

**Fenton Fire
Protection District**

Annual Financial Statements

For The Year Ended December 31, 2018

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Fick, Eggemeyer & Williamson

Certified Public Accountants, PC



MEMBERS OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Fenton Fire Protection District
Fenton, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fenton Fire Protection District, as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the Fenton Fire Protection District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fenton Fire Protection District, as of December 31, 2018, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios and schedule of contributions on pages 3A-3E and 27-32 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 considers it to be an essential part of financial reporting for placing the 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 us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fenton Fire Protection District's basic financial statements. The budgetary comparison schedule - capital projects fund and schedules of insurance in force and principal office holders, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedule - capital projects fund and schedules of insurance in force and principal office holders have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2019, on our consideration of the Fenton Protection District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fenton Fire Protection District's internal control over financial reporting and compliance.



Fick, Eggemeyer & Williamson, CPA's

Saint Louis, Missouri

May 31, 2019

FENTON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

This section of Fenton Fire Protection District of St. Louis County, Missouri's (the District) annual financial report presents management's discussion and analysis of the District's financial activity for the year ended December 31, 2018. In order to have a comprehensive understanding of the Management Discussion and Analysis, we recommend that the attached financial statements, including all notes to the financial statements, be read in their entirety.

Using this Annual Report

The District's financial statements are prepared using the reporting model prescribed by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments*. The District's basic financial statements are designed to emulate corporate presentation models whereby all District activities are consolidated. This approach is intended to summarize and simplify the analysis of the costs associated with various emergency services provided by the District for the benefit of its residents.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components:

- 1) Government-wide financial statements,
- 2) Fund financial statements, and
- 3) Notes to the basic financial statements.

Required supplementary information and additional supplementary information are also included in addition to the 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 government-wide financial statements include the *Statement of Net Position* and the *Statements of Activities*.

The *Statement of Net Position* presents all of the District's assets and liabilities, which measures the District's overall financial health. The increases and decreases in net position can be monitored to determine whether the District's financial position is improving or deteriorating.

The *Statement of Activities* presents information reflecting how the District's net assets changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused compensation, etc.)

FENTON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

The government-wide financial statements report functions of the District that are principally supported by taxes and charges for services. The governmental activities for the District include fire protection, ambulance services, and dispatching services. It should be noted that the District currently has no business-type activities.

Fund Financial Statements

The fund financial statements provide grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure compliance with finance-related legal requirements.

Governmental Funds

The District's basic services are included in the governmental funds. These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. These fund statements measure current financial resources, or near-term inflows and outflows of expendable resources, as well as the balances of expendable resources available at the end of the year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Reconciliations are provided to facilitate comparison between governmental funds and governmental activities.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governmental units and/or other funds. The District's Fiduciary Fund is not reflected in the government-wide financial statements because the resources of this fund are not available to support the District's own programs. The District's fiduciary fund is the Pension Trust Fund.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a complete understanding of the information reported in the government-wide and fund financial statements.

FENTON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Required and Other Supplementary Information

In addition to the basic financial statements and accompanying notes to the basic financial statements, this financial report also contains certain required supplementary information. Required Supplementary Information includes a Budgetary Comparison Schedules for the General, Ambulance and Dispatch Fund.

Financial Analysis of the District as a Whole

Government-Wide Financial Analysis

As mentioned earlier, net assets may serve over time as a useful indicator of a government's financial position. The condensed statement of net assets as of December 31, 2018 and 2017 is as follows:

Statement of Net Position			
	2018	2017	Increase (Decrease)
Assets			
Current and other assets	\$ 21,095,187	\$ 18,696,305	\$ 2,398,882
Capital assets, net	5,066,687	4,710,061	356,626
Total assets	<u>26,161,874</u>	<u>23,406,366</u>	<u>2,755,508</u>
Deferred outflows of pension	5,228,407	2,302,939	2,925,468
Liabilities			
Current liabilities	203,459	172,010	31,449
Long-term liabilities	11,096,412	6,370,174	4,726,238
Total liabilities	<u>11,299,871</u>	<u>6,542,184</u>	<u>4,757,687</u>
Deferred inflows	5,841,358	7,659,998	(1,818,640)
Net position			
Net investment in capital assets	4,139,787	3,712,694	427,093
Restricted	5,382,974	4,595,398	787,576
Unrestricted	4,726,291	3,199,031	1,527,260
Total net position	<u>\$ 14,249,052</u>	<u>\$ 11,507,123</u>	<u>\$ 2,741,929</u>

The District's assets exceeded liabilities (net position) by \$14,249,052 as of December 31, 2018. Of this amount, \$4,139,787 is invested in capital assets; \$5,382,974 is restricted for dispatching and ambulance services; and \$4,726,291 is unrestricted and available to provide for current and future obligations of the District.

This schedule is prepared from the District's Statement of Net Position, which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

The District's net position increased by \$2,741,929 during the year ended December 31, 2018. The key elements of this increase are presented in the following condensed statement of activities:

FENTON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Statement of Activities

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>
Revenues			
Program revenues			
Charges for services	\$ 954,105	\$ 920,137	\$ 33,968
General revenues			
Property taxes	12,886,525	13,095,630	(209,105)
Interest and investment earnings	147,977	34,968	113,009
Other income	29,171	78,016	(48,845)
Loss on sale of assets	(39,592)	(31,780)	(7,812)
Transfers	<u>(500,000)</u>	<u>-</u>	<u>(500,000)</u>
Total revenues	<u>13,478,186</u>	<u>14,096,971</u>	<u>(618,785)</u>
Expenses			
Fire prevention and suppression	7,054,481	5,414,298	1,640,183
Emergency management services	3,204,758	3,675,675	(470,917)
Dispatching services	452,086	436,267	15,819
Interest and fiscal charges	<u>24,932</u>	<u>22,429</u>	<u>2,503</u>
Total expenses	<u>10,736,257</u>	<u>9,548,669</u>	<u>1,187,588</u>
Change in net position	2,741,929	4,548,302	(1,806,373)
Net Position, beginning of year	11,507,123	6,830,944	4,676,179
Prior period adjustment	<u>-</u>	<u>127,877</u>	<u>(127,877)</u>
Net Position, end of year	<u>\$ 14,249,052</u>	<u>\$ 11,507,123</u>	<u>\$ 2,741,929</u>

Program revenue includes activities that have the characteristics of exchange transactions, such as commercial and residential inspections. General revenues include activities that have the characteristics of non-exchange transactions, such as property taxes. Program expenses are those expenses for the purpose of providing fire protection, emergency medical services and operational activities of the District.

Budget Analysis

The District adopts an annual budget for each of its governmental funds, pursuant to Missouri State Statutes. Annually, as allowed by Missouri State Statutes, the District amends the budgets of each fund to reflect approved changes in spending requirements and unforeseen events that occurred during the most recent year.

The difference between the original budget, as adopted by the Board for 2019, and the final amended budget, as approved by the Board for 2018, was primarily due to the timing of tax receipt collections from St. Louis County and an increase in the tax rate. Timing of tax receipt collections are impacted by: a) the economy b) tax collections received by St. Louis County or c) the timeliness of processing of said tax collections by St. Louis County.

FENTON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Capital Assets

GASB 34 requires the District to include in capital assets all real estate to house firefighters and ambulance personnel and emergency vehicles, the District's administrative building, and all emergency and administrative equipment and vehicles owned by the District. The District has adopted a capitalization policy with specific useful lives by capital asset category. More detailed information on the District's capital asset is presented in the notes to the financial statements.

	2018	2017	Increase (Decrease)
Land	\$ 621,213	\$ 621,213	\$ -
Construction in progress	3,170	-	3,170
Building and improvements	3,968,477	3,968,477	-
Vehicles	4,798,655	4,074,298	724,357
Equipment, furniture and	2,607,450	2,546,037	61,413
Total	11,998,965	11,210,025	788,940
Less: Accumulated	(6,932,278)	(6,499,964)	(432,314)
Net capital assets	\$ 5,066,687	\$ 4,710,061	\$ 356,626

Economic Factors

In 2017, the District was successful in obtaining voter approval of a \$0.39 tax increase to the General Fund and in 2018 the District obtained voter approval to issue \$20,000,000 in general obligation bonds. The Board of Directors and Chief Officers are reviewing their fiscal plans to prioritize expenditures for the increased revenue.

Through financial responsibility the Fenton Fire Protection District will continue to remain a source of pride for both its residents and employees.

Contact Information

This financial report is designed to provide the reader with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Fenton Fire Protection District at 845 Gregory Lane, Fenton, MO 63026.

Basic Financial Statements

FENTON FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 9,545,373
Certificates of deposit	2,559,134
Taxes receivable, net of allowance	8,502,250
Accounts receivable, net of allowance	167,456
Prepaid assets	320,974
Total current assets	<u>21,095,187</u>
Noncurrent assets	
Capital assets, net of depreciation	5,066,687
Total noncurrent assets	<u>5,066,687</u>
TOTAL ASSETS	<u><u>\$ 26,161,874</u></u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of pension resources	<u><u>\$ 5,228,407</u></u>
 LIABILITIES	
Current liabilities	
Accounts payable	\$ 28,129
Salaries and benefits payable	93,310
Interest payable	9,679
Current portion of long-term liabilities	72,341
Total current liabilities	<u>203,459</u>
Noncurrent liabilities	
Notes payable	243,000
Capital leases	611,559
Accrued compensated absences	1,365,831
Net pension liability	8,876,022
Total noncurrent liabilities	<u>11,096,412</u>
TOTAL LIABILITIES	<u><u>\$ 11,299,871</u></u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of pension resources	<u><u>\$ 5,841,358</u></u>
 NET POSITION	
Net investment in capital assets	\$ 4,139,787
Restricted	
Ambulance	4,441,257
Dispatching	941,717
Unrestricted	4,726,291
TOTAL NET POSITION	<u><u>\$ 14,249,052</u></u>

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

FENTON FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Revenues				
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS/PROGRAMS					
Primary government:					
Governmental activities:					
Fire prevention and suppression	\$ 7,054,481	\$ 242,741	\$ -	\$ -	\$ (6,811,740)
Emergency management services operations	3,204,758	711,364	-	-	(2,493,394)
Dispatching services	452,086	-	-	-	(452,086)
Interest and fiscal charges	24,932	-	-	-	(24,932)
Total governmental activities	10,736,257	954,105	-	-	(9,782,152)
General revenues:					
Property taxes					12,886,525
Investment income					147,977
Other income					29,171
Loss on sale of assets					(39,592)
Transfers between funds					(500,000)
Total general revenues					12,524,081
Changes in net position					2,741,929
Net position - beginning					11,507,123
Net position - ending					\$ 14,249,052

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

FENTON FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General	Ambulance Fund	Dispatch Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,890,074	\$ 2,196,858	\$ 458,441	\$ -	\$ 9,545,373
Certificates of deposit	1,527,070	770,239	261,825	-	2,559,134
Taxes receivable, net of allowance	6,302,852	1,884,055	315,343	-	8,502,250
Accounts receivable, net of allowance	828	166,074	554	-	167,456
Internal balances	792,128	37,424	4,261	-	833,813
Prepaid assets	221,599	98,370	1,005	-	320,974
Total assets	<u>\$ 15,734,551</u>	<u>\$ 5,153,020</u>	<u>\$ 1,041,429</u>	<u>\$ -</u>	<u>\$ 21,929,000</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 10,802	\$ 11,688	\$ 2,469	\$ 3,170	\$ 28,129
Salaries and benefits payable	66,590	26,720	-	-	93,310
Internal balances	20,024	-	-	813,789	833,813
Total liabilities	<u>97,416</u>	<u>38,408</u>	<u>2,469</u>	<u>816,959</u>	<u>955,252</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>1,923,536</u>	<u>574,985</u>	<u>96,238</u>	<u>-</u>	<u>2,594,759</u>
FUND BALANCES					
Unspendable	221,599	98,370	1,005	-	320,974
Restricted	-	4,441,257	941,717	-	5,382,974
Assigned	4,379,316	-	-	-	4,379,316
Unassigned	9,112,684	-	-	(816,959)	8,295,725
Total fund balances	<u>13,713,599</u>	<u>4,539,627</u>	<u>942,722</u>	<u>(816,959)</u>	<u>18,378,989</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 15,734,551</u>	<u>\$ 5,153,020</u>	<u>\$ 1,041,429</u>	<u>\$ -</u>	<u>\$ 21,929,000</u>

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

FENTON FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2018

Total fund balance - governmental funds		\$ 18,378,989
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$11,998,964 and the accumulated depreciation is \$6,932,277.		5,066,687
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		2,594,759
Deferred outflows of resources related to the pension plan do not utilize current financial resources and, therefore, are not reported in the funds		5,228,407
Deferred inflows of resources related to the pension plan do not utilize current financial resources and, therefore, are not reported in the funds		(5,841,358)
The net pension liability is not due and payable in the current period, and therefore, are not reported in the funds		(8,876,022)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. All liabilities both current and long-term are reported in the statement of net position.		
Accrued compensated absences	(1,365,831)	
Accrued interest on outstanding debts	(9,679)	
Capital leases	(683,900)	
Notes payable	(243,000)	(2,302,410)
Net position of governmental activities		<u>\$ 14,249,052</u>

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

FENTON FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

Revenues:	General	Ambulance Fund	Dispatch Fund	Capital Projects Fund	Total Governmental Funds
Property taxes	\$ 10,451,304	\$ 3,107,580	\$ 519,856	\$ -	\$ 14,078,740
Ambulance billings	-	711,364	-	-	711,364
Inspection and permit fees	242,741	-	-	-	242,741
Investment income	99,775	39,320	8,882	-	147,977
Other income	33,799	-	-	-	33,799
Total revenues	10,827,619	3,858,264	528,738	-	15,214,621
Expenditures:					
Current					
Salaries and payroll taxes	4,793,477	2,002,741	-	-	6,796,218
Employee benefits	1,099,200	455,908	-	-	1,555,108
Uniforms and training	124,388	52,497	-	12,638	189,523
Utilities	37,128	15,912	20,440	-	73,480
Maintenance, supplies and repairs	213,909	118,719	73,523	-	406,151
Community relations	31,703	12,421	-	-	44,124
Professional fees	92,154	78,824	-	6,717	177,695
Administrative	294,000	111,434	-	1,458	406,892
Dispatching services	-	-	357,543	-	357,543
Capital outlay	328,910	16,171	580	705,281	1,050,942
Debt service	3,846	1,648	-	90,865	96,359
Total expenditures	7,018,715	2,866,275	452,086	816,959	11,154,035
Revenues over (under) expenditures	3,808,904	991,989	76,652	(816,959)	4,060,586
Other financing sources (uses)					
Transfers between funds	(500,000)	-	-	-	(500,000)
Total other financing sources (uses)	(500,000)	-	-	-	(500,000)
Net change in fund balance	3,308,904	991,989	76,652	(816,959)	3,560,586
Fund balances - beginning	10,404,695	3,547,638	866,070	-	14,818,403
Fund balances - ending	\$ 13,713,599	\$ 4,539,627	\$ 942,722	\$ (816,959)	\$ 18,378,989

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

FENTON FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO
FOR THE YEAR ENDED DECEMBER 31, 2018

Net change in fund balances - total governmental funds	\$	3,560,586
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Amounts reported for governmental activities in the statement of activities are different because:

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.

Capital outlay	984,543	
Depreciation expense	<u>(583,697)</u>	400,846

The net effect of various miscellaneous transactions involving capital assets:

Cost of disposals, net of accumulated depreciation	<u>(44,220)</u>	(44,220)
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The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. These amounts are the net effect of these differences in the treatment of long-term debt and related items:

Repayments:

Capital leases	<u>70,467</u>	70,467
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds

Deferred revenue	<u>(1,192,215)</u>	(1,192,215)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Current year change in deferred outflows	2,925,468	
Current year change in net pension liability	(4,426,117)	
Current year change in deferred inflows	1,818,640	
Current year change in accrued compensated absences	(372,486)	
Current year change in interest payable	<u>960</u>	<u>(53,535)</u>

Change in net assets of governmental activities	\$	<u><u>2,741,929</u></u>
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The notes to the financial statements are an integral part of this statement

FENTON FIRE PROTECTION DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUND
DECEMBER 31, 2018

ASSETS

Cash and cash equivalents	\$ 362,490
Investments, at fair value	34,755,949
Taxes receivable, net of allowance	<u>626,685</u>
Total assets	<u><u>\$ 35,745,124</u></u>

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Liabilities	
Obligation - 457 plan	<u>\$ 6,015,348</u>
Total liabilities	<u>6,015,348</u>
Deferred inflows of resources	
Unavailable revenue	<u>191,255</u>

NET POSITION

Held in trust for pension benefits	<u>29,538,521</u>
Total net position	<u>29,538,521</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 35,745,124</u></u>

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

FENTON FIRE PROTECTION DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

Additions		
Tax revenue	\$	1,034,247
Total additions		<u>1,034,247</u>
Deductions		
Administrative expenses		1,838
Benefits paid		2,516,012
Net investment activity		<u>1,391,934</u>
Total deductions		<u>3,909,784</u>
Change in net position before transfers		(2,875,537)
Transfers between funds		<u>500,000</u>
Change in net position		(2,375,537)
Net position held in trust for pension benefits		
January 1, 2018		<u>31,914,058</u>
December 31, 2018	\$	<u><u>29,538,521</u></u>

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

FENTON FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and financial reporting policies of the Fenton Fire Protection District (the District) conform to U.S. generally accepted accounting principles (GAAP) as applied to government entities. The following is a summary of the more significant policies.

Reporting Entity

Fenton Fire Protection District (the District) provides fire protection, prevention, investigation, inspection, suppression, rescue, EMS, and HAZ-MAT/WMD services to the surrounding community. It operates as a political subdivision, duly organized under the laws of the State of Missouri, and is funded by real and personal property tax revenue, licenses, permits, and miscellaneous revenues. An elected board of directors, who regulate all major operations, oversees the District.

The financial statements include all operations over which the District is financially accountable. The District has not identified any entities which would be component units of the District.

Government-wide and Fund Financial Statements

The government-wide financial statements (statement of net position and statement of activities) report information on all of the non-fiduciary activities of the District. Interfund payables have been removed from these statements for governmental fund types, except interfund payables between the general and fiduciary funds. Elimination of these balances would distort the revenues and expenditures reported for the various funds.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in fund financial statements.

The statement of activities presents a comparison between direct expenses and program revenue for the different functions of the District's activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

FENTON FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences, pension liability and other than pension post employment benefits are recorded only when payment is due.

Property taxes and ambulance fees associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All Charges for licenses and permits are not susceptible to accrual because they are generally not measurable until received in cash. Deferred revenue is reported on the governmental fund balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria. In a subsequent period when both criteria are met, the liability is removed and the revenue recognized.

Fund Accounting

The District uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The District has two categories of funds: governmental and fiduciary.

The government reports the following governmental funds:

General Fund - The General Fund is the operating fund of the District. All tax revenues and other receipts that are not allocated by law or contractual agreement are accounted for in this fund. The General Fund pays operating expenditures, fixed charges, and capital improvement costs not paid through other funds.

Ambulance Fund - The Ambulance Fund accounts for the portion of the tax revenue designated for ambulance services. The District also charges fees for ambulance services.

Dispatch Fund - The Dispatch Fund accounts for the portion of the tax revenue designated for emergency vehicle dispatching services. The District uses Central County Emergency 911 Fire Alarm System for dispatching services.

Capital Projects - The Capital Projects fund is used to account for cash received from bond proceeds and expenditures related to construction and other capital improvements; the original purpose of the bond issue.

Additionally, the government reports the following fund type:

Pension Trust Fund – This fund is used to account for assets held by the District in a trustee capacity. The fund accumulates contributions from the District generated from a pension tax levy as well as earnings from the fund’s investments. The District’s Pension Trust Fund includes the assets of the defined benefit pension plan and a defined contribution pension plan.

Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires the District to make estimates and assumptions that affect the reported amounts in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

FENTON FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

The District considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Investments

Investments are reported at market value. Statutes authorize the District to invest in time deposits, U.S. Treasury and federal agency securities, commercial paper, bankers' acceptances and repurchase agreements. Statutes authorize the Pension Trust Fund to invest in corporate stocks and bonds. Certificates of deposits held at banks with an original maturity in excess of three months are reported at cost and listed in the financial statements as certificates of deposit.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenues, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from various sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts have become available.

In the government-wide financial statements, components of pension expense that are recognized over a period of time are classified as either deferred outflows of resources (using plan assets that are applicable to a future reporting period) or deferred inflows of resources (acquiring plan assets that are applicable to a future reporting period). Employer contributions subsequent to the measurement date of the net pension liability are required to be reported as deferred outflows of resources.

Allowance for Doubtful Accounts

The District calculates an allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance at December 31, 2018, is allocated as follows:

<u>Fund</u>	<u>Balance</u>
General	\$ 325,228
Ambulance	364,342
Dispatch	16,272
Pension	32,337
	<u>\$ 738,179</u>

FENTON FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Fund Balances

Fund balance is the difference between assets and liabilities in a Governmental Fund. In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Government Fund Type Definitions, the following types of fund balances are presented in the Governmental Funds Balance Sheet:

Nonspendable - the portion of a Governmental Fund's net assets that are not available to be spent, either short term or long term, in either form or through legal restrictions. The nonspendable fund balances reported in the General, Ambulance and Dispatch Fund are for prepaid assets.

Restricted - the portion of a Governmental Fund's net assets that are subject to external enforceable legal restrictions. The following account's fund balances are restricted by Tax Levy and Bond requirements: Ambulance and Dispatching.

Assigned - the portion of a Governmental Fund's net assets to denote an intended use of resources. The accounts presented with assigned fund balances are specified for future operations by the Board of Directors. The following account comprises the assigned fund balance: General.

Unassigned - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The General and Capital Project Funds comprise the unassigned fund balances.

The District uses restricted amounts first when both restricted and unrestricted fund balances are available, unless there are legal contracts that prohibit doing this.

Net Position

Net Position represent the difference between assets and liabilities. Net investment in capital assets represents the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

Interfund Activities

Interfund transfers represent interfund activities whereby the two parties to the transaction do not receive equivalent cash, goods, or services. Transfers are reported as other financing sources and uses on the Statement of Revenues, Expenditures, and Changes in Fund Balance. Any resulting balances at the end of the accounting period should be reported as amounts due to or due from other funds.

FENTON FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

General capital assets are associated with and generally arise from governmental activities. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are recorded at cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$5,000 for building and improvements, \$5,000 for vehicles and \$5,000 for equipment. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets are depreciated, except for land. Management estimates useful lives of assets by examining historical records of necessary improvements and replacements. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives: Buildings and improvements 30 years; Furniture and fixtures, Fire equipment and vehicles 5 to 15 years.

Compensated Absences

Sick pay will be awarded at 5 calendar days per year for shift personnel and 10 days for administrative personnel. An additional 1 sick day will be paid as an incentive for both administrative and shift personnel when no sick days are taken during the year. The maximum that can be accumulated is 25 days for shift personnel, and 50 days for administrative personnel. All unused days after maximum accumulation are sold back to district at ½ the normal pay rate. All accumulated days are forfeited upon termination prior to retirement or are fully reimbursed at normal retirement.

For firemen and paramedics vacation pay cannot be accumulated year to year; therefore, there is no accrued leave liability at the end of the year. For office and administrative staff, after 20 years of service, the employee may bank 2 weeks per year.

Accrued sick leave is considered a long-term liability. It is reported as a long-term liability in the government-wide statement of net assets rather than reported as a liability in the governmental funds.

Note 2 - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The county collects the property tax and remits it to the District. The county's fee for this service is 1.5% of the taxes collected.

Property taxes levied for 2018 are recorded as receivable, net of estimated uncollectibles, as are prior year levies, which are reevaluated annually. Taxes receivable represent estimated amounts to be collected by the County Collector of Revenue for 2018 and prior tax years, to be remitted to the District subsequent to December 31. The portion of taxes considered collectible, but not collected and remitted to the District within 60 days of year-end, is recorded as deferred tax revenue.

FENTON FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 2 - PROPERTY TAXES

The assessed valuation of the tangible real, personal taxable, and state assessed railroad and utilities property for the calendar year 2018 for purposes of local taxation was \$1,014,572,070.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2018 for purposes of local taxation was:

	Residential	Agricultural	Commercial	Personal	Total Blended Rate
General Fund	\$ 0.9650	\$ 0.8960	\$ 0.9330	\$ 0.9100	\$ 0.9454
Ambulance Fund	0.2720	0.2060	0.2900	0.3000	0.2826
Pension Trust Fund	0.0900	0.0680	0.0970	0.1000	0.0940
Dispatch Fund	0.0460	0.0350	0.0480	0.0500	0.0473
	<u>\$ 1.3730</u>	<u>\$ 1.2050</u>	<u>\$ 1.3680</u>	<u>\$ 1.3600</u>	<u>\$ 1.3693</u>

Note 3 - LEGAL DEBT MARGIN

The District has no bonds payable at December 31, 2018.

The State of Missouri limits the outstanding amount of authorized general obligation bonds of a district to 5 percent of the assessed valuation of the district (excluding state-assessed railroad and utilities). The legal debt limit and debt margin of the District at December 31, 2018 was \$50,725,604.

Note 4 - DEPOSITS

Missouri Statutes require that all non-fiduciary deposits be protected by insurance, surety bond, or collateral. The market value of the collateral pledged must equal 100% of the deposits not covered by insurance or corporate surety bonds.

Deposits - At year-end, the carrying amount of the District's deposits totaled \$9,907,863 (including \$362,490 of fiduciary cash) and bank balances totaled \$10,117,446. At year-end, the District also had certificates of deposit with a total carrying amount, which approximates fair value, of \$2,559,134. These are shown as certificates of deposit due to their original maturity dates.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a deposit policy for custodial credit risk that follows Missouri Statutes for deposits. Of the bank balances, \$800,667 was insured by the Federal Deposit Insurance Corporation (FDIC), and \$11,875,913 was covered by pledged collateral, which was held in the District's name.

FENTON FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 5 - FAIR VALUE MEASUREMENTS - PENSION FUND

The Financial Accounting Standards Board establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Pension Fund has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018.

Mutual Funds: Valued at the net asset value ("NAV") of shares held by the plan at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the District believes its valuation methods are appropriate and consistent, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Pension Fund's assets at fair value as of December 31, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 34,755,949	-	-	\$ 34,755,949
Total at fair value	<u>\$ 34,755,949</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,755,949</u>

Concentration of Credit Risk

Individual investments which exceeded 5% or more of the net assets available for benefits on December 31, 2018 were as follows:

Invesco Corp Bond Fund	\$ 5,295,674
Principal LargeCap Growth I Fund	4,029,037
Pimco Income Fund	3,594,409
Prudential Total Return Bond Fund	2,726,896
Invesco Diversified Dividend Fund	2,162,157
Vanguard 500 Index Fund	1,814,830

FENTON FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 6 - INTERFUND RECEIVABLES/PAYABLES

The composition of interfund balances as of December 31, 2018 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Ambulance Fund	General Fund	\$ 20,024
General Fund	Capital Projects Fund	792,128
Ambulance Fund	Capital Projects Fund	17,400
Dispatch Fund	Capital Projects Fund	4,261

The interfund balances relate to costs incurred for operating activities. The balances are expected to be repaid within one year.

Note 7 - CONTRACTUAL AGREEMENTS

The District entered into a 5 year contractual agreement with Central County Emergency 911 to provide fire alarm dispatching services and emergency dispatching services beginning July 1, 2018 and continuing through July 1, 2023. The District will pay for dispatching services at a rate of \$0.035 per \$100 of the total assessed valuation of the District for the-preceding year for each year during the contract period.

Note 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; Injuries to employees; and natural disasters. The District carries workmen's compensation insurance with Missouri Employers Mutual for all bodily Injury and disease for the required amount. The District carries commercial insurance for all other risks of loss. All buildings and contents are covered for guaranteed replacement cost. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

Note 9 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term commitments:

	Balance			Balance	Amount
	January 1,	Additions	Reductions	December 31,	Due Within
	2018			2018	One Year
Notes payable	\$ 243,000	\$ -	\$ -	\$ 243,000	\$ -
Lease agreement	754,367	-	70,467	683,900	72,341
Accrued compensated absences *	993,345	372,486	-	1,365,831	-
	<u>\$ 1,990,712</u>	<u>\$ 372,486</u>	<u>\$ 70,467</u>	<u>\$ 2,292,731</u>	<u>\$ 72,341</u>

* Due to limitations, gross amounts for additions and reductions are not readily available. Net changes are shown above.

FENTON FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 10 - CAPITAL ASSETS

The following is a summary of changes in capital assets - governmental activities:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Land	\$ 621,213	\$ -	\$ -	\$ 621,213
Construction in progress	-	3,170	-	3,170
Total capital assets not being depreciated	<u>621,213</u>	<u>3,170</u>	<u>-</u>	<u>624,383</u>
<i>Capital assets being depreciated:</i>				
Buildings and other improvements	3,968,477	-	-	3,968,477
Vehicles	4,074,298	897,864	173,507	4,798,655
Equipment, furniture and fixtures	<u>2,546,037</u>	<u>83,509</u>	<u>22,096</u>	<u>2,607,450</u>
Total capital assets being depreciated	<u>10,588,812</u>	<u>981,373</u>	<u>195,603</u>	<u>11,374,582</u>
<i>Less accumulated depreciation for:</i>				
Buildings and other improvements	2,765,359	108,874	-	2,874,233
Vehicles	1,902,070	220,614	129,287	1,993,397
Equipment, furniture and fixtures	<u>1,832,535</u>	<u>254,209</u>	<u>22,096</u>	<u>2,064,648</u>
Total accumulated depreciation	<u>6,499,964</u>	<u>583,697</u>	<u>151,383</u>	<u>6,932,278</u>
Total net capital assets being depreciated	<u>4,088,848</u>	<u>397,676</u>	<u>44,220</u>	<u>4,442,304</u>
Governmental activity capital assets, net	<u>\$ 4,710,061</u>	<u>\$ 400,846</u>	<u>\$ 44,220</u>	<u>\$ 5,066,687</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Fire prevention and suppression	\$ 259,915
Emergency management services operations	<u>323,782</u>
Total	<u>\$ 583,697</u>

Note 11 - DEFERRED COMPENSATION PLAN

All employees of the District may choose to participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or an unforeseeable emergency.

FENTON FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 12 - NOTES PAYABLE AND CAPITAL LEASES PAYABLE

Notes Payable

On August 12, 2015, the District entered into an agreement with a local bank to borrow an amount of \$243,000 to purchase a piece of land to be used for future expansion. The note was secured with a District CD as collateral. Payments on the note commenced on September 12, 2015, and continue on the 12th day of each succeeding calendar month through and including the maturity date of August 12, 2025. The District shall make payments of interest only, and interest on this note is fixed at 2.23% from August 12, 2015 through August 12, 2020 and then changes to the current bank 60-month CD rate plus 1.25% from August 13, 2020 through the remaining term of the loan. A balloon payment of all principal and any accrued unpaid interest will be due and payable on the maturity date.

Capital Lease Payable - Commerce Bank

In 2017 the District entered into a 117-month lease with Commerce Bank for a new truck. The lease calls for ten annual payments starting July 1, 2017 and ending July 1, 2026. The following is an analysis of the minimum future lease payments:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Payments</u>
2019	\$ 34,440	\$ 7,489	\$ 41,929
2020	35,298	6,631	41,929
2021	36,176	5,753	41,929
2022	37,077	4,852	41,929
2023	38,000	3,929	41,929
2024-2026	119,749	6,036	125,785
	<u>\$ 300,740</u>	<u>\$ 34,690</u>	<u>\$ 335,430</u>

As of December 31, 2018 the leased property has a cost basis of \$614,986 and accumulated depreciation of \$79,078.

Capital Lease Payable - Commerce Bank

In 2017 the District entered into a 120-month lease with Commerce Bank, LLC for a new truck. The lease calls for ten annual payments starting June 30, 2018 and ending June 30, 2027. The following is an analysis of the minimum future lease payments:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Payments</u>
2019	\$ 37,901	\$ 11,035	\$ 48,936
2020	38,993	9,943	48,936
2021	40,115	8,821	48,936
2022	41,270	7,665	48,935
2023	42,459	6,477	48,936
2024-2027	182,422	13,321	195,743
	<u>\$ 383,160</u>	<u>\$ 57,262</u>	<u>\$ 440,422</u>

As of December 31, 2018 the leased property has a cost basis of \$750,000 and accumulated depreciation of \$58,630.

FENTON FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 13 - DEFINED BENEFIT PLAN

Plan Description

The District maintains a single-employer, defined-benefit pension plan. The Plan provides retirement, death, and disability benefits to plan members and beneficiaries in accordance with the resolution establishing the Plan and may be amended. The plan became effective January 1, 1968 and was amended on January 1, 1989, October 23, 1995, and on June 1, 1998. The following is a summary of the major provisions included in the plan through the amendment adopted effective August 1, 1999.

Eligibility

The eligibility requirements under the plan are that each employee will be included in the plan on the first January 1 following the attainment of age 20 and the completion of two years of continuous service. Continuous service is defined as an employee's period of employment by the district, which continues chronologically without interruption.

Benefits Provided

A member may retire at normal retirement date which is the first day of the month coincident with or next following attainment of age 55. The normal retirement benefit is the monthly-accrued benefit as of any date of determination and is calculated by multiplying 3% (2.5% if hired on or after March 1, 2006) of average monthly earnings by the number of years of credited service, but not exceeding 30 such years. For terminations during 2006, the average monthly earnings is the average of the highest three consecutive years of monthly base salary which excludes overtime pay, bonuses, and other compensation. For terminations in 2007, the highest 4 years is used, and for terminations in 2008 and beyond, the highest 5 years is used.

Credited service is the number of full years of continuous service. Early retirement date is the first day of the month coincident with or next following attainment of age 50 or if he has become disabled. Early retirement benefit is the accrued benefit as of the early retirement date using credited service to normal retirement date and average monthly earnings to early retirement date, reduced by one-half of one percent for each month, early retirement date precedes normal retirement date. A deferred retirement benefit is provided as of the deferred retirement date. The deferred retirement amounts to the accrued benefit at the deferred retirement date. An employee also has a fixed vested right to a percentage of his accrued benefit as of date of termination of employment, provided that he has completed 10 years of credited service.

The percentage is determined as follows:

50% after 10 years of credited service, increased by 10% per year for the 11th through 15th years if an employee included within the pension system dies before retirement in the performance of their duties, survived by their widow(er) or children, a service pension death benefit shall be payable:

- 1) To the widow - 100% of benefit accrued to date of death, reduced by the 100% joint and survivor factor, payable to the earlier of her death or remarriage.
- 2) To the children (if no qualified surviving widow) -100% of benefit accrued to the date of death, payable until the earlier of age 18 or death.

FENTON FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 13 - DEFINED BENEFIT PLAN (continued)

A participant who retires from active employment after July 1, 1999 and reaches Early Retirement Age as an active participant is entitled to an Special Retirement Supplement payable monthly from age 55 until his Medicare Eligibility age (currently age 65). The supplement is equal to \$13.00 times his years of credited service, (but service through February 26, 2006 only) but not more than \$ 390.00 per month.

At December 31, 2018, the following employees were covered by the plan:

Covered members:	
Active employees	53
Inactive employees entitled to but not yet receiving benefits	2
Inactive employees or beneficiaries currently receiving benefits	31
Total Membership	<u>86</u>

Contributions

The District must annually contribute an actuarially determined amount. The District authorized a \$1,531,436 contribution in 2018, or 30.3% of the \$5,057,963 in covered payroll.

Basis of Accounting

The Defined Benefit Plan's financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan. Investment income is recognized when earned. Gains and losses on sale and exchange of securities are recognized on the transaction date.

Asset Valuations

Investments are reported at market value based on quoted prices at month/year end. Securities traded on a national or international exchange at valued at the last reported sale price at current exchange rates.

Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	7.00%
Investment rate of return	7.00%
Salary increases	3.00%
Inflation	N/A

The actuarial assumptions used in the December 31, 2018 were based on the results of the actuarial experience study for the period January 1, 2018 to December 31, 2018. In addition, mortality rates were based on Pub-2010 Public Retirement Plans General Mortality.

FENTON FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 13 - DEFINED BENEFIT PLAN (continued)

The long-term expected rate of return on Plan investments was determined based upon a review of the existing portfolio structure, actual recent experience, and reasonable future long-term expectations of rates of return.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the sponsor contribution will be made at the actuarially determined contribution rate. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, December 31, 2017	\$ 35,657,218	\$ 31,207,313	\$ 4,449,905
Changes for the year			
Service cost	794,483	-	794,483
Interest	2,463,559	-	2,463,559
Change of assumptions	507,252	-	507,252
Net investment income	-	(1,394,077)	1,394,077
Experience difference	710,123	-	710,123
Contribution – employer	-	1,443,377	(1,443,377)
Benefit payments	(2,516,012)	(2,516,012)	-
Changes in net pension liability	1,959,405	(2,466,712)	4,426,117
Balance, December 31, 2018	\$ 37,616,623	\$ 28,740,601	\$ 8,876,022

The District's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability calculated using the discount rate of 7.00%, as well as 1% higher and 1% lower than the current rate.

	Discount Rate		
	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 12,059,693	\$ 8,876,022	\$ 6,112,403

FENTON FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 13 - DEFINED BENEFIT PLAN (continued)

Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension
For the year ended December 31, 2018, the District recognized pension expense of \$1,125,467. On December 31, 2018 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,147,827	\$ 133,600
Net difference between projected and actual earnings on pension investment	3,288,512	1,722,550
Changes of assumptions	792,068	3,985,208
Total	<u>\$ 5,228,407</u>	<u>\$ 5,841,358</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2019	\$ 806,267
2020	806,267
2021	806,267
2022	806,267
2023	(392,919)
Thereafter	-
Total	<u>\$ 2,832,149</u>

Note 14 - OPERATING LEASES

Leases as lessor

The District entered into a lease agreement to lease a residence owned by the District. The District entered into the agreement in November 2015, and the lease provides for monthly payments to be made to the District in the amount of \$1,450. The original lease term expired, and the lease was extended to April 30, 2019. The District has entered into an agreement with a property management company to manage the property for a monthly fee. The District received \$17,500 in rent payments during 2018.

The leased property has a cost basis of \$247,358 and there has been no depreciation taken on the home.

Minimum future lease receipts under the above lease for the year ending December 31, 2019 are \$5,800.

FENTON FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 15 - DEFICIT BALANCES

The Capital Project Fund had a deficit fund balance in the amounts of \$816,959. This deficit will be offset by future general obligation bond receipts.

Note 16 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 31, 2019, the date which the financial statements were available for issue, and noted one event. In March 2019 the District issued \$20,000,000 in general obligation bonds.

Required Supplementary Information
(Other than Management's Discussion and Analysis)

FENTON FIRE PROTECTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 9,919,033	\$ 10,093,765	\$ 10,451,304	\$ 357,539
Inspection and permit fees	100,000	242,741	242,741	-
Investment income	35,000	103,641	99,775	(3,866)
Other income	25,400	33,799	33,799	-
Total revenues	10,079,433	10,473,946	10,827,619	353,673
Expenditures				
Current				
Salaries and payroll taxes	4,914,060	4,914,060	4,793,477	120,583
Employee benefits	1,250,077	1,250,719	1,099,200	151,519
Uniforms and training	153,860	153,860	124,388	29,472
Utilities	35,980	37,127	37,128	(1)
Maintenance, supplies and repairs	241,550	248,439	213,909	34,530
Community relations	21,000	21,000	31,703	(10,703)
Professional fees	110,950	110,950	92,154	18,796
Administrative	300,497	321,483	294,000	27,483
Capital outlay	588,692	600,327	328,910	271,417
Debt service	94,920	94,920	3,846	91,074
Total expenditures	7,711,586	7,752,885	7,018,715	734,170
Revenues over (under) expenditures	2,367,847	2,721,061	3,808,904	1,087,843
Other financing sources (uses)				
Transfers between funds	(500,000)	(500,000)	(500,000)	-
Total other financing sources (uses)	(500,000)	(500,000)	(500,000)	-
Net change in fund balance	\$ 1,867,847	\$ 2,221,061	3,308,904	\$ 1,087,843
Fund balance, beginning of year			10,404,695	
Fund balance, end of year			\$ 13,713,599	

FENTON FIRE PROTECTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
AMBULANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 2,893,556	\$ 2,971,635	\$ 3,107,580	\$ 135,945
Ambulance billings	750,000	727,788	711,364	(16,424)
Investment income	10,000	39,309	39,320	11
Other income	500	-	-	-
Total revenues	<u>3,654,056</u>	<u>3,738,732</u>	<u>3,858,264</u>	<u>119,532</u>
Expenditures				
Current				
Salaries and payroll taxes	2,059,440	2,059,440	2,002,741	56,699
Employee benefits	535,748	536,023	455,908	80,115
Uniforms and training	91,991	91,991	52,497	39,494
Utilities	15,420	15,913	15,912	1
Maintenance, supplies and repairs	143,109	146,061	118,719	27,342
Community relations	9,000	9,000	12,421	(3,421)
Professional fees	108,550	108,550	78,824	29,726
Administrative	121,813	128,149	111,434	16,715
Capital outlay	7,300	16,171	16,171	-
Debt service	1,680	1,680	1,648	32
Total expenditures	<u>3,094,051</u>	<u>3,112,978</u>	<u>2,866,275</u>	<u>246,703</u>
Net change in fund balance	<u>\$ 560,005</u>	<u>\$ 625,754</u>	991,989	<u>\$ 366,235</u>
Fund balance, beginning of year			<u>3,547,638</u>	
Fund balance, end of year			<u>\$ 4,539,627</u>	

FENTON FIRE PROTECTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
DISPATCH FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues				
Property taxes	\$ 481,873	\$ 496,201	\$ 519,856	\$ 23,655
Investment income	2,000	9,838	8,882	(956)
Total revenues	<u>483,873</u>	<u>506,039</u>	<u>528,738</u>	<u>22,699</u>
Expenditures				
Current				
Utilities	22,700	22,700	20,440	2,260
Maintenance, supplies and repairs	91,400	91,400	73,523	17,877
Dispatching services	358,000	358,000	357,543	457
Capital outlay	<u>12,900</u>	<u>12,900</u>	<u>580</u>	<u>12,320</u>
Total expenditures	<u>485,000</u>	<u>485,000</u>	<u>452,086</u>	<u>32,914</u>
Net change in fund balance	<u>\$ (1,127)</u>	<u>\$ 21,039</u>	76,652	<u>\$ 55,613</u>
Fund balance, beginning of year			<u>866,070</u>	
Fund balance, end of year			<u>\$ 942,722</u>	

FENTON FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
DECEMBER 31, 2018

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on a basis consistent with generally accepted accounting principles using fund accounting and the accrual basis of accounting. Annual budgets are adopted for all governmental funds.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Board of Directors approves the tax rate by ordinance to fund District operations. Once this rate has been established, the Board of Directors approves the total budget appropriation and amendments.
2. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.
3. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year by the Board of Directors.

NOTE 2 - EXPENDITURES IN EXCESS OF BUDGET

	Budget	Actual
Capital projects fund	\$ 813,789	\$ 816,959

FENTON FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Calendar Years

Fiscal year ending December 31,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total pension liability										
Service cost	\$ 794,483	\$ 1,030,610	\$ 997,128	\$ 999,163	\$ 1,108,391					
Interest on the total pension liability	2,463,559	2,191,129	2,032,655	2,059,580	1,976,698					
Difference between expected and actual experience	710,123	571,029	344,432	(201,757)	(247,404)					
Assumption changes	507,252	(3,572,570)	(2,671,998)	1,056,116	(820,459)					
Benefit payments and refunds	(2,516,012)	(2,103,393)	(744,940)	(1,437,539)	(717,856)					
Net change in total pension liability	1,959,405	(1,883,195)	(42,723)	2,475,563	1,299,370					
Total pension liability - beginning	35,657,218	37,540,413	37,583,136	35,107,573	33,808,203					
Total pension liability - ending (a)	\$ 37,616,623	\$ 35,657,218	\$ 37,540,413	\$ 37,583,136	\$ 35,107,573					
Plan Fiduciary Net Position										
Contributions - employer	\$ 1,443,377	\$ 910,437	\$ 969,288	\$ 941,712	\$ 907,777					
Pension plan net investment income	(1,394,077)	4,472,443	2,374,776	(357,661)	1,301,277					
Benefit payments and refunds	(2,516,012)	(2,103,393)	(744,940)	(1,437,539)	(717,856)					
Net change in plan fiduciary net position	(2,466,712)	3,279,487	2,599,124	(853,488)	1,491,198					
Plan fiduciary net position - beginning	31,207,313	27,927,826	25,328,702	26,182,190	24,690,992					
Plan fiduciary net position - ending (b)	\$ 28,740,601	\$ 31,207,313	\$ 27,927,826	\$ 25,328,702	\$ 26,182,190					
Net pension liability - ending (a) - (b)	\$ 8,876,022	\$ 4,449,905	\$ 9,612,587	\$ 12,254,434	\$ 8,925,383					
Net position as a percentage of pension liability	76.40%	87.52%	74.39%	67.39%	74.58%					
Covered-employee payroll	\$ 5,155,424	\$ 5,057,963	\$ 5,231,679	\$ 5,207,773	\$ 5,024,002					
Net pension liability as a percentage of payroll	172.17%	87.98%	183.74%	235.31%	177.65%					

Notes to schedule:

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

FENTON FIRE PROTECTION DISTRICT
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 1,443,060	\$ 1,457,968	\$ 1,351,256	\$ 1,321,165	\$ 1,347,621	\$ 1,391,026	\$ 1,306,843	\$ 1,380,399	\$ 1,319,989	\$ 1,387,494
Contributions in relation to the actuarially determined contribution	1,531,436	965,514	1,030,310	1,002,277	964,841	1,021,612	993,298	1,077,997	1,188,565	1,148,719
Contribution deficiency (excess)	\$ (88,376)	\$ 492,454	\$ 320,946	\$ 318,888	\$ 382,780	\$ 369,414	\$ 313,545	\$ 302,402	\$ 131,424	\$ 238,775
Covered-employee payroll	\$ 5,057,963	\$ 5,303,648	\$ 5,231,679	\$ 5,207,773	\$ 5,024,002	\$ 4,992,044	\$ 5,082,266	\$ 5,297,411	\$ 4,957,194	\$ 4,769,741
Contributions as a percentage of covered-employee payroll	30.28%	18.20%	19.69%	19.25%	19.20%	20.46%	19.54%	20.35%	23.98%	24.08%

Notes to Schedule

Valuation date:

December 31, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal method

Asset valuation method 5 year asset smoothing

Inflation N/A

Salary increases 3.75%

Investment rate of return 7.00%, net of investment expenses

Retirement age Age 56 for those younger than 50 at 1/1/17. For those older than 50 as of 1/1/17 assumed age varies from 55 to 65.

Mortality Pub-2010 Public Retirement Plans General Mortality Table

Other information:

Notes There were no benefit changes during the year.

Supplementary Information

FENTON FIRE PROTECTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues				
None	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Current operating				
Uniforms and training	-	12,638	12,638	-
Professional fees	-	3,547	6,717	(3,170)
Administrative	-	1,458	1,458	-
Capital outlay	-	705,281	705,281	-
Debt service	-	90,865	90,865	-
Total expenditures	-	813,789	816,959	(3,170)
Net change in fund balance	\$ -	\$ (813,789)	(816,959)	\$ (3,170)
Fund balance, beginning of year			-	
Fund balance, end of year			\$ (816,959)	

FENTON FIRE PROTECTION DISTRICT
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2018

<u>INSURANCE IN FORCE</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
Commercial automobile policy	Arch Insurance Group	\$1,000,000/accident
Commercial general liability	Arch Insurance Group	\$10,000,000/products completed operations aggregate \$10,000,000 general aggregate \$1,000,000/occurrence \$1,000,000 personal and advertising injury
Cyber Liability Network and information Communications and media Regulatory defense	Travelers Insurance	\$1,000,000/ aggregate \$1,000,000/occurrence \$1,000,000/occurrence \$500,000/occurrence
Commercial property Buildings/Contents Earthquake/Flood	Arch Insurance Group	\$8,581,149 blanket building and contents All locations - full limits
Commercial crime policy employee dishonesty	Arch Insurance Group	\$100,000/occurrence
Worker's compensation	Missouri Employers Mutual	\$1,000,000/occurrence \$1,000,000/accident \$1,000,000/policy limit

FENTON FIRE PROTECTION DISTRICT
SCHEDULE OF PRINCIPAL OFFICE HOLDERS
DECEMBER 31, 2018

<u>OFFICE HOLDER</u>	<u>TITLE</u>	<u>ANNUAL COMPENSATION</u>
Beth Viviano	Chairwomen	\$ 6,400
Jennifer Grimes	Treasurer	\$ 6,200
Thomas Ascherman	Secretary	\$ 6,200

Federal Compliance Section



**Fick, Eggmeyer
& Williamson**

Certified Public Accountants, PC

CPA
MEMBERS OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Fenton Fire Protection District
St. Louis, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fenton Fire Protection District, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Fenton Fire Protection District's basic financial statements, and have issued our report thereon dated May 31, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fenton Fire Protection District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fenton Fire Protection District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fenton Fire Protection District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fenton Fire Protection District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Fick, Eggemeyer, & Williamson, CPA's

Saint Louis, Missouri

May 31, 2019

FENTON FIRE PROTECTION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified _____ Yes X No

Reportable conditions identified that are _____ Yes X No
not considered to be material weaknesses

Noncompliance material to _____ Yes X No
financial statements noted?

Federal Awards - NA

Internal control over major programs:

Material weaknesses identified? _____ Yes _____ No

Reportable conditions identified that are _____ Yes _____ No
not considered to be material weaknesses

Type of auditors' report issued on compliance for major programs:

Any audit findings disclosed that are required to be _____ Yes _____ No
reported in accordance with Uniform Guidance

Identification of major program:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
---------------------	---

None

Dollar threshold used to distinguish between \$ 750,000
Type A and Type B programs:

Auditee qualified as low risk auditee? _____ Yes _____ No

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Findings relating to financial statements which are required to be reported in accordance with *Government Auditing Standards*:

N/A