



**GLEN CARBON FIRE PROTECTION DISTRICT**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED  
MAY 31, 2010**

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**GLEN CARBON FIRE PROTECTION DISTRICT**

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CERTIFIED PUBLIC ACCOUNTANTS

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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, 2010 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, 2010, 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 inquires 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

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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. J. Schlosser & Co. LLC*

Certified Public Accountants

September 28, 2011

## 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, 2010. 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 giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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.

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, 2010, the District's assets exceeded liabilities by \$2,777,287.

	<u>2010</u>	<u>%</u>	<u>2009</u>	<u>%</u>
<u>Fund Balance/Net Assets</u>				
Unrestricted	\$ 1,081,004	0.355	\$ 1,225,248	0.423
Invested in Capital Assets, Net of Related Debt	1,961,642	0.645	1,669,004	0.577
	<u>\$ 3,042,646</u>	<u>1.000</u>	<u>\$ 2,894,252</u>	<u>1.000</u>

A portion of this balance, \$1,081,004, is unrestricted and available to use as the District desires. The unrestricted balance decreased approximately \$144,000 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 \$148,000 to an ending balance of \$3,042,646.

### Changes in Revenues

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

	<u>2010</u>	<u>%</u>	<u>2009</u>	<u>%</u>
Property Taxes	\$ 1,133,753	0.812	\$ 1,077,550	0.773
Intergovernmental	24,200	0.017	26,596	0.019
Charges for Services	219,248	0.157	266,231	0.191
Investment Earnings	2,502	0.002	17,570	0.013
Miscellaneous	16,628	0.012	6,926	0.005
	<u>\$ 1,396,331</u>	<u>1.000</u>	<u>\$ 1,394,873</u>	<u>1.000</u>

The largest change in revenues was the increase in property taxes collected. Miscellaneous revenue also increased due to the sale of old equipment. Investment income decreased due to lower interest rates on the invested balances during the year.

### Changes in Expenditures/Expenses

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

	<u>2010</u>	<u>%</u>	<u>2009</u>	<u>%</u>
Personal Services	\$ 715,539	0.392	\$ 627,919	0.558
Contractual Services	249,281	0.137	222,885	0.198
Materials and Supplies	49,480	0.027	50,855	0.045
Debt Service	103,197	0.057	94,637	0.084
Capital Outlay	707,116	0.388	128,702	0.114
	<u>\$ 1,824,613</u>	<u>1.000</u>	<u>\$ 1,124,998</u>	<u>1.000</u>

The District reported increases in personal services due to the increase in wages and insurance expense. Capital outlay and debt also reported increases in the current year primarily related to the addition of a pumper truck and the related debt payments.

### CAPITAL ASSETS

The District expended \$707,116 on fire protection and ambulance equipment. The additions were primarily comprised of miscellaneous EMS equipment, tools and a new rescue pumper. Depreciation expense on all of the District's capital assets was \$181,691 for the period ended May 31, 2010. See Note 4 of the financial statements for additional information related to capital assets.

## **DEBT**

The District has two outstanding debt agreements payable as of May 31, 2010. 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, 2010 is \$717,886. 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 \$3,041,375 of which the District only spent \$1,824,613 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

MAY 31, 2010

	<u>General Fund</u>	<u>Adjustments (See Page 8)</u>	<u>Statement of Net Assets</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 1,081,004	\$ -	\$ 1,081,004
Capital Assets:			
Land	-	127,015	127,015
Buildings and Improvements	-	1,033,975	1,033,975
Equipment	-	786,299	786,299
Vehicles	-	2,114,311	2,114,311
Accumulated Depreciation	-	(1,382,072)	(1,382,072)
Total Assets	<u>1,081,004</u>	<u>2,679,528</u>	<u>3,760,532</u>
<b><u>Liabilities</u></b>			
Notes/Leases Payable:			
Due in Less Than One Year	-	91,015	91,015
Due in More Than One Year	-	626,871	626,871
Total Liabilities	<u>-</u>	<u>717,886</u>	<u>717,886</u>
<b><u>Fund Balance/Net Assets</u></b>			
Fund Balance/Net Assets:			
Unrestricted	<u>1,081,004</u>	-	1,081,004
Total Liabilities and Fund Balance	<u>\$ 1,081,004</u>		
Invested in Capital Assets, Net of Related Debt		<u>1,961,642</u>	<u>1,961,642</u>
Total Net Assets		<u>1,961,642</u>	<u>\$ 3,042,646</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, 2010

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 1,081,004
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds.	2,679,528
Long-term debt used in governmental activities are not reported on the balance sheet of the governmental funds.	(717,886)
Net assets of governmental activities	<u>\$ 3,042,646</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, 2010

	<u>General Fund</u>	<u>Adjustments (See Page 10)</u>	<u>Statement of Activities</u>
Cash Receipts			
Property Taxes	\$ 1,133,753	\$ -	\$ 1,133,753
Replacement Tax	4,370	-	4,370
2% Foreign Fire Tax	9,830	-	9,830
Intergovernmental	10,000	-	10,000
Charges for Services	219,248	-	219,248
Investment Earnings	2,502	-	2,502
Miscellaneous	16,628	-	16,628
Total Revenues	<u>1,396,331</u>	<u>-</u>	<u>1,396,331</u>
Expenditures/Expenses:			
Fire Protection:			
Current:			
Personal Services	715,539	-	715,539
Contractual Services	249,281	-	249,281
Materials and Supplies	49,480	-	49,480
Depreciation	-	181,691	181,691
Debt Service:			
Principal	51,251	(51,251)	-
Interest	51,946	-	51,946
Capital Outlay	707,116	(707,116)	-
Total Expenditures/Expenses	<u>1,824,613</u>	<u>(576,676)</u>	<u>1,247,937</u>
Excess (Deficiency) of Revenues Over Expenditures	(428,282)	576,676	148,394
Other Financing Sources:			
Proceeds From Debt	284,038	(284,038)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(144,244)	292,638	148,394
Fund Balances/Net Assets:			
Beginning of the Year	1,225,248	1,669,004	2,894,252
End of the Year	<u>\$ 1,081,004</u>	<u>\$ 2,245,680</u>	<u>\$ 3,042,646</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, 2010

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

Net change in fund balances - total governmental funds \$ (144,244)

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.

525,425

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.

(232,787)

Change in net assets of governmental activities \$ 148,394

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

## **GLEN CARBON FIRE PROTECTION DISTRICT**

### NOTES TO FINANCIAL STATEMENTS MAY 31, 2010

#### **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 September 28, 2011 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, 2009, 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, 2010, the carrying amount of the District's cash and cash equivalents was \$1,081,004 and the respective bank balances totaled \$1,093,532. 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, 2010 was as follows:

	Beginning Balance	Increases	Ending Balance
<u>Governmental activities:</u>			
Capital assets, not being depreciated			
Land	\$ 127,015	\$ -	\$ 127,015
Capital assets, being depreciated:			
Buildings and improvements	1,030,647	3,328	1,033,975
Vehicles	1,607,327	506,984	2,114,311
Equipment	589,495	196,804	786,299
Total capital assets being depreciated	<u>3,227,469</u>	<u>707,116</u>	<u>3,934,585</u>
Less accumulated depreciation for:			
Buildings and improvements	227,692	26,088	253,780
Vehicles	726,297	88,196	814,493
Equipment	246,392	67,407	313,799
Total accumulated depreciation	<u>1,200,381</u>	<u>181,691</u>	<u>1,382,072</u>
Total capital assets being depreciated, net	<u>2,027,088</u>	<u>525,425</u>	<u>2,552,513</u>
Governmental activities capital assets, net	<u>\$ 2,154,103</u>	<u>\$ 525,425</u>	<u>\$ 2,679,528</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, 2010 was \$181,691.

**NOTE 5: LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the District for the year ended May 31, 2010:

Payable June 1, 2009	\$ 485,099
Additions During Year	284,038
Retired During Year	<u>51,251</u>
Payable May 31, 2010	<u>\$ 717,886</u>



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

The long-term debt at May 31, 2010 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 new 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 \$463,446.

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 \$254,440.

The annual requirements to amortize the debt outstanding as of May 31, 2010, including interest of \$148,804, are as follows:

Year Ended <u>May 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 91,015	\$ 15,142	\$ 106,157
2012	79,709	26,448	106,157
2013	82,969	23,188	106,157
2014	86,370	19,787	106,157
2015	89,917	16,240	106,157
2016 - 2019	<u>287,906</u>	<u>47,999</u>	<u>335,905</u>
	<u>\$ 717,886</u>	<u>\$ 148,804</u>	<u>\$ 866,690</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](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 contribution rate for calendar year 2009 was 9.13 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.* For calendar year ending December 31, 2009, the District's annual pension cost of \$36,868 for the regular plan was equal to the City's required and actual contributions.

**Three-Year Trend Information for IMRF**

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2009	\$ 36,868	100%	\$ -
12/31/2008	30,715	100%	-
12/31/2007	4,032	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007 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 15% corridor between the actuarial and market value of assets. The City's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007, valuation was 28 years.

*Funded Status and Funding Progress.* As of December 31, 2009, the most recent actuarial valuation date, the plan was 74.86 percent funded. The actuarial accrued liability for benefits was \$151,046 and the actuarial value of assets was \$113,071, resulting in an underfunded actuarial accrued liability (UAAL) of \$37,975. The covered payroll (annual payroll of active employees covered by the plan) was \$403,810 and the ratio of the UAAL to the covered payroll was 9 percent. In conjunction with the December 2009 actuarial valuation, the market value of investments was determined using techniques that spread the effect 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. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

**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 \$42,336, 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 2009 levy on November 24, 2009. 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, 2010. 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>2009</u>	<u>2008</u>	<u>2007</u>
<u>Tax Rate:</u>				
General	\$ .3000	\$ .1598	\$ .1611	\$ .1607
Insurance		.0338	.0196	.0121
Ambulance	.3000	<u>.1598</u>	<u>.1583</u>	<u>.1580</u>
		<u>\$ .3534</u>	<u>\$ .3390</u>	<u>\$ .3308</u>
Assessed Valuations		<u>\$ 339,633,637</u>	<u>\$ 336,932,031</u>	<u>\$ 328,651,304</u>
Tax Extension		<u>\$ 1,200,265</u>	<u>\$ 1,142,200</u>	<u>\$ 1,087,179</u>
Tax Collections		<u>\$ --</u>	<u>\$ 1,133,753</u>	<u>\$ 1,077,550</u>
Percent Collected		<u>-- %</u>	<u>99.26%</u>	<u>99.11%</u>

**GLEN CARBON FIRE PROTECTION DISTRICT**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (MODIFIED CASH BASIS)  
FOR THE YEAR ENDED MAY 31, 2010

	Budgeted Amounts <u>Original and Final</u>	Actual (Budget Basis) <u>                    </u>
Cash Receipts:		
Property Taxes	\$ 1,141,808	\$ 1,133,753
Corporate Personal Property		
Replacement Taxes	6,000	4,370
2% Foreign Fire Tax	-	9,830
Grants	63,200	-
Intergovernmental Transfers	10,000	10,000
Charges for Services	270,000	219,248
Interest Income	5,800	2,502
Miscellaneous	26,300	16,628
Other Financing Sources		
Loan Proceeds	268,568	284,038
Total Cash Receipts	<u>1,791,676</u>	<u>1,680,369</u>
Cash Disbursements:		
Current:		
Administrative:		
Contractual Services:		
Education and Training	86,000	20,937
Fire Chief & Assts Meeting	300	-
IAFPD Dues and Indemnity Fund	750	295
Janitorial Services	3,000	3,209
Map and Filing System	3,000	-
MCFA Dues and Death Assessments	1,700	910
Printing, Postage, Bank Fee, Box Rental	1,700	1,295
Publications & Audits	6,500	4,486
Telephone & Online Services	15,300	12,270
Public Education	6,000	9,323
Software/Licensing	5,000	-
Computer Service	4,100	1,500
Payroll Service	2,500	820
Employee Awards/Recognition	2,000	522
Annual Dues and Bank Fees	1,200	4,380
Billing Services	19,500	14,704
MCFA Meeting	3,000	2,224
Other Administrative Expenses	1,000	-
Materials and Services:		
Office Furniture, Equipment and Supplies	24,000	11,707

**GLEN CARBON FIRE PROTECTION DISTRICT**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (MODIFIED CASH BASIS)  
FOR THE YEAR ENDED MAY 31, 2010

	<u>Budgeted Amounts Original and Final</u>	<u>Actual (Budget Basis)</u>
Cash Disbursements:		
Current:		
Ambulance/Fire Equipment Expense:		
Contractual Services:		
Annual Inspections & Maintenance/Licensing	23,000	19,881
Building Repairs	30,000	6,868
Fire Hydrant Rental	1,300	210
Grass Cutting, Landscaping and Site Development	7,000	6,265
Heating & Electricity	25,000	19,444
Medical Expenses for Firefighters	2,000	967
Radio/Communications Repairs	6,500	1,118
Equipment Repairs	21,500	16,745
Water and Sewer	1,600	903
MABAS Dues/ Expenses	1,000	473
Materials and Supplies:		
Communications Equipment & Siren Purchase	52,000	26,825
EMS Supplies	50,000	36,770
Uniforms and Apparel	30,000	7,798
Gasoline, Oil and Grease	21,000	9,998
Miscellaneous Equipment & Supplies	23,000	6,513
New Fire Hose	9,000	-
Small Tools & Equipment	2,000	1,190
Salary/Payroll and Benefits		
Personal Services:		
Payroll - FF & EMTP	536,000	528,290
Chief Salary	10,200	9,931
Trustees' Salaries	6,600	6,750
Payroll Taxes	45,000	42,336
Retirement Plan	41,000	36,981
Health and Life Insurance	75,000	91,251
Contractual Services:		
Legal Fees	5,000	2,169
Insurance Expense:		
Contractual Services:		
Bonds	500	-
Liability and Property Insurance	31,000	27,312
Worker's Compensation Insurance	59,000	38,948
Unemployment Insurance	24,000	13,884

**GLEN CARBON FIRE PROTECTION DISTRICT**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (MODIFIED CASH BASIS)  
 FOR THE YEAR ENDED MAY 31, 2010

	<u>Budgeted Amounts Original and Final</u>	<u>Actual (Budget Basis)</u>
Cash Disbursements:		
Current:		
Ambulance Personnel Income Accumulation:		
Contractual Services:		
Ambulance Personnel	100,000	-
Contingency	15,000	-
Capital Outlay:		
Accessories & Equipment for Fire Truck/Ambulance	175,000	157,341
Fire Apparatus Acquisition	776,500	506,984
Fire Equipment Acquisition	121,223	-
Ambulance Equipment Acquisition	100,000	-
Building Renovation	357,902	8,689
Debt Service	<u>70,000</u>	<u>103,197</u>
Total Cash Disbursements	<u>3,041,375</u>	<u>1,824,613</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (1,249,699)</u>	(144,244)
No change for modified cash basis		-
Per the Statement of Activities and Statement of Revenues and Expenditures Arising From Modified Cash Basis Transactions		<u>\$ (144,244)</u>

## GLEN CARBON FIRE PROTECTION DISTRICT

### SCHEDULE OF ILLINOIS MUNICIPAL RETIREMENT FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS MAY 31, 2010

	Calendar Year		
	2009	2008	2007
<b>Regular:</b>			
Actuarial Value of Assets	\$ 113,071	\$ 58,752	\$ 6,624
Actuarial Accrued Liability (AAL)	151,046	90,773	47,696
Unfunded AAL (UAAL)	37,975	32,021	41,072
Funded Ratio	74.86%	64.72%	13.89%
Covered Payroll	403,810	332,417	43,633
UAAL as a % of Covered Payroll	9.40%	9.63%	94.13%
<b>Employer Contributions:</b>			
Required	36,868	30,715	4,032
Made	36,868	30,715	4,032
<b>Percentage of Employer Contributions</b>			
Made to Required Contributions	100.00%	100.00%	100.00%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$110,912.

On a market basis, the funded ratio would be 73.43 percent.

The actuarial assumptions used to determine the actuarial accrued liability for 2009 are based on the 2006-2008 Experience Study.

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:	28 Years
Asset Valuation Method:	Techniques that smooth the effects of short term volatility
<b>Actuarial Assumptions:</b>	
Interest Rate	7.5 %
Salary Progression	4.4 - 14.0%
Cost of Living Adjustments	3.0 %