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

GLEN CARBON FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED
MAY 31, 2011

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GLEN CARBON FIRE PROTECTION DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Glen Carbon Fire Protection District

We have audited the accompanying financial statements of the governmental activities and the major fund of Glen Carbon Fire Protection District (District), as of and for the year ended May 31, 2011 as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the District prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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 Glen Carbon Fire Protection District as of May 31, 2011, and the respective changes in financial position-modified cash basis, thereof for the year than ended in conformity with the basis of accounting described in Note 1.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and retirement funding progress and employer contributions on pages 3 through 6 and 18 through 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considered it to be an essential part of financial reporting for placing basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and

other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide with sufficient evidence to express an opinion or provide any assurance.

C. Q. Schlosser & Company, LLC.
Certified Public Accountants

October 9, 2012

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, 2011. 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) required supplementary 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 Assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 17 of this report.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Assets

Over time, net assets may serve as a useful indicator of a government's financial position. At May 31, 2011, the District's assets exceeded liabilities by \$3,335,273.

	<u>2011</u>	<u>%</u>	<u>2010</u>	<u>%</u>
<u>Fund Balance/Net Assets</u>				
Unrestricted	\$ 1,221,128	0.366	\$ 1,081,004	0.355
Invested in Capital Assets, Net of Related Debt	2,114,145	0.634	1,961,642	0.645
	<u>\$ 3,335,273</u>	<u>1.000</u>	<u>\$ 3,042,646</u>	<u>1.000</u>

A portion of this balance, \$1,221,128, is unrestricted and available to use as the District desires. The unrestricted balance increased approximately \$140,000 over the prior year. The remainder of the District's net assets 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 assets increased in the current year by approximately \$293,000 to an ending balance of \$3,335,273.

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

Changes in Revenues

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

	<u>2011</u>	<u>%</u>	<u>2010</u>	<u>%</u>
Property Taxes	\$ 1,195,571	0.777	\$1,133,753	0.812
Intergovernmental	29,220	0.019	24,200	0.017
Charges for Services	269,016	0.175	219,248	0.157
Investment Earnings	2,004	0.001	2,502	0.002
Miscellaneous	42,446	0.028	16,628	0.012
	<u>\$ 1,538,257</u>	<u>1.000</u>	<u>\$1,396,331</u>	<u>1.000</u>

The largest change in revenues was the increase in property taxes collected as well as the increase in ambulance service fees. Miscellaneous revenue also increased due to receiving insurance proceeds for damage to a roof.

Changes in Expenditures/Expenses

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

	<u>2011</u>	<u>%</u>	<u>2010</u>	<u>%</u>
Personal Services	\$ 728,504	0.514	\$ 715,539	0.392
Contractual Services	237,493	0.167	249,281	0.137
Materials and Supplies	55,276	0.039	49,480	0.027
Debt Service	109,038	0.077	103,197	0.057
Capital Outlay	287,883	0.203	707,116	0.388
	<u>\$ 1,418,194</u>	<u>1.000</u>	<u>\$ 1,824,613</u>	<u>1.000</u>

Expenses decreased \$406,000 from the prior year. The largest change was in capital outlay that was lower in the current year because the District purchased a new fire truck in the prior year at a cost of over \$250,000.

CAPITAL ASSETS

The District expended \$287,883 on fire protection and ambulance equipment. The additions were primarily comprised of a land addition and a New World computer system. Depreciation expense on the District's capital assets was \$202,656 for the period ended May 31, 2011. See Note 4 of the financial statements for additional information related to capital assets.

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

DEBT

The District has two outstanding debt agreements payable as of May 31, 2011. This debt consists of a note related to the construction of a new firehouse that was completed in fiscal year 2001 and a note related to the purchase of a new rescue pumper purchased December 4, 2009. The outstanding balance on these debt agreements as of May 31, 2011 is \$630,549. 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 \$2,610,254 of which the District only spent \$1,418,194 in the current period using the modified cash basis of accounting. The appropriation ordinance was not amended for 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 ASSETS AND STATEMENT OF
ASSETS, LIABILITIES AND FUND BALANCES ARISING
FROM MODIFIED CASH BASIS TRANSACTIONS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MAY 31, 2011

	<u>General Fund</u>	<u>Adjustments (See Page 8)</u>	<u>Statement of Net Assets</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 1,221,128	\$ -	\$ 1,221,128
Capital Assets:			
Land	-	211,169	211,169
Buildings and Improvements	-	1,033,975	1,033,975
Equipment	-	963,014	963,014
Vehicles	-	2,117,549	2,117,549
Accumulated Depreciation	-	(1,581,013)	(1,581,013)
Total Assets	<u>1,221,128</u>	<u>2,744,694</u>	<u>3,965,822</u>
<u>Liabilities</u>			
Notes/Leases Payable:			
Due in Less Than One Year	-	79,661	79,661
Due in More Than One Year	-	550,888	550,888
Total Liabilities	<u>-</u>	<u>630,549</u>	<u>630,549</u>
<u>Fund Balance/Net Assets</u>			
Fund Balance/Net Assets:			
Unrestricted	<u>1,221,128</u>	-	1,221,128
Total Liabilities and Fund Balance	<u>\$ 1,221,128</u>		
Invested in Capital Assets, Net of Related Debt		<u>2,114,145</u>	<u>2,114,145</u>
Total Net Assets		<u>2,114,145</u>	<u>\$ 3,335,273</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 ASSETS
FOR THE YEAR ENDED MAY 31, 2011

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 1,221,128
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds.	2,744,694
Long-term debt used in governmental activities are not reported on the balance sheet of the governmental funds.	(630,549)
Net assets of governmental activities	<u><u>\$ 3,335,273</u></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, 2011

	<u>General Fund</u>	<u>Adjustments (See Page 10)</u>	<u>Statement of Activities</u>
Cash Receipts			
Property Taxes	\$ 1,195,571	\$ -	\$ 1,195,571
Replacement Tax	8,962	-	8,962
2% Foreign Fire Tax	10,258	-	10,258
Intergovernmental	10,000	-	10,000
Charges for Services	269,016	-	269,016
Investment Earnings	2,004	-	2,004
Insurance Proceeds	36,754	-	36,754
Miscellaneous	25,753	(20,061)	5,692
Total Revenues	<u>1,558,318</u>	<u>(20,061)</u>	<u>1,538,257</u>
Expenditures/Expenses:			
Fire Protection:			
Current:			
Personal Services	728,504	-	728,504
Contractual Services	237,493	-	237,493
Materials and Supplies	55,276	-	55,276
Depreciation	-	202,656	202,656
Debt Service:			
Principal	87,337	(87,337)	-
Interest	21,701	-	21,701
Capital Outlay	287,883	(287,883)	-
Total Expenditures/Expenses	<u>1,418,194</u>	<u>(172,564)</u>	<u>1,245,630</u>
Excess of Revenues Over Expenditures	140,124	152,503	292,627
Fund Balances/Net Assets:			
Beginning of the Year	1,081,004	1,961,642	3,042,646
End of the Year	<u>\$ 1,221,128</u>	<u>\$ 2,114,145</u>	<u>\$ 3,335,273</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, 2011

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

Net change in fund balances - total governmental funds	\$ 140,124
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which current year capital outlay exceeds depreciation expense and loss on sale of asset.

65,166

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 issuance costs, premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items.

87,337

Change in net assets of governmental activities	<u><u>\$ 292,627</u></u>
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The notes to the financial statements are an integral part of this statement

GLEN CARBON FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS MAY 31, 2011

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 government'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 assets and the statement of changes in net assets) 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 assets or equity:

Deposits and investments

The District's cash and cash equivalents are comprised of checking accounts, prime investor accounts, and money market funds. Cash and cash equivalents are deposits or short-term investments with original maturities of three months or less.

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)

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 October 9, 2012 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 31, 2010, the District approved an ordinance adopting the appropriation which is the budgetary data reflected in these financial statements. Formal budgetary integration is employed as a management control device during the year for the General Fund.

NOTE 3: CASH AND CASH EQUIVALENTS

As of May 31, 2011, the carrying amount of the District's cash and cash equivalents was \$1,221,128 and the respective bank balances totaled \$1,216,227. The deposits were 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, 2011 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	\$ 127,015	\$ 84,154	\$ -	\$ 211,169
Capital assets, being depreciated:				
Buildings and improvements	1,033,975	-	-	1,033,975
Vehicles	2,114,311	3,238	-	2,117,549
Equipment	786,299	200,491	23,776	963,014
Total capital assets being depreciated	<u>3,934,585</u>	<u>203,729</u>	<u>23,776</u>	<u>4,114,538</u>
Less accumulated depreciation for:				
Buildings and improvements	253,780	26,167	-	279,947
Vehicles	814,493	88,236	-	902,729
Equipment	313,799	88,253	3,715	398,337
Total accumulated depreciation	<u>1,382,072</u>	<u>202,656</u>	<u>3,715</u>	<u>1,581,013</u>
Total capital assets being depreciated, net	<u>2,552,513</u>	<u>1,073</u>	<u>20,061</u>	<u>2,533,525</u>
Governmental activities capital assets, net	<u>\$ 2,679,528</u>	<u>\$ 85,227</u>	<u>\$ 20,061</u>	<u>\$ 2,744,694</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, 2011 was \$202,656.

NOTE 5: LONG-TERM DEBT

The following is a summary of long-term debt transactions of the District for the year ended May 31, 2011:

Payable June 1, 2010	\$ 717,886
Additions During Year	--
Retired During Year	<u>87,337</u>
Payable May 31, 2011	<u>\$ 630,549</u>

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

The long-term debt at May 31, 2011 is comprised of the following notes payable:

The District entered into a lease purchase agreement with the Bank of Edwardsville dated August 1, 2000. The agreement provided \$706,000 for the construction of a new firehouse. The agreement was refinanced in fiscal year 2010. The lease purchase agreement is to be retired by 9 annual installments of \$63,570 including interest at 4.98%. The balance at the end of the year was \$407,943.

The District also entered into a loan agreement with Madison County Community Development, a division of Madison County, Illinois dated December 2, 2009. The agreement provided \$268,586 for the purchase of a new rescue pumper. The agreement is to be retired by 84 monthly installments of \$3,549 including interest at 3.00%. The balance at the end of the year was \$222,606.

The annual requirements to amortize the debt outstanding as of May 31, 2010, including interest of \$115,641, are as follows:

Year Ended May 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 79,661	\$ 26,496	\$ 106,157
2013	82,922	23,235	106,157
2014	86,325	19,832	106,157
2015	89,875	16,282	106,157
2016	93,578	12,579	106,157
2017 - 2019	<u>198,188</u>	<u>17,217</u>	<u>215,405</u>
	<u>\$ 630,549</u>	<u>\$ 115,641</u>	<u>\$ 746,190</u>

NOTE 6: RETIREMENT FUND COMMITMENTS

A. 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.

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 contribution rate for calendar year 2010 was 8.90 percent of annual covered payroll. The employer

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

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.

Annual Pension Cost. The required contribution for calendar year ending December 31, 2010 was \$34,516.

Three-Year Trend Information for IMRF

<u>Fiscal</u> <u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
12/31/10	\$ 34,516	100%	\$ -
12/31/09	36,868	100%	-
12/31/08	30,715	100%	-

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the plan was 79.37 percent funded. The actuarial accrued liability for benefits was \$209,445 and the actuarial value of assets was \$166,233, resulting in an underfunded actuarial accrued liability (UAAL) of \$43,212. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$387,820 and the ratio of the UAAL to the covered payroll was 11 percent.

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

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

B Social Security

All District employees are covered under Social Security. The District paid \$42,266, the total required contribution for the current fiscal year.

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 2010 levy on December 11, 2010. 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, 2011. 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>2010</u>	<u>2009</u>	<u>2008</u>
<u>Tax Rate:</u>				
General	\$.3000	\$.1732	\$.1598	\$.1611
Insurance		.0346	.0338	.0196
Ambulance	.3000	.1732	.1598	.1583
		<u>\$.3810</u>	<u>\$.3534</u>	<u>\$.3390</u>
Assessed Valuations		<u>\$ 330,927,971</u>	<u>\$ 339,633,637</u>	<u>\$ 336,932,031</u>
Tax Extension		<u>\$ 1,260,836</u>	<u>\$ 1,200,265</u>	<u>\$ 1,142,200</u>
Tax Collections		<u>\$ --</u>	<u>\$ 1,195,571</u>	<u>\$ 1,133,753</u>
Percent Collected		<u>-- %</u>	<u>99.61%</u>	<u>99.26%</u>

GLEN CARBON FIRE PROTECTION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (MODIFIED CASH BASIS)
 FOR THE YEAR ENDED MAY 31, 2011

	Budgeted Amounts	Actual
	<u>Original and Final</u>	<u>(Budget Basis)</u>
Cash Receipts:		
Property Taxes	\$ 1,199,310	\$ 1,195,571
Corporate Personal Property		
Replacement Taxes	6,000	8,962
2% Foreign Fire Tax	-	10,258
Grants	66,300	3,772
Intergovernmental Transfers	-	10,000
Charges for Services	240,000	269,016
Interest Income	3,600	2,004
Insurance Proceeds	-	36,754
Miscellaneous	16,500	21,981
Total Cash Receipts	<u>1,531,710</u>	<u>1,558,318</u>
Cash Disbursements:		
Current:		
Administrative:		
Contractual Services:		
Education and Training	75,000	13,566
Fire Chief & Assistant's Meeting Expenses	300	-
IAFPD Dues and Indemnity Fund	750	524
Janitorial Services	4,500	1,297
Map and Filing System	3,000	-
MCFA Dues and Death Assessments	1,700	730
Printing, Postage, Bank Fee, Box Rental	1,900	1,461
Publications & Audits	9,000	4,161
Telephone & Online Services	17,000	12,109
Public Education	10,500	5,975
Software/Licensing	7,000	2,825
Computer Service	4,100	6,406
Payroll Service	2,500	1,415
Employee Awards/Recognition	2,000	285
Annual Dues/IFFFA/Haz Mat/Code Red/MABAS	5,000	1,261
Bank Fees	1,800	623
Billing Services	19,500	15,490
Other Administrative Expenses	1,000	-
Materials and Services:		
Office Furniture, Equipment and Supplies	15,500	11,595

GLEN CARBON FIRE PROTECTION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (MODIFIED CASH BASIS)
FOR THE YEAR ENDED MAY 31, 2011

	Budgeted Amounts	Actual
	Original and Final	(Budget Basis)
Cash Disbursements:		
Current:		
Ambulance/Fire Equipment Expense:		
Contractual Services:		
Annual Inspections & Maintenance/Licensing	28,000	33,359
Building Repairs	25,000	20,733
Fire Hydrant Rental	1,300	210
Grass Cutting, Landscaping and Site Development	8,000	9,065
Heating & Electricity	30,000	19,501
Medical Expenses for Firefighters	6,000	581
Radio Communications Service/Repairs	6,500	4,756
Equipment Repairs	31,500	7,069
Water and Sewer	1,600	1,131
Materials and Supplies:		
EMS Supplies	52,000	14,749
Uniforms and Apparel	30,000	9,698
Gasoline, Oil and Grease	21,000	11,857
Miscellaneous Equipment & Supplies	23,000	5,180
New Fire Hose	9,000	-
Small Tools & Equipment	2,000	2,197
Salary/Payroll and Benefits		
Personal Services:		
Payroll - FF & EMTP	620,000	540,244
Chief Salary	10,800	10,800
Trustees' Salaries	6,600	6,750
Payroll Taxes	55,000	42,266
Retirement Plan	41,000	32,182
Health and Life Insurance	100,000	96,262
Contractual Services:		
Legal Fees	5,000	4,171
Insurance Expense:		
Contractual Services:		
Bonds	500	255
Liability and Property Insurance	31,000	26,344
Worker's Compensation Insurance	59,000	37,024
Unemployment Insurance	24,000	5,166

GLEN CARBON FIRE PROTECTION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (MODIFIED CASH BASIS)
FOR THE YEAR ENDED MAY 31, 2011

	<u>Budgeted Amounts Original and Final</u>	<u>Actual (Budget Basis)</u>
Cash Disbursements:		
Contingency	10,000	-
Capital Outlay:		
Accessories & Equipment for Fire Truck/Ambulance	50,000	35,197
Communication Equipment & Siren Purchase	57,000	8,277
Fire Apparatus Acquisition	402,491	-
Fire Apparatus Computer System	150,000	160,255
Ambulance Acquisition	147,000	-
Real Estate Acquisition/Building Renovation	313,913	84,154
Debt Service	<u>70,000</u>	<u>109,038</u>
Total Cash Disbursements	<u>2,610,254</u>	<u>1,418,194</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (1,078,544)</u>	140,124
No change for modified cash basis		-
Per the Statement of Activities and Statement of Revenues and Expenditures Arising From Modified Cash Basis Transactions		<u>\$ 140,124</u>

GLEN CARBON FIRE PROTECTION DISTRICT

SCHEDULE OF ILLINOIS MUNICIPAL RETIREMENT
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
MAY 31, 2011

	Calendar Year		
	2010	2009	2008
Actuarial Value of Assets	\$ 166,233	\$ 113,071	\$ 58,752
Actuarial Accrued Liability (AAL)	209,445	151,046	90,773
Unfunded AAL (UAAL)	43,212	37,975	32,021
Funded Ratio	79.37%	74.86%	64.72%
Covered Payroll	387,820	403,810	332,417
UAAL as a % of Covered Payroll	11.14%	9.40%	9.63%
Employer Contributions:			
Required	34,516	36,868	30,715
Made	34,516	36,868	30,715
Percentage of Employer Contributions			
Made to Required Contributions	100.00%	100.00%	100.00%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$173,091.

On a market basis, the funded ratio would be 82.64 percent.

The actuarial valuations presented are prepared by the Illinois Municipal Retirement Fund using the following parameters:

Actuarial Cost Method:	Entry Age Actuarial Cost
Amortization Method:	Level Percentage of Projected Payroll
Remaining Amortization Period:	Open 30 Year Basis
Asset Valuation Method:	Techniques that smooth the effects of short term volatility
Actuarial Assumptions:	
Interest Rate	7.5%
Salary Progression	4.4% to 14.4%
Cost of Living	
Adjustments	3.0%