>	<u>Final</u>	
Cash Disbursements:			
Current:			
Ambulance/Fire Equipment Expense:			
Contractual Services:			
Annual Inspections & Maintenance/Licensing	17,500	22,479	22,479
Building Repairs	29,000	29,000	6,325
Grass Cutting, Landscaping and Snow Removal	9,000	9,010	6,010
Heating & Electricity	26,000	35,349	27,349
Medical Expenses for Firefighters	5,000	5,000	1,613
Radio Communications Service/Repairs	1,750	2,326	1,326
Equipment Repairs	35,000	87,801	83,648
Water and Sewer	2,500	2,914	1,914
Annual Maintenance & Pump Testing	12,000	12,000	5,623
Hose Testing	3,200	3,200	-
Starcom Airway Fee	19,000	19,083	18,083
Voice, Cable & Internet	20,000	30,791	25,948
Web Page, Email & Hosting	800	2,157	1,657
Materials and Supplies:			
EMS Supplies	20,000	20,000	15,242
Uniforms and Apparel	52,000	55,493	55,361
Gasoline, Oil and Grease	26,000	26,507	23,717
Miscellaneous Equipment & Supplies	17,000	22,264	20,028
Fire Hose	4,000	4,000	-
Computer Equipment and Supplies	6,800	26,799	24,178
Small Tools & Equipment	9,000	9,789	6,901
Salary/Payroll and Benefits			
Personal Services:			
Payroll - FF & EMTP	1,062,000	1,162,173	1,152,486
Chief/EMS Director Salary	70,000	70,000	68,687
Administrative Assistant Salary	51,000	51,125	51,125
Trustees' Salaries	11,250	11,250	11,250
Payroll Taxes	95,000	101,654	98,695
Retirement Plan	57,000	57,000	47,908
Health and Life Insurance	180,000	199,754	199,754
Contractual Services:			
Legal Fees	15,000	16,653	14,993

GLEN CARBON FIRE PROTECTION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (MODIFIED CASH BASIS)
FOR THE YEAR ENDED MAY 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Cash Disbursements:			
Current:			
Insurance Expense:			
Contractual Services:			
Bonds	550	550	510
Liability and Property Insurance	46,450	46,450	41,248
Worker's Compensation Insurance	80,000	113,085	113,085
Contingency	116,761	120,493	78,048
Debt Payment - Ambulance/Equipment	55,000	55,000	51,015
Debt Payment - Fire Station	1,902,801	1,602,913	518,500
Capital Outlay:			
Accessories & Equipment for Fire Truck/Ambulance	35,000	35,246	14,545
Communication Equipment & Siren Purchase	28,000	38,658	38,658
Fire Apparatus/Ambulance Acquisition	736,000	736,000	-
Property/Building Additions	<u>2,275,000</u>	<u>2,276,039</u>	<u>1,935,601</u>
Total Cash Disbursements	<u>7,268,872</u>	<u>7,268,872</u>	<u>4,905,472</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (4,466,372)</u>	<u>\$ (4,466,372)</u>	(1,880,508)
No change for modified cash basis			-
Per the Statement of Activities and Statement of Revenues and Expenditures Arising From Modified Cash Basis Transactions			<u>\$ (1,880,508)</u>