



**GLEN CARBON FIRE PROTECTION DISTRICT**  
**GLEN CARBON, ILLINOIS**

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED  
MAY 31, 2023

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**GLEN CARBON FIRE PROTECTION DISTRICT**

TABLE OF CONTENTS  
MAY 31, 2023

	<u>Page</u>
<b>Independent Auditor's Report</b>	1 - 2
<b>Management's Discussion and Analysis (Other Information)</b>	3 - 7
<b>Basic Financial Statements:</b>	
Statement of Net Position and Statement of Assets, Liabilities, And Fund Balances Arising From Modified Cash Basis Transactions – Governmental Funds	8
Reconciliation of the Statement of Assets, Liabilities, and Fund Balances Arising From Modified Cash Basis Transactions to the Statement of Net Position	9
Statement of Activities and Statement of Revenues and Expenditures Arising From Modified Cash Basis Transactions – Governmental Funds	10
Reconciliation of the Statement of Revenues and Expenditures Arising From Modified Cash Basis Transactions to the Statement of Activities	11
Statement of Fiduciary Net Position	12
Statement of Changes in Fiduciary Net Position	13
Notes to the Financial Statements	14 – 24
<b>Other Information:</b>	
Budgetary Comparison Schedule – General Fund (Modified Cash Basis)	25 - 27

## 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, 2023, 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, 2023, 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 management's discussion and analysis and 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. Schlosser & Company LLC*  
Certified Public Accountants  
Alton, Illinois  
April 11, 2024

**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, 2023. 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 8 and 10 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 8 and 10 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 14 to 24 of this report.

Basis of Accounting

The District presents its financial statements on the modified cash basis of accounting. The modified cash basis of accounting is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets and liabilities. Under the District's modified cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from cash transactions, except for the recording of depreciation expense related to capital assets in the government-wide financial statements for all activities.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable, accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The District presents its financial statements under the reporting model pursuant to Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$4,714,434 at the close of the most recent fiscal year.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to citizens; consequentially, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

The condensed statement of net position is as follows:

	<u>Governmental Activities</u>	
	<u>May 31,</u> <u>2023</u>	<u>May 31,</u> <u>2022</u>
Current and other assets	\$ 2,096,071	\$ 1,875,384
Capital assets	7,191,437	7,496,375
Total assets	<u>9,287,508</u>	<u>9,371,759</u>
Long-term liabilities outstanding	<u>4,573,074</u>	<u>4,908,303</u>
Total liabilities	<u>4,573,074</u>	<u>4,908,303</u>
Net position:		
Net investment in capital assets	2,618,363	2,592,765
Unrestricted	2,096,071	1,870,691
Total net position	<u>\$ 4,714,434</u>	<u>\$ 4,463,456</u>

Total net position increased \$250,978 resulting in a balance of \$4,714,434 as of May 31, 2023. Total current assets, which are comprised of cash and cash equivalents, increased \$220,687. Non-current assets decreased \$304,938 due primarily to the increase in capital assets of \$78,981 being less than depreciation expense of \$380,919.

Total liabilities decreased in the current year by \$335,229 for an ending total balance of \$4,573,074. The decrease is due primarily to scheduled debt principal payments.

The change in net position is further examined in the Analysis of Net Position section of the MD&A.

Analysis of Net Position

Over time, net position may serve as a useful indicator of a government's financial position. At May 31, 2023, the District's assets exceeded liabilities by \$4,714,434.

	<u>2023</u>	<u>%</u>	<u>2022</u>	<u>%</u>
<u>Fund Balance/Net Position</u>				
Unrestricted	\$ 2,096,071	0.445	\$ 1,870,691	0.419
Net Investment in Capital Assets	<u>2,618,363</u>	<u>0.555</u>	<u>2,592,765</u>	<u>0.581</u>
	<u>\$ 4,714,434</u>	<u>1.000</u>	<u>\$ 4,463,456</u>	<u>1.000</u>

A portion of this balance, \$2,096,071, is unrestricted and available to use as the District desires. The unrestricted balance increased \$225,380 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 increased in the current year by \$250,978 to an ending balance of \$4,714,434.

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

Changes in Cash Receipts and Cash Disbursements

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

	<u>2022</u>	<u>%</u>	<u>2022</u>	<u>%</u>
Cash Receipts:				
Property Taxes	\$ 2,684,346	0.729	\$ 2,553,324	0.793
Intergovernmental	67,756	0.018	46,662	0.014
Charges for Services	821,992	0.223	577,044	0.179
Investment Earnings	6,565	0.002	1,397	0.000
Gain (Loss) on Asset Disposal	-	0.000	30,010	0.009
IMRF Reimbursement	60,750	0.016	-	0.000
Miscellaneous	40,594	0.011	10,999	0.003
	<u>\$ 3,682,003</u>	<u>1.000</u>	<u>\$ 3,219,436</u>	<u>1.000</u>
Cash Disbursements:				
Personal Services	\$ 2,052,237	0.594	\$ 1,867,222	0.560
Contractual Services	667,240	0.193	555,703	0.167
Materials and Supplies	230,446	0.067	163,365	0.049
Debt Service	430,719	0.125	460,794	0.138
Capital Outlay	75,981	0.022	288,760	0.087
	<u>\$ 3,456,623</u>	<u>1.000</u>	<u>\$ 3,335,844</u>	<u>1.000</u>
Excess (Deficiency)	<u>\$ 225,380</u>		<u>\$ (116,408)</u>	

The District reported increases for property taxes and intergovernmental taxes. The District received credit from IMRF for amounts related to participants that transferred to the Fire Pension Fund. The District also sold a 2012 ambulance that was not fully depreciated in the prior year.

Expenditures increased by \$120,779 from the prior year. The largest category of expenditures is related to personal services which includes salaries, payroll taxes, retirement payments and health insurance.

The total increase for 2023 was \$225,380 compared to a deficiency of \$116,408 in the prior year.

**CAPITAL ASSETS**

The District expended \$75,981 on fire protection and ambulance capital outlay. The additions were primarily comprised of turnout gear and miscellaneous other equipment. Depreciation expense on the District's capital assets was \$380,919 for the period ended May 31, 2023. 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, 2023

	<u>General Fund</u>	<u>Adjustments (See Page 9)</u>	<u>Statement of Net Position</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 2,045,305	\$ -	\$ 2,045,305
Advance Payment	50,766	-	50,766
Capital Assets:			
Land	-	383,676	383,676
Buildings and Improvements	-	7,052,951	7,052,951
Equipment	-	1,504,052	1,504,052
Vehicles	-	2,804,485	2,804,485
Accumulated Depreciation	-	<u>(4,553,727)</u>	<u>(4,553,727)</u>
Total Assets	<u>2,096,071</u>	<u>7,191,437</u>	<u>9,287,508</u>
<b><u>Liabilities</u></b>			
Noncurrent Liabilities:			
Due Within One Year	-	300,000	300,000
Due in More Than One Year	-	<u>4,273,074</u>	<u>4,273,074</u>
Total Liabilities	-	<u>4,573,074</u>	<u>4,573,074</u>
<b><u>Fund Balance/Net Position</u></b>			
Fund Balance/Net Position:			
Unrestricted/Unassigned	<u>2,096,071</u>	-	2,096,071
Total Liabilities and Fund Balance	<u>\$ 2,096,071</u>		
Net Investment in Capital Assets		<u>2,618,363</u>	<u>2,618,363</u>
Total Net Position		<u>2,618,363</u>	<u>\$ 4,714,434</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, 2023

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 2,096,071
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.	7,191,437
Long-term debt used in governmental activities are not reported on the statement of assets, liabilities, and fund balances of the governmental funds.	<u>(4,573,074)</u>
Net position of governmental activities	<u>\$ 4,714,434</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, 2023

	<u>General Fund</u>	<u>Adjustments (See Page 11)</u>	<u>Statement of Activities</u>
Cash Receipts:			
Property Taxes	\$ 2,684,346	\$ -	\$ 2,684,346
Replacement Tax	32,414	-	32,414
2% Foreign Fire Tax	35,342	-	35,342
Charges for Services	821,992	-	821,992
Interest Income	6,565	-	6,565
IMRF Reimbursement	60,750	-	60,750
Miscellaneous	<u>40,594</u>	<u>-</u>	<u>40,594</u>
Total Revenues	<u>3,682,003</u>	<u>-</u>	<u>3,682,003</u>
Expenditures/Expenses:			
Fire Protection:			
Current:			
Personal Services	2,052,237	-	2,052,237
Contractual Services	667,240	-	667,240
Materials and Supplies	230,446	-	230,446
Depreciation	-	380,919	380,919
Debt Service:			
Principal	330,536	(330,536)	-
Interest and Costs	100,183	-	100,183
Capital Outlay	<u>75,981</u>	<u>(75,981)</u>	<u>-</u>
Total Expenditures/Expenses	<u>3,456,623</u>	<u>(25,598)</u>	<u>3,431,025</u>
Excess of Revenues Over Expenditures	225,380	25,598	250,978
Fund Balances/Net Position:			
Beginning of the Year	<u>1,870,691</u>	<u>2,592,765</u>	<u>4,463,456</u>
End of the Year	<u>\$ 2,096,071</u>	<u>\$ 2,618,363</u>	<u>\$ 4,714,434</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, 2023

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

Net change in fund balances - total governmental funds \$ 225,380

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 (\$380,919) and loss on disposals exceeds current year capital  
additions (\$75,981) in the current year. (304,938)

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. 330,536

Change in net position of governmental activities \$ 250,978

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

**GLEN CARBON FIRE PROTECTION DISTRICT**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND - FIRE PENSION TRUST FUND  
FOR THE YEAR ENDED MAY 31, 2023

<u>Assets</u>	
Cash and Cash Equivalents	\$ 23,760
Investments	<u>188,110</u>
Total Assets	<u>211,870</u>
 <u>Liabilities</u>	
None	<u>-</u>
Total Liabilities	<u>-</u>
 <u>Net Position</u>	
Held in Trust For Pension Benefits and Other Purposes	 <u>\$ 211,870</u>

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

**GLEN CARBON FIRE PROTECTION DISTRICT**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND - FIRE PENSION TRUST FUND  
FOR THE YEAR ENDED MAY 31, 2023

Additions:	
Employer Contributions	\$ 176,902
Employee Contributions	57,860
Investment Income:	
Investment Income	(121)
Less: Investment Expense	<u>(53)</u>
Net Investment Income	<u>(174)</u>
Total Additions	<u>234,588</u>
Deductions:	
Administrative Expenses	<u>22,718</u>
Total Deductions	<u>22,718</u>
Change in Net Position	211,870
Net Position - Beginning of Year	<u>-</u>
Net Position - End of Year	<u>\$ 211,870</u>

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

**GLEN CARBON FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2023

**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 the modified cash basis of accounting 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.

The statement of activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program receipts are reported instead as general receipts.

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.

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

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

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.

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

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.

**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 April 11, 2024 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 26, 2022, 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.

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

**NOTE 3: CASH AND CASH EQUIVALENTS**

District Funds

As of May 31, 2023, the carrying amount of the District's cash and cash equivalents was \$2,045,305 and the respective bank balances totaled \$2,090,246. The entire balance was either insured through the Federal Depository Insurance Corporation (FDIC) or collateralized with investments held by the depository bank in the District's name.

Credit Risk. As of May 31, 2023, the District did not have an investment credit risk.

Concentration of Credit Risk. As of May 31, 2023, the District did not have a concentration of credit risk related to the investments.

Foreign Currency Risk. As of May 31, 2023, the District has no foreign currency risk.

Fire Pension Fund

At May 31, 2023, the carrying amount and bank balances of the Fire Pension Fund's deposits were \$23,760. The deposits are comprised of checking accounts.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Fire Pension's deposits may not be returned to it. The Fire Pension requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the Fire Pension's name.

As of May 31, 2023, the Fire Pension Fund has transferred all the investment funds to the Illinois Firefighter's Pension Investment Fund (IFPIF) investment account. The IFPIF is a pooled investment account maintained by the State of Illinois. The District's portion of the balance held in this investment pool is \$188,110 as of May 31, 2023.

Interest Rate Risk. The Fire Pension Fund's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

The long-term asset allocation is determined by the Illinois Firefighter's Pension Investment Fund and is as follows as of May 31, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
U.S. Equity	25.00%	5.20%
Developed Market Equity	13.00	5.60
Emerging Market Equity	7.00	5.50
Private Equity	10.00	8.60
Public Credit	3.00	1.90
Private Credit	7.00	7.00
Core Fixed Income	9.00	1.80
Core Plus Fixed Income	9.00	2.40
Short Term Treasuries	3.00	.30
Real Estate	10.00	4.90
Infrastructure	<u>4.00</u>	5.10
Total	<u>100.00%</u>	

Credit Risk. As of May 31, 2023, the Fire Pension Fund did not have an investment credit risk.

Concentration of Credit Risk. As of May 31, 2023, the Fire Pension Fund did not have a concentration of credit risk related to the investments.

Foreign Currency Risk. As of May 31, 2023, the Fire Pension Fund has no foreign currency risk.

**NOTE 4: RETIREMENT FUND COMMITMENTS**

1. 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).

*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 2022 was 4.41 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.

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

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

Retirees and Beneficiaries	1
Inactive, non-Retired Members	16
Active Members	<u>4</u>
Total	<u>21</u>

The total expense related to IMRF was \$12,601 in the current year.

2. Fire Pension Fund

Plan Description

*Plan Administration.* The Board consists of four appointed members and one active member of the fire department elected by the membership.

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

Plan Membership as of May 31, 2023

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	0
Active Plan Members	<u>9</u>
Total	<u>9</u>

*Benefits Provided.*

The Plan provides retirement, termination, disability, and death benefits.

*Normal Retirement:*

Tier 1: Age 50 and 20 years of Credited Service. Tier 2: Age 55 with 10 years of Credited Service. Benefit: Tier 1: 50% of annual salary attached to rank on last day of service plus 2.5% of annual salary for each year over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is \$1,159.27 per month. Tier 2: 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service. The maximum benefit is 75% of average salary.

*Cost of Living Adjustment:*

Tier 1 Retirees: An annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55. Disabled Retirees: An annual increase equal to 3.00% per year of the original benefit amount beginning at age 60. Those that become disabled prior to age 60 receive an increase of 3.00 of the original benefit amount for each year since benefit commencement upon reaching age 60. Tier 2: An annual increase each January 1 equal to 3.00 per year or one-half

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

of the annual unadjusted percentage increase in the consumer price index-u for the twelve months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

**Disability Benefit:**

Eligibility: Total and permanent as determined by the Board of Trustees. Seven years of service required for non-service connected disability. Benefit: A maximum of: a.) 65% of salary attached to the rank held by the member on last day of service, and; b.) The monthly retirement pension that the member is entitled to receive if he or she retired immediately. For non-service connected disabilities, a benefit of 50% of salary attached to rank held by member on last day of service.

**Pre-Retirement Death Benefit:**

Service Incurred: 100% of salary attached to rank held by member on last day of service. Non-Service Incurred: A maximum of: a.) 54% of salary attached to the rank held by member on last day of service, and; b.) The monthly retirement pension earned by the deceased member at time of death, regardless of whether death occurs before or after age 50.

**Vesting (Termination):**

Less than 10 years: Refund of Member Contributions.

10 or more years: Either the termination benefit, payable upon reaching age 60, provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is based on the monthly salary attached to the Member's rank at separation from service.

The following schedule applies:

<u>Service</u>	<u>% of Salary</u>
10	15.0%
11	17.6%
12	20.4%
13	23.4%
14	26.6%
15	30.0%
16	33.6%
17	37.4%
18	41.4%
19	45.6%

**Contributions.**

Employee: 9.455% of Salary. District: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability by December 31, 2040.

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

Investments

Investment Policy:

The Board invests the pension funds in accordance with limits as provided in the Illinois Compiled Statutes.

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

Rate of Return:

For the year ended May 31, 2023, the rate of return on Pension Plan investments, net of pension plan investment expense, was negative. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**NOTE 5: LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the District for the year ended May 31, 2023:

Payable June 1, 2022	\$ 4,903,610
Additions	--
Retirements	<u>330,536</u>
Payable May 31, 2023	<u>\$ 4,573,074</u>

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 \$4,573,074.

The annual requirements to amortize the debt outstanding as of May 31, 2023, including interest of \$906,910 are as follows:

Fiscal Year Ended	Governmental Activities		
	Principal	Interest	Total
May 31,			
2024	\$ 305,537	\$ 111,583	\$ 417,120
2025	305,672	104,128	409,800
2026	305,810	96,670	402,480
2027	305,952	89,208	395,160
2028	306,098	81,742	387,840
2029-2033	1,541,035	301,865	1,842,900
2034-2038	<u>1,502,970</u>	<u>121,714</u>	<u>1,624,684</u>
	<u>\$ 4,573,074</u>	<u>\$ 906,910</u>	<u>\$ 5,479,984</u>



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

**NOTE 6: CAPITAL ASSETS**

Capital asset activity for the period ended May 31, 2023 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>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	2,804,485	-	-	2,804,485
Equipment	<u>1,428,071</u>	<u>75,981</u>	-	<u>1,504,052</u>
Total capital assets being depreciated	<u>11,285,507</u>	<u>75,981</u>	-	<u>11,361,488</u>
Less accumulated depreciation for:				
Buildings and improvements	1,265,239	182,216	-	1,447,455
Vehicles	1,810,628	112,067	-	1,922,695
Equipment	<u>1,096,941</u>	<u>86,636</u>	-	<u>1,183,577</u>
Total accumulated depreciation	<u>4,172,808</u>	<u>380,919</u>	-	<u>4,553,727</u>
Total capital assets being depreciated, net	<u>7,112,699</u>	<u>(304,938)</u>	-	<u>6,807,761</u>
Governmental activities capital assets, net	<u>\$ 7,496,375</u>	<u>\$ (304,938)</u>	<u>\$ -</u>	<u>\$ 7,191,437</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, 2023 was \$380,919.

**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 2022 levy on October 25, 2022. 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, 2023. 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 amounts shown as tax receipts in the current year are from the 2021 tax levy.

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>2022</u>	<u>2021</u>	<u>2020</u>
<u>Tax Rate:</u>				
General	\$ .3000	\$ .2865	\$ .2976	\$ .2931
Insurance		.0354	.0364	.0357
Ambulance	.3000	<u>.2865</u>	<u>.2976</u>	<u>.2931</u>
		<u>\$ .6084</u>	<u>\$ .6316</u>	<u>\$ .6219</u>
Assessed Valuations		<u>\$ 461,114,925</u>	<u>\$ 426,227,783</u>	<u>\$ 412,615,611</u>
Tax Extension		<u>\$ 2,805,423</u>	<u>\$ 2,692,055</u>	<u>\$ 2,566,056</u>
Tax Collections		<u>\$ --</u>	<u>\$ 2,684,303</u>	<u>\$ 2,553,300</u>
Percent Collected		<u>-- %</u>	<u>99.71%</u>	<u>99.50%</u>

**GLEN CARBON FIRE PROTECTION DISTRICT**

OTHER INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (MODIFIED CASH BASIS)  
 FOR THE YEAR ENDED MAY 31, 2023

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
Cash Receipts:			
Property Taxes	\$ 2,691,860	\$ 2,691,860	\$ 2,684,346
Corporate Personal Property			
Replacement Taxes	10,000	10,000	32,414
2% Foreign Fire Tax	-	-	35,342
Charges for Services	650,000	650,000	821,992
Interest Income	1,500	1,500	6,565
IMRF Reimbursement	-	-	60,750
Sale of Assets	6,500	6,500	-
Miscellaneous	7,000	7,000	40,594
Total Cash Receipts	<u>3,366,860</u>	<u>3,366,860</u>	<u>3,682,003</u>
Cash Disbursements:			
Current:			
Administrative:			
Contractual Services:			
Education and Training	46,000	46,000	44,140
Fire Chief and Assistants Meeting	500	500	241
IAFPD Dues and Indemnity Fund	1,000	1,000	737
MCFA Dues and Death Assessments	2,000	2,000	1,388
Printing, Postage, Bank Fee, Box Rental	600	600	417
Publications	5,000	5,000	4,839
MCFA Meeting	1,500	1,500	-
Public Education	10,000	10,000	9,432
Software Licensing	25,000	25,000	43,722
Payroll Service	15,000	15,000	12,165
Employee Awards/Recognition	10,000	10,000	9,279
Child Passenger Seat	250	250	-
Annual Dues/IFFFA/Haz Mat/Code Red/MABAS	2,500	2,500	1,481
Bank Fees	1,000	1,000	336
Billing Services	60,000	60,000	38,234
Dispatch Services	25,000	25,000	26,562
Audits	5,000	5,000	-
Cadet Program	4,000	4,000	460
Materials and Services:			
Office Furniture, Equipment and Supplies	500	500	5,345

**GLEN CARBON FIRE PROTECTION DISTRICT**

OTHER INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (MODIFIED CASH BASIS)  
 FOR THE YEAR ENDED MAY 31, 2023

	Budgeted Amounts		Actual
	Original	Final	(Budget Basis)
Cash Disbursements:			
Current:			
Ambulance/Fire Equipment Expense:			
Contractual Services:			
Annual Inspections & Maintenance/Licensing	28,000	28,000	22,588
Building Repairs	20,000	20,000	18,009
Grass Cutting, Landscaping and Snow Removal	35,000	35,000	29,739
Heating & Electricity	35,000	35,000	41,123
Medical Expenses for Firefighters	12,500	12,500	7,082
Radio Communications Service/Repairs	8,000	8,000	6,830
Equipment Repairs	96,500	96,500	100,784
Water and Sewer	2,000	2,000	1,872
Annual Maintenance & Pump Testing	13,000	13,000	-
Hose Testing	5,000	5,000	5,101
Starcom Airway Fee	25,000	25,000	26,367
Voice, Cable & Internet	22,500	22,500	17,465
Web Page, Email & Hosting	5,000	5,000	4,691
Materials and Supplies:			
EMS Supplies	30,000	30,000	28,070
Uniforms and Apparel	12,500	12,500	39,338
Gasoline, Oil and Grease	40,000	40,000	41,653
Miscellaneous Equipment & Supplies	53,500	53,500	58,731
Fire Hose	5,000	5,000	-
Computer Equipment and Supplies	35,000	35,000	30,983
Small Tools & Equipment	22,500	22,500	26,326
Salary/Payroll and Benefits			
Personal Services:			
Payroll - FF & EMTP	1,450,000	1,450,000	1,330,101
Chief/EMS Director Salary	100,000	100,000	99,615
Administrative Assistant Salary	90,000	90,000	90,000
Trustees' Salaries	11,250	11,250	15,000
Payroll Taxes	145,000	145,000	86,758
Retirement Plan	10,000	10,000	15,310
Fire Pension Contribution	125,000	125,000	176,902
Health and Life Insurance	250,000	250,000	238,551
Contractual Services:			
Legal Fees	17,000	17,000	6,836

**GLEN CARBON FIRE PROTECTION DISTRICT**

OTHER INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (MODIFIED CASH BASIS)  
 FOR THE YEAR ENDED MAY 31, 2023

	<u>Budgeted Amounts</u>		Actual
	<u>Original</u>	<u>Final</u>	(Budget Basis)
Cash Disbursements:			
Current:			
Insurance Expense:			
Contractual Services:			
Bonds	1,000	1,000	1,020
Liability and Property Insurance	48,000	48,000	48,716
Worker's Compensation Insurance	106,000	106,000	94,372
Contingency	54,551	54,551	62,979
Debt Payment - Ambulance/Equipment	-	-	6,279
Debt Payment - Fire Station	675,000	675,000	424,440
Capital Outlay:			
Accessories & Equipment for Fire Truck/Ambulance	125,000	125,000	26,927
Communication Equipment & Siren Purchase	40,000	40,000	4,647
Fire Apparatus/Ambulance Acquisition	395,000	395,000	22,640
Property/Building Additions	800,000	800,000	-
Total Cash Disbursements	<u>5,163,651</u>	<u>5,163,651</u>	<u>3,456,623</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (1,796,791)</u>	<u>\$ (1,796,791)</u>	225,380
No change for modified cash basis			-
Per the Statement of Activities and Statement of Revenues and Expenditures Arising From Modified Cash Basis Transactions			<u>\$ 225,380</u>