



**GLEN CARBON FIRE PROTECTION DISTRICT**

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED  
MAY 31, 2021

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**GLEN CARBON FIRE PROTECTION DISTRICT**

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

David M. Bartosiak  
Cindy A. Tefteller  
Kevin J. Tepen

## 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, 2021, 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, 2021, 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. Schmitt & Company LLC*

Certified Public Accountants  
Alton, Illinois

November 22, 2021

## 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, 2021. 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, 2021, the District's assets exceeded liabilities by \$4,503,168.

	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
<u>Fund Balance/Net Position</u>				
Unrestricted	\$ 1,987,099	0.441	\$ 2,585,864	0.547
Net Investment in Capital Assets	<u>2,516,069</u>	<u>0.559</u>	<u>2,139,585</u>	<u>0.453</u>
	<u>\$ 4,503,168</u>	<u>1.000</u>	<u>\$ 4,725,449</u>	<u>1.000</u>

A portion of this balance, \$1,987,099, is unrestricted and available to use as the District desires. The unrestricted balance decreased \$598,765 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 \$222,281 to an ending balance of \$4,503,168.

**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>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
Property Taxes	\$ 2,433,977	0.823	\$ 2,308,957	0.781
Intergovernmental	38,733	0.013	32,665	0.011
Grant Receipts	-	0.000	17,293	0.006
TIF Allocation Payment	-	0.000	111,641	0.038
Charges for Services	426,436	0.144	478,401	0.162
Investment Earnings	12,258	0.004	39,893	0.013
Gain (Loss) on Asset Disposal	40,000	0.014	-	0.000
Miscellaneous	6,141	0.002	36,114	0.012
	<u>\$ 2,957,545</u>	<u>1.000</u>	<u>\$ 3,024,964</u>	<u>1.023</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 received a distribution of TIF surplus from the Village of Glen Carbon in the prior year as well as money from grants in the prior year.

Changes in Expenditures

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

	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
Personal Services	\$ 1,632,866	0.459	\$ 1,629,905	0.331
Contractual Services	581,336	0.163	562,695	0.114
Materials and Supplies	313,534	0.088	113,839	0.023
Debt Service	670,405	0.189	575,794	0.117
Capital Outlay	<u>358,169</u>	<u>0.101</u>	<u>2,046,181</u>	<u>0.415</u>
	<u>\$ 3,556,310</u>	<u>1.000</u>	<u>\$ 4,928,414</u>	<u>1.000</u>

Expenditures decreased by \$1,372,104 from the prior year. Debt service costs increased due to an additional principal payment from excess bond proceeds. Capital outlay decreased due to finalizing the construction costs related to the new fire station.

**CAPITAL ASSETS**

The District expended \$358,169 on fire protection and ambulance capital outlay. The additions were primarily comprised of final construction costs related to the new fire station and the purchase of two vehicles. Depreciation expense on the District's capital assets was \$413,858 for the period ended May 31, 2021. 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 \$506,900 due to normal debt maturity payments in addition to a payment of excess bond proceeds that was applied to bond principal. 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 \$4,396,310 of which the District only spent \$3,556,310 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, 2021

	<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	\$ 1,987,590	\$ -	\$ 1,987,590
Advance Payment	3,370	-	3,370
Capital Assets:			
Land	-	383,676	383,676
Buildings and Improvements	-	7,052,951	7,052,951
Equipment	-	1,381,656	1,381,656
Vehicles	-	2,830,475	2,830,475
Accumulated Depreciation	-	<u>(3,922,903)</u>	<u>(3,922,903)</u>
Total Assets	<u>1,990,960</u>	<u>7,725,855</u>	<u>9,716,815</u>
<b><u>Liabilities</u></b>			
Payroll Withholdings	3,861	-	3,861
Noncurrent Liabilities:			
Due Within One Year	-	305,556	305,556
Due in More Than One Year	-	<u>4,904,230</u>	<u>4,904,230</u>
Total Liabilities	<u>3,861</u>	<u>5,209,786</u>	<u>5,213,647</u>
<b><u>Fund Balance/Net Position</u></b>			
Fund Balance/Net Position:			
Unrestricted	<u>1,987,099</u>	-	1,987,099
Total Liabilities and Fund Balance	<u>\$ 1,990,960</u>		
Net Investment in Capital Assets		<u>2,516,069</u>	<u>2,516,069</u>
Total Net Position		<u>2,516,069</u>	<u>\$ 4,503,168</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, 2021

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 1,987,099
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.	7,725,855
Long-term debt used in governmental activities are not reported on the statement of assets, liabilities, and fund balances of the governmental funds.	<u>(5,209,786)</u>
Net position of governmental activities	<u>\$ 4,503,168</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, 2021

	<u>General Fund</u>	<u>Adjustments (See Page 10)</u>	<u>Statement of Activities</u>
Cash Receipts			
Property Taxes	\$ 2,433,977	\$ -	\$ 2,433,977
Replacement Tax	11,769	-	11,769
2% Foreign Fire Tax	26,964	-	26,964
Charges for Services	426,436	-	426,436
Interest Income	12,258	-	12,258
Sale of Assets	40,000	(74,727)	(34,727)
Miscellaneous	6,141	-	6,141
Total Revenues	<u>2,957,545</u>	<u>(74,727)</u>	<u>2,882,818</u>
Expenditures/Expenses:			
Fire Protection:			
Current:			
Personal Services	1,632,866	-	1,632,866
Contractual Services	581,336	-	581,336
Materials and Supplies	313,534	-	313,534
Depreciation	-	413,858	413,858
Debt Service:			
Principal	506,900	(506,900)	-
Interest and Costs	163,505	-	163,505
Capital Outlay	358,169	(358,169)	-
Total Expenditures/Expenses	<u>3,556,310</u>	<u>(451,211)</u>	<u>3,105,099</u>
Excess (Deficiency) of Revenues Over Expenditures	(598,765)	376,484	(222,281)
Fund Balances/Net Position:			
Beginning of the Year	<u>2,585,864</u>	<u>2,139,585</u>	<u>4,725,449</u>
End of the Year	<u>\$ 1,987,099</u>	<u>\$ 2,516,069</u>	<u>\$ 4,503,168</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, 2021

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

Net change in fund balances - total governmental funds \$ (598,765)

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 (\$413,858) and loss on disposals exceeds current year capital additions (\$358,169) in the current year.

(130,416)

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.

506,900

Change in net position of governmental activities \$ (222,281)

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

**GLEN CARBON FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2021

**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 22, 2021 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 August 25, 2020, 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 29, 2021.

**NOTE 3: CASH AND CASH EQUIVALENTS**

As of May 31, 2021, the carrying amount of the District's cash and cash equivalents was \$1,987,590 and the respective bank balances totaled \$2,223,028. 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, 2021 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	6,988,707	104,682	40,438	7,052,951
Vehicles	2,841,400	197,500	208,425	2,830,475
Equipment	<u>1,583,576</u>	<u>55,987</u>	<u>257,907</u>	<u>1,381,656</u>
Total capital assets being depreciated	<u>11,413,683</u>	<u>358,169</u>	<u>506,770</u>	<u>11,265,082</u>
Less accumulated depreciation for:				
Buildings and improvements	917,910	183,911	18,471	1,083,350
Vehicles	1,846,382	96,429	155,665	1,787,146
Equipment	<u>1,176,796</u>	<u>133,518</u>	<u>257,907</u>	<u>1,052,407</u>
Total accumulated depreciation	<u>3,941,088</u>	<u>413,858</u>	<u>432,043</u>	<u>3,922,903</u>
Total capital assets being depreciated, net	<u>7,472,595</u>	<u>(55,689)</u>	<u>74,727</u>	<u>7,342,179</u>
Governmental activities capital assets, net	<u>\$ 7,856,271</u>	<u>\$ (55,689)</u>	<u>\$ 74,727</u>	<u>\$ 7,725,855</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, 2021 was \$413,858.

**NOTE 5: LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the District for the year ended May 31, 2021:

Payable June 1, 2020	\$ 5,716,686
Additions	--
Retirements	<u>506,900</u>
Payable May 31, 2021	<u>\$ 5,209,786</u>

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

The long-term debt at May 31, 2021 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 \$5,198,324.

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 \$11,462.

The annual requirements to amortize the debt outstanding as of May 31, 2021, including interest of \$1,526,242, are as follows:

Fiscal Year Ended	Governmental Activities	
	Principal	Interest
<u>May 31,</u>		
2022	\$ 305,556	\$ 127,562
2023	305,906	119,892
2024	300,000	112,199
2025	300,000	104,879
2026	300,000	97,559
2027-2031	1,500,000	377,996
2031-2035	1,500,000	218,970
2036-2039	<u>698,324</u>	<u>32,742</u>
	<u>\$ 5,209,786</u>	<u>\$ 1,191,799</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 2020 was 5.21 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>17</u>
Total	<u>24</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 2.00%; and the resulting single discount rate is 7.25%.

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

Actuarial Valuation Date	12/31/20
Measurement Date of the Net Pension Liability	12/31/20
Fiscal Year End	05/31/21

Development of the Single Discount Rate as of December 31, 2020	
Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	2.00%
Last year ending December 31 in the 2021 to 2120 projection period for which projected benefit payments are fully funded	2120
Resulting Single Discount Rate based on the above development	7.25%
Single Discount Rate calculated using December 31, 2019 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, 2020.

*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	\$ 74,856
Interest on the Total Pension Liability	68,946
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	12,062
Changes of assumptions	(19,356)
Benefit payments, including refunds of employee contributions	<u>(18,653)</u>
Net change in total pension liability	\$ 117,855
Total pension liability - beginning	<u>922,873</u>
Total pension liability - ending	<u>\$ 1,040,728</u>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 46,840
Contributions - employee	40,458
Net investment income	129,318
Benefit payments, including refunds of employee contributions	(18,653)
Other	<u>(5,975)</u>
Net change in plan fiduciary net position	\$ 191,988
Plan fiduciary net position - beginning	<u>996,355</u>
Plan fiduciary net position - ending	<u>\$ 1,188,343</u>
<b>Net pension liability/(asset)</b>	<u>\$ (147,615)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	114.18%
<b>Covered valuation payroll</b>	\$ 899,055
<b>Net pension liability as a percentage of covered valuation payroll</b>	-16.42%

**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 <u>6.25%</u>	Current Single Discount Rate Assumption <u>7.25%</u>	1% Increase <u>8.25%</u>
Total Pension Liability	\$ 1,209,628	\$ 1,040,728	\$ 938,964
Plan Fiduciary Net Position	<u>1,188,343</u>	<u>1,188,343</u>	<u>1,188,343</u>
Net Pension Liability/(Asset)	<u>\$ 21,285</u>	<u>\$ (147,615)</u>	<u>\$ (249,379)</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	\$ 43,311	\$ 110,105
Changes in assumptions	24,494	33,148
Subsequent employer contributions	20,326	-
Net difference between projected and actual earnings on pension plan investments	-	62,480
Total	<u>\$ 88,131</u>	<u>\$ 205,733</u>

Year Ending <u>December 31,</u>	Net Deferred Inflows of <u>Resources</u>
2021	\$ (26,613)
2022	(17,635)
2023	(34,426)
2024	(20,014)
2025	(9,052)
Thereafter	<u>(30,188)</u>
	<u>\$ (137,928)</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 2020 levy on November 24, 2020. 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, 2021. 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>2020</u>	<u>2019</u>	<u>2018</u>
<u>Tax Rate:</u>				
General	\$ .3000	\$ .2931	\$ .2872	\$ .2799
Insurance		.0357	.0350	.0373
Ambulance	.3000	<u>.2931</u>	<u>.2872</u>	<u>.2799</u>
		<u>\$ .6219</u>	<u>\$ .6094</u>	<u>\$ .5971</u>
Assessed Valuations		<u>\$ 412,615,611</u>	<u>\$ 400,904,563</u>	<u>\$ 389,504,283</u>
Tax Extension		<u>\$ 2,566,056</u>	<u>\$ 2,443,112</u>	<u>\$ 2,325,730</u>
Tax Collections		<u>\$ --</u>	<u>\$ 2,433,949</u>	<u>\$ 2,308,913</u>
Percent Collected		<u>-- %</u>	<u>99.62%</u>	<u>99.28%</u>

**GLEN CARBON FIRE PROTECTION DISTRICT**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (MODIFIED CASH BASIS)  
 FOR THE YEAR ENDED MAY 31, 2021

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
Cash Receipts:			
Property Taxes	\$ 2,400,000	\$ 2,443,112	\$ 2,433,977
Corporate Personal Property			
Replacement Taxes	10,000	10,000	11,769
2% Foreign Fire Tax	15,000	23,000	26,964
Charges for Services	460,000	480,000	426,436
Interest Income	4,700	39,500	12,258
Sale of Assets	-	-	40,000
Miscellaneous	5,800	8,150	6,141
Total Cash Receipts	<u>2,895,500</u>	<u>3,003,762</u>	<u>2,957,545</u>
Cash Disbursements:			
Current:			
Administrative:			
Contractual Services:			
Education and Training	28,000	30,879	28,457
Fire Chief and Assistants Meeting	300	191	191
IAFPD Dues and Indemnity Fund	125	150	-
Janitorial Services	6,200	9,714	9,714
MCFA Dues and Death Assessments	1,500	1,500	927
Printing, Postage, Bank Fee, Box Rental	2,300	621	521
Publications	1,000	4,586	4,586
MCFA Meeting	-	1,500	824
Public Education	3,000	1,500	683
Software Licensing	14,500	25,379	15,379
Payroll Service	8,000	5,535	5,535
Employee Awards/Recognition	3,200	6,000	3,853
Child Passenger Seat	1,400	1,400	95
Annual Dues/IFFFA/Haz Mat/Code Red/MABAS	2,000	1,900	1,300
Bank Fees	550	946	297
Billing Services	31,000	34,478	34,478
Dispatch Services	18,435	40,370	40,370
Audits	4,000	5,000	4,200
Materials and Services:			
Office Furniture, Equipment and Supplies	11,000	16,797	11,335



**GLEN CARBON FIRE PROTECTION DISTRICT**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (MODIFIED CASH BASIS)  
FOR THE YEAR ENDED MAY 31, 2021

	<u>Budgeted Amounts</u>		Actual
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Cash Disbursements:			
Current:			
Ambulance/Fire Equipment Expense:			
Contractual Services:			
Annual Inspections & Maintenance/Licensing	17,500	32,321	20,706
Building Repairs	29,000	15,565	15,569
Grass Cutting, Landscaping and Snow Removal	9,000	33,913	33,913
Heating & Electricity	26,000	30,000	27,062
Medical Expenses for Firefighters	5,000	23,000	17,817
Radio Communications Service/Repairs	1,750	7,833	7,787
Equipment Repairs	35,000	60,738	60,698
Water and Sewer	2,500	2,000	1,353
Annual Maintenance & Pump Testing	12,000	12,808	12,557
Hose Testing	3,200	5,000	-
Starcom Airway Fee	19,000	26,430	26,430
Voice, Cable & Internet	20,000	28,499	18,635
Web Page, Email & Hosting	800	9,303	9,303
Materials and Supplies:			
EMS Supplies	20,000	27,704	26,218
Uniforms and Apparel	52,000	32,593	31,562
Gasoline, Oil and Grease	26,000	35,630	21,626
Miscellaneous Equipment & Supplies	17,000	83,528	83,528
Fire Hose	4,000	29,119	29,119
Computer Equipment and Supplies	6,800	26,000	16,016
Small Tools & Equipment	9,000	58,476	58,476
Salary/Payroll and Benefits			
Personal Services:			
Payroll - FF & EMTP	1,150,000	1,341,670	1,152,854
Chief/EMS Director Salary	70,000	82,788	10,663
Administrative Assistant Salary	51,000	133,606	82,866
Trustees' Salaries	11,250	11,250	11,250
Payroll Taxes	95,000	129,863	104,150
Retirement Plan	57,000	61,000	43,859
Health and Life Insurance	180,000	227,224	227,224
Contractual Services:			
Legal Fees	15,000	19,279	15,696

**GLEN CARBON FIRE PROTECTION DISTRICT**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (MODIFIED CASH BASIS)  
 FOR THE YEAR ENDED MAY 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>
	<u>Original</u>	<u>Final</u>	
Cash Disbursements:			
Current:			
Insurance Expense:			
Contractual Services:			
Bonds	550	520	255
Liability and Property Insurance	46,450	40,900	40,900
Worker's Compensation Insurance	100,000	100,000	103,722
Contingency	250,000	253,048	17,523
Debt Payment - Ambulance/Equipment	55,000	-	6,279
Debt Payment - Fire Station	1,200,000	1,720,166	664,126
Capital Outlay:			
Accessories & Equipment for Fire Truck/Ambulance	35,000	60,407	64,967
Communication Equipment & Siren Purchase	28,000	29,020	26,586
Fire Apparatus/Ambulance Acquisition	500,000	486,000	197,587
Property/Building Additions	100,000	106,000	104,683
Total Cash Disbursements	<u>4,396,310</u>	<u>5,571,647</u>	<u>3,556,310</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (1,500,810)</u>	<u>\$ (2,567,885)</u>	(598,765)
No change for modified cash basis			-
Per the Statement of Activities and Statement of Revenues and Expenditures Arising From Modified Cash Basis Transactions			<u>\$ (598,765)</u>