



To the Board of Directors of  
*Central County Fire and Rescue*

We have audited the financial statements of the governmental activities, each major fund, and the remaining fund information of Central County Fire and Rescue as of December 31, 2012, and have issued our report thereon dated June 19, 2013. Professional standards require that we provide you with the following information related to our audit.

#### Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

#### Significant Audit Policies

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Central County Fire and Rescue are described in Note 1 to the financial statements. The City adopted GASB 63 and 65 during 2012. The effect of this change was a decrease of beginning net position of \$35,249. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management records and depreciates capital assets according to the District's capital asset policy as described in Note 1 to the financial statements. Depreciation expense is based on the estimated lives of the fixed assets.

Liabilities related to other post employment benefits are based on estimates of life expectancies, employment longevity, futures benefit costs and inflation.

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We evaluated the key factors and assumptions used to develop the estimate above in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures may be particularly sensitive because of their significance to financial statement users. The disclosures are an integral part of the financial statements and should be read in conjunction with them.

*Difficulties Encountered in Performing the Audit*

We encountered no difficulties in dealing with management in performing and completing our audit.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

This information is intended solely for the use of the Board of Directors and management of Central County Fire and Rescue and is not intended to be and should not be used by anyone other than these specified parties.

*Betsy Deal & Company*

June 19, 2013

***CENTRAL COUNTY FIRE AND RESCUE***

***FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2012***

# ***CENTRAL COUNTY FIRE AND RESCUE***

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## INDEPENDENT AUDITORS' REPORT



To the Board of Directors of  
*CENTRAL COUNTY FIRE AND RESCUE*

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the remaining fund information of Central County Fire and Rescue, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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. 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, and each major fund, of Central County Fire and Rescue, as of December 31, 2012, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 7 and 27 through 29 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.

A handwritten signature in cursive script that reads "Betty Deal & Company". The signature is written in black ink and is positioned above a horizontal line.

June 19, 2013

**CENTRAL COUNTY FIRE AND RESCUE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2012**

The discussion and analysis of Central County Fire and Rescue's financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended December 31, 2012. It should be read in conjunction with the accompanying basic financial statements.

**FINANCIAL HIGHLIGHTS**

- In the government-wide financial statements, the District's assets and deferred outflows exceed its liabilities at December 31, 2012 by \$19,319,188. Of this amount \$15,517,044 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- District operations increased net position by \$1,715,977 before a onetime adjustment of \$35,249 from adopting a new accounting principle.
- At December 31, 2012, unassigned fund balance for the General Fund was \$13,488,792, which equals 126% of the General Fund expenditures for the 2012 fiscal year.
- For the year ended December 31, 2012, both the Capital Projects Fund and the Debt Service Fund reported expenditures in excess of revenues.
- Wages, payroll taxes and employee benefits comprise 88% of General Fund expenditures.

**REPORT LAYOUT**

This report consists of Management's Discussion and Analysis (MD&A), government-wide statements, fund financial statement, notes to the financial statements, and supplementary information. The first several statements are highly condensed and present a government-wide view of the District's finances. Within this view, all District operations are categorized and reported as either governmental or business-type activities. Governmental activities include fire protections services, capital outlays and debt service payments. The District currently does not have any business-type activities. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the District.

## **Basic Financial Statements**

- The Statement of Net Position focuses on resources available for future operation. In simple terms, this statement presents a snap-shot view of the assets the District owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Governmental activities reflect capital assets and long-term liabilities and are prepared on the accrual basis of accounting.
- The Statement of Revenues, Expenses and Changes in Net Position focuses gross and net costs of District programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on major governmental funds. Governmental fund statements follow the more traditional presentation of financial statements. The District's major governmental funds are presented in their own column and the remaining funds are combined into a column title "Other Non-major Funds". Budgetary comparisons for the General Fund and any major special revenue funds are presented as required supplementary information. A budgetary comparison is presented for the General Fund.
- 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 Employee Benefit Trust Fund.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the District's financial condition.

The MD&A is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

## **THE DISTRICT AS A WHOLE**

### **Government-wide Financial Analysis**

The District's net position was \$19,319,188 as of December 31, 2012. This analysis focuses on the net position (Table 1) and changes in general revenues (Table 2) and significant expenses of the District's governmental activities.

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



**Table 1**

	2012	2011	Increase (Decrease)
Current and other assets	\$ 20,227,411	\$ 18,981,743	\$ 1,245,668
Capital assets	8,187,755	8,550,071	(362,316)
Total assets	<u>28,415,166</u>	<u>27,531,814</u>	<u>883,352</u>
Deferred outflow of resources	204,943	-	204,943
Current and other liabilities	543,530	594,530	(51,000)
Long-term liabilities	8,757,391	9,298,824	(541,433)
Total liabilities	<u>9,300,921</u>	<u>9,893,354</u>	<u>(592,433)</u>
Net position:			
Net investment in capital assets	2,009,318	1,559,036	450,282
Restricted	1,792,826	2,283,730	(490,904)
Unrestricted	15,517,044	13,795,694	1,721,350
Total net position	<u>\$ 19,319,188</u>	<u>\$ 17,638,460</u>	<u>\$ 1,680,728</u>

Capital assets decreased due to depreciation for the year being greater than the amount of capital assets acquired by the District. Due to a 40% tax increase in the debt service fund, a 2% increase in assessed value, and the timing of certain railroad tax payments, revenues exceeded expenditures in 2012 resulting in an increase to the District's net position of \$1,680,728. The key elements of this increase are as follows:

**Table 2**

	2012	2011	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for service	\$ 118,063	\$ 126,368	\$ (8,305)
Capital grants	1,200	-	1,200
General revenues:			
Taxes	14,246,620	12,573,996	1,672,624
Interest income	26,849	43,154	(16,305)
Miscellaneous	45,134	53,761	(8,627)
Total revenues	<u>14,437,866</u>	<u>12,797,279</u>	<u>1,640,587</u>
Expenses:			
Public safety	12,370,327	11,871,211	499,116
Interest and fiscal charges	351,562	271,313	80,249
Total expenses	<u>12,721,889</u>	<u>12,142,524</u>	<u>579,365</u>
Increase in net position	1,715,977	654,755	1,061,222
Prior period adjustment	(35,249)	-	(35,249)
Net position, beginning of year	17,638,460	16,983,705	654,755
Net position, end of year	<u>\$ 19,319,188</u>	<u>\$ 17,638,460</u>	<u>\$ 1,680,728</u>

Total revenue increased by \$1,640,587. This increase is due to the timing of certain tax payments for TIF surpluses, protested taxes, and railroad and utility taxes combined with a 2% increase in assessed values and a 40% increase in the Debt Service Fund tax rate.

Expenses increased by \$579,365 from last year. The District added a new post-employment benefit for retiree insurance premiums resulting in an expense of \$363,774 in 2012. In 2012 there were increases in salaries, health insurance and the retirement match.

### Governmental Funds

The following table presents the amount of revenues from various sources on the modified accrual basis of accounting.

**Table 3**

	2012	2011	Increase (Decrease)	Percentage Change
<b>Governmental Funds:</b>				
Taxes	\$ 14,135,827	\$ 12,665,241	\$ 1,470,586	11.6 %
Permits	118,063	126,368	(8,305)	(6.5)
Investment income	26,849	43,154	(16,305)	(37.8)
Miscellaneous	17,264	53,761	(36,497)	(67.9)
Total general revenues	<u>\$ 14,298,003</u>	<u>\$ 12,888,524</u>	<u>\$ 1,409,479</u>	10.9

Governmental Funds revenue increased \$1,409,479 or 10.9% from last fiscal year. Taxes comprise 98.9% of revenues. The increase in taxes is the result of a 2% increase in the assessed valuation or property within the district, a 40% increase in the debt service fund tax rate, and the timing of certain tax payments.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

At the end of the fiscal year 2012, the District had \$14,345,405 invested in a broad range of capital assets, including land, buildings, equipment and vehicles. (See Table 4 below.) Net capital assets decreased (including additions and deductions) \$362,316 or 4.2% over the prior fiscal year.

**Table 4**

	2012	2011	Increase (Decrease)
Land	\$ 1,489,577	\$ 1,489,577	\$ -
Construction in progress	126,787	22,906	103,881
Buildings	5,652,815	5,652,815	-
Building improvements	1,961,246	1,904,971	56,275
Fire fighting equipment	535,760	535,760	-
Office equipment	214,531	214,531	-
Vehicles	4,364,689	4,390,622	(25,933)
Total	<u>14,345,405</u>	<u>14,211,182</u>	<u>134,223</u>
Less: accumulated depreciation	<u>(6,157,650)</u>	<u>(5,661,111)</u>	<u>(496,539)</u>
Net Capital Assets	<u>\$ 8,187,755</u>	<u>\$ 8,550,071</u>	<u>\$ (362,316)</u>

The most significant portion of capital assets is buildings and vehicles. Buildings account for 40% and vehicles account for 30% of total capital assets. More detailed information on the District's capital assets is presented in the notes to the financial statements.

**DEBT**

At year-end, the District had \$7,680,000 in outstanding debt compared to \$8,250,000 at the end of the prior fiscal year, a decrease of 5.2%.

**Table 5**

	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>
General Obligation Bonds	\$ 6,460,000	\$ 7,680,000	\$ (1,220,000)

The District made principal payments totaling \$535,000 and defeased bonds totaling \$685,000. More detailed information on the District's long-term liabilities is presented in the notes to the financial statements.

**THE DISTRICT'S FUNDS**

At the close of the District's fiscal year on December 31, 2012, the governmental funds of the District reported a combined fund balance of \$18,540,059. This ending balance includes an increase in fund balance of \$1,199,728 in the District's governmental funds. Revenues in the governmental funds increased \$1,409,479 in 2012 from 2011. The increase in taxes is the result of a 2% increase in the assessed valuation or property within the district, a 40% increase in the debt service fund tax rate, and the timing of certain tax payments.

**General Fund Budgetary Highlights**

The District prepares its budget on a cash basis. For 2012, actual revenues on a budgetary basis were \$11,955,896 compared to the budget amount of \$11,955,796. Budgeted revenues were increased to account for the timing of surtax payments. For 2012, actual expenditures on a budgetary basis were \$10,748,609 compared to the budget amount of \$11,385,393. Budgeted expenditures were increased to reflect increases in personnel costs.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The assessed valuation of the District increased by \$34 million in 2012 from the previous year. The District is anticipating a slight devaluation of the District's assessed valuation in 2013 further decreasing the District's General Fund revenue.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives.

If you have questions about this report or need additional financial information, contact:

Russ Mason, Fire Chief  
 Central County Fire and Rescue  
 #1 Timberbrook Drive  
 St. Peter, MO 63376

**CENTRAL COUNTY FIRE AND RESCUE**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2012**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 5,925,039
Property taxes receivable	13,686,650
Prepaid items	111,130
Restricted assets:	
Cash	504,592
Capital assets - net:	
Nondepreciable	1,616,364
Depreciable	6,571,391
<b>TOTAL ASSETS</b>	<u>28,415,166</u>
 <b>DEFERRED OUTFLOW OF RESOURCES</b>	
Deferred charge on defeasance of debt	<u>204,943</u>
 <b>LIABILITIES</b>	
Accounts payable	105,622
Accrued wages	315,380
Accrued interest payable	91,904
Other liabilities	24,024
Deposits payable	6,600
Noncurrent liabilities:	
Due in one year	854,425
Due in more than one year	7,902,966
<b>TOTAL LIABILITIES</b>	<u>9,300,921</u>
 <b>NET POSITION</b>	
Net investment in capital assets	2,009,318
Restricted for:	
Debt service	1,039,547
Pension	753,279
Unrestricted	15,517,044
<b>TOTAL NET POSITION</b>	<u>\$ 19,319,188</u>

The accompanying notes are an integral part of these financial statements.

**CENTRAL COUNTY FIRE AND RESCUE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

<b>Functions/Programs</b>	Expenses	Program Revenue		Net (Expense) Revenue and Change in Net Position
		Charges for Service	Capital Grants	Governmental Activities
<b>Governmental Activities</b>				
Public safety	\$ 12,370,327	\$ 118,063	\$ 1,200	\$ (12,251,064)
Interest and fiscal charges	351,562	-	-	(351,562)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 12,721,889</b>	<b>\$ 118,063</b>	<b>\$ 1,200</b>	<b>(12,602,626)</b>
Taxes				14,246,620
Interest income				26,849
Miscellaneous				45,134
<b>TOTAL GENERAL REVENUES</b>				<b>14,318,603</b>
<b>CHANGE IN NET POSITION</b>				1,715,977
<b>NET POSITION - BEGINNING OF YEAR, AS PREVIOUSLY STATED</b>				17,638,460
Change in accounting principle - GASB 65				(35,249)
<b>NET POSITION - BEGINNING OF YEAR, AS RESTATED</b>				<b>17,603,211</b>
<b>NET POSITION - END OF YEAR</b>				<b>\$ 19,319,188</b>

The accompanying notes are an integral part of these financial statements.

**CENTRAL COUNTY FIRE AND RESCUE**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2012**

	General Fund	Capital Projects Fund	Debt Service Fund	Non-major Pension Tax Fund	Total
<b>ASSETS</b>					
Cash	\$ 5,733,955	\$ -	\$ 93,901	\$ 97,183	\$ 5,925,039
Property taxes receivable	12,036,499	-	945,646	704,505	13,686,650
Prepaid items	111,130	-	-	-	111,130
Restricted assets:					
Cash	-	504,592	-	-	504,592
<b>TOTAL ASSETS</b>	<b>\$ 17,881,584</b>	<b>\$ 504,592</b>	<b>\$ 1,039,547</b>	<b>\$ 801,688</b>	<b>\$ 20,227,411</b>
<b>LIABILITIES</b>					
Account payable	\$ 24,750	\$ 32,463	\$ -	\$ 48,409	\$ 105,622
Accrued wages	315,380	-	-	-	315,380
Accrued and withheld items	24,024	-	-	-	24,024
Deposits payable	6,600	-	-	-	6,600
<b>TOTAL LIABILITIES</b>	<b>370,754</b>	<b>32,463</b>	<b>-</b>	<b>48,409</b>	<b>451,626</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	1,087,157	-	85,287	63,282	1,235,726
<b>FUND BALANCES</b>					
Nonspendable - prepaid items	111,130	-	-	-	111,130
Restricted for:					
Capital projects	-	472,129	-	-	472,129
Debt service	-	-	954,260	-	954,260
Pension	-	-	-	689,997	689,997
Assigned:					
Compensated absences	1,300,000	-	-	-	1,300,000
Health trust liability	323,751	-	-	-	323,751
Building/equipment	1,200,000	-	-	-	1,200,000
Unassigned	13,488,792	-	-	-	13,488,792
<b>TOTAL FUND BALANCES</b>	<b>16,423,673</b>	<b>472,129</b>	<b>954,260</b>	<b>689,997</b>	<b>18,540,059</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
	<b>\$ 17,881,584</b>	<b>\$ 504,592</b>	<b>\$ 1,039,547</b>	<b>\$ 801,688</b>	<b>\$ 20,227,411</b>

The accompanying notes are an integral part of these financial statements.

***CENTRAL COUNTY FIRE AND RESCUE***  
RECONCILIATION OF THE STATEMENT OF NET POSITION  
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET  
DECEMBER 31, 2012

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

Total fund balance per balance sheet	\$ 18,540,059
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,187,755
Receivables not collected in the current period are not available to pay current expenditures and, therefore, are deferred in the funds.	1,235,726
Deferred amounts from defeasance of debt are not reported in the governmental funds	204,943
Interest payable recorded in the statement of net position does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	(91,904)
Long-term liabilities, including bonds payable, compensated absences and net OPEB obligations are not due and payable in the current period and therefore, are not reported in the funds.	<u>(8,757,391)</u>
Net position of governmental activities	<u><u>\$ 19,319,188</u></u>

The accompanying notes are an integral part of these financial statements.

**CENTRAL COUNTY FIRE AND RESCUE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Pension Tax Fund	Total
<b>REVENUES</b>					
Taxes	\$ 12,454,263	\$ -	\$ 951,340	\$ 730,224	\$ 14,135,827
Permits	118,063	-	-	-	118,063
Investment income	22,506	2,347	1,246	750	26,849
Miscellaneous	17,264	-	-	-	17,264
<b>TOTAL REVENUES</b>	<u>12,612,096</u>	<u>2,347</u>	<u>952,586</u>	<u>730,974</u>	<u>14,298,003</u>
<b>EXPENDITURES</b>					
Public safety:					
Wages	6,963,328	-	-	-	6,963,328
Payroll taxes	529,083	-	-	-	529,083
Employee benefits	1,993,300	-	-	-	1,993,300
Occupancy	224,603	-	-	-	224,603
Vehicle	402,990	-	-	-	402,990
Firefighting	40,651	-	-	-	40,651
Office	22,534	-	-	-	22,534
Management information system	25,344	-	-	-	25,344
Outside services	264,819	-	-	-	264,819
Professional development	59,526	-	-	-	59,526
Community services	86,335	-	-	-	86,335
Pension plan	-	-	-	612,768	612,768
Capital outlay	67,315	239,530	-	-	306,845
Debt service:					
Principal, interest and fiscal charges	-	-	1,595,219	-	1,595,219
<b>TOTAL EXPENDITURES</b>	<u>10,679,828</u>	<u>239,530</u>	<u>1,595,219</u>	<u>612,768</u>	<u>13,127,345</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,932,268</u>	<u>(237,183)</u>	<u>(642,633)</u>	<u>118,206</u>	<u>1,170,658</u>
<b>OTHER FINANCING SOURCES</b>					
Sales of capital assets	15,631	-	-	-	15,631
Insurance proceeds	13,439	-	-	-	13,439
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>29,070</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,070</u>
<b>CHANGE IN FUND BALANCES</b>	1,961,338	(237,183)	(642,633)	118,206	1,199,728
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>14,462,335</u>	<u>709,312</u>	<u>1,596,893</u>	<u>571,791</u>	<u>17,340,331</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 16,423,673</u>	<u>\$ 472,129</u>	<u>\$ 954,260</u>	<u>\$ 689,997</u>	<u>\$ 18,540,059</u>

The accompanying notes are an integral part of these financial statements.



***CENTRAL COUNTY FIRE AND RESCUE***  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED DECEMBER 31, 2012**

Amounts reported for governmental activities in the statement of revenues, expenses and changes in net position are different because:

Change in fund balance-total governmental funds	\$ 1,199,728
The acquisition of capital assets requires the use of current financial resources, but has no effect on net position.	160,156
The cost of capital assets is allocated over their estimated useful lives and are reported as depreciation expense in the statement of revenues, expenses and changes in net position.	(522,472)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,220,000
Revenues that do not provide current financial resources are not included in the fund financial statements.	110,793
Bond premiums are reported in the statement of net position and amortized over the lives of the bonds.	27,878
Deferred charges from bond refundings are reported in the statement of net position and amortized over the lives of the bonds.	(25,617)
Some expenses do not require the use of current financial resources and, therefore, are not reported as an expenditure in governmental funds.	
Compensated absences	(112,111)
Net OPEB obligation	(363,774)
Interest payable does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	21,396
Change in net position of governmental activities	<u>\$ 1,715,977</u>

The accompanying notes are integral part of these financial statements.

***CENTRAL COUNTY FIRE AND RESCUE***  
STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2012

	<u>Employee Benefit Trust Fund</u>
<b>ASSETS</b>	
Investments	<u>\$    294,269</u>
 <b>NET POSITION</b>	
Held in trust for post employment benefits	<u>\$    294,269</u>

The accompanying notes are an integral part of these financial statements.

***CENTRAL COUNTY FIRE AND RESCUE***  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**DECEMBER 31, 2012**

	<u>Employee Benefit Trust Fund</u>
<b>ADDITIONS</b>	
Employer contributions	\$ 100,000
Net increase in fair value of investments	<u>17,904</u>
<b>TOTAL ADDITIONS</b>	<u>117,904</u>
<b>INCREASE IN NET POSITION</b>	117,904
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>176,365</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 294,269</u></u>

The accompanying notes are an integral part of these financial statements.

**CENTRAL COUNTY FIRE AND RESCUE**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Central County Fire and Rescue was formed for the purpose of providing fire protection and rescue services to the citizens of the District, which generally encompasses the City of St. Peters, Missouri and a portion of unincorporated St. Charles County.

**A. REPORTING ENTITY**

The District applies the criteria set forth in GASB Statement No. 14; *The Financial Reporting Entity* (GASB 14), to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units is based on the elected officials' accountability to their constituents. The financial reporting entity follows the same accountability. In addition, the financial statements of the reporting entity should allow the user to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. Criteria for inclusion of an entity into the primary governmental unit (in blended or discrete presentation) includes, but is not limited to, legal standing, fiscal dependency, imposition of will and the primary recipient of services. The District presently has no component units included within its reporting entity.

**B. BASIC FINANCIAL STATEMENTS**

Basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements, and
- Notes to the basic financial statements

The government-wide financial statements consist of the statement of net position and the statement of revenues, expenses, and changes in net position and report information on all activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net position have been eliminated, unless their elimination would distort the true cost of delivering services.

The statement of revenues, expenses, and changes in net position demonstrates the degree to which expenses of a given function are offset by program revenues. Program revenue includes: charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

B. **BASIC FINANCIAL STATEMENTS** - continued

Separate fund based financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The major governmental funds are the General Fund, Capital Projects Fund and the Debt Service Fund. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The Pension Fund is presented as a nonmajor fund.

C. **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental funds financial statements are reported using the current 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District in general considers revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due.

For the governmental funds financial statements, the District considers all revenues susceptible to accrual and recognizes revenue if the accrual criteria are met. Specifically, property taxes, charges for services, and other miscellaneous revenue are considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period.

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

The District reports the following major governmental funds:

**The General Fund** - The District's primary operating fund, which accounts for all the financial resources and the legally authorized activities of the District except those required to be accounted for in other specialized funds.

**Capital Projects Fund** - The District uses this fund to account for bond proceeds designated for capital projects.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

C. **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION** - continued

**Debt Service Fund** - The District uses this fund to account for revenues collected for the repayment of long-term debt.

Additionally, the District reports the following fund types:

**Fiduciary Fund** - The District uses this fund to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations and other governments. The Employee Benefit Trust Fund accounts for the assets of the District's retiree health insurance plan held in a Section 115 Trust.

D. **CAPITAL ASSETS**

Capital assets, which include land, buildings and improvements, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is not capitalized.

Capital assets of the District are depreciated using a straight-line method over the following estimated useful lives:

<u>Major Group</u>	<u>Life</u>
Buildings and improvements	15 - 40 years
Fire fighting equipment	5 - 10 years
Office equipment	5 - 7 years
Vehicles	6 - 15 years

E. **ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the District to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Actual results could vary from the estimates that management uses.

F. **INTERFUND TRANSACTIONS**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

G. **COMPENSATED ABSENCES**

The District has formal personnel policies for vacation and sick pay. District employees are allowed to carry forward a limited number of vacation days past year- end. In the event of termination, an employee is paid for accumulated vacation days. At December 31, 2012, employees had accrued vacation of \$137,074 and accumulated sick leave of \$1,573,514. Employees are paid for accumulated sick leave upon termination of employment up to 960 hours. A liability for accrued vacation and sick leave has been recorded in the government-wide financial statements.

H. **LONG-TERM LIABILITIES**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of position. Initial-issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the unamortized portion of applicable premium or discount. Bond issuance costs, including underwriters' discount, are expensed as incurred. Amortization of bond premiums or discounts is included in interest expense.

I. **NET POSITION AND FUND EQUITY**

In government-wide financial statements net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets, represents capital assets less accumulated depreciation less outstanding principal on related debt. Net investment in capital assets does not include the unspent proceeds of capital debt. Restricted net position represents amounts restricted by parties outside of the District (such as creditors, grantors, contributors, laws and regulations of other governments). All other net position is considered unrestricted.

When both restricted and unrestricted sources are available for use, it is the District's policy to use restricted first, then unrestricted resources as they are needed. The government-wide statement of net position reports \$1,792,826 of restricted assets, which is restricted by enabling legislation.

**Fund Balance Classification** - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

**Nonspendable** - Resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

**Restricted** - Resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

I. **NET ASSETS AND FUND EQUITY - continued**

**Committed** - Resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

**Assigned** - Resources neither restricted nor committed for which a government has a stated intended use as established by the Board of Directors or an official to which the Board of Directors has delegated the authority to assign amounts for specific purposes.

**Unassigned** - Resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

The District would typically use restricted fund balances first, followed by committed resources and assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first.

J. **INVESTMENTS**

The District is authorized to invest funds not immediately needed for the purposes to which the funds are applicable, in obligations of the United States Treasury, United States Government Agencies, and Repurchase Agreements, Certificates of Deposit, Banker's Acceptance and Commercial Paper. Investments are carried at cost or amortized cost.

2. **BUDGETS AND BUDGETARY ACCOUNTING**

The District adopts an annual operating budget on a cash basis for all governmental funds. The legal level of control is at the fund level.

3. **CASH AND INVESTMENTS**

The District's bank deposits are required by state law to be secured by the deposit of certain securities with the District or trustee institution. The value of the securities must amount to the total of the District's cash not insured by the Federal Deposit Insurance Corporation. As of December 31, 2012, the carrying amount of the District's bank deposits totaled \$6,429,631 with bank balances of \$6,350,892. The total bank balance was covered by federal depository insurance or collateralized by securities held by the pledging financial institution in the District's name. The District also has \$3,187 in cash and cash equivalents held by the Pension Trust Fund.

State statutes authorize Missouri local governments to invest in obligations of the U.S. Treasury, U.S. agencies and various state and local governments. Pension Trust Fund investments may invest in obligations of the U.S. Treasury, U.S. agencies, common and preferred stock and other securities approved by applicable sections of the Missouri Revised Statutes and Missouri Constitution.



3. **CASH AND INVESTMENTS - continued**

Investment Credit and Interest Rate Risk

The District does not have policies in place to minimize credit risk, the risk of loss due to the failure of the security issuer. GASB 40 requires governments to disclose the credit risk associated with the following investments:

- Debt securities (excluding U.S. government obligations and obligations guaranteed by the full faith and credit of the U.S. government)
- External investment pools
- Money market mutual funds
- Bond mutual funds
- Other pooled investments of fixed-income securities

The disclosure should include the credit quality rating, as established by nationally recognized statistical rating organizations (NRSROs). The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's investments subject to credit and interest rate risk disclosures as of December 31, 2012 include:

<u>Investment</u>	<u>Amount</u>	<u>S &amp; P Rating</u>	<u>Average Maturity</u>
Fixed Income Mutual Fund	\$ 103,563	BB	3 years
Fixed Income Mutual Fund	187,519	Unrated	5 years

4. **PROPERTY TAX**

The District's property tax is levied each year on the assessed value listed as of the prior January 1 for all real and personal property located in the District. Taxes are levied on September 1 and payable by December 31. A lien is placed on the property on January 1 and is then subject to interest and penalties. The assessed value at January 1, 2012, upon which the 2012 levy was based on an assessed value for real, personal and public utility property, was \$1,523,287,064. The District's tax rate was levied per \$100 of assessed value as follows:

General Fund	\$.7637
Pension Tax Fund	.0447
Debt Service Fund	.0600

5. **CAPITAL ASSETS**

Capital asset activity for the primary government for the year ended December 31, 2012 is as follows:

	BALANCE, BEGINNING OF YEAR	TRANSFERS AND ADDITIONS	TRANSFERS AND DELETIONS	BALANCE, END OF YEAR
<b>Governmental activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 1,489,577	\$ -	\$ -	\$ 1,489,577
Construction in progress	22,906	103,881	-	126,787
Total capital assets, not being depreciated	<u>1,512,483</u>	<u>103,881</u>	<u>-</u>	<u>1,616,364</u>
<b>Capital assets, being depreciated:</b>				
Buildings	5,652,815	-	-	5,652,815
Building improvements	1,904,971	56,275	-	1,961,246
Fire fighting equipment	535,760	-	-	535,760
Office equipment	214,531	-	-	214,531
Vehicles	4,390,622	-	(25,933)	4,364,689
Total capital assets, being depreciated	<u>12,698,699</u>	<u>56,275</u>	<u>(25,933)</u>	<u>12,729,041</u>
<b>Less accumulated depreciation for:</b>				
Buildings	(1,748,154)	(141,320)	-	(1,889,474)
Building improvements	(327,573)	(60,956)	-	(388,529)
Fire fighting equipment	(435,257)	(26,403)	-	(461,660)
Office equipment	(174,299)	(8,286)	-	(182,585)
Vehicles	(2,975,828)	(285,507)	25,933	(3,235,402)
Total accumulated depreciation	<u>(5,661,111)</u>	<u>(522,472)</u>	<u>25,933</u>	<u>(6,157,650)</u>
Total capital assets, being depreciated, net	<u>7,037,588</u>	<u>(466,197)</u>	<u>-</u>	<u>6,571,391</u>
Total governmental activities	<u>\$ 8,550,071</u>	<u>\$ (362,316)</u>	<u>\$ -</u>	<u>\$ 8,187,755</u>

All depreciation expense was charged to public safety on the government-wide financial statements.

6. **LONG-TERM DEBT**

**General Obligation Bonds** - The District has been authorized to issue up to \$12,000,000 in bonds. The bonds were issued for the purpose of constructing, purchasing, equipping and maintaining fire stations, and purchasing fire-fighting apparatus and auxiliary equipment for the District. These bonds are being serviced through a separate property tax.

2007 Bonds with annual installments of \$83,600 to \$328,737 through February 2026, interest at 3.5% to 5.5%	\$ 640,000
2010 Refunding Bonds with annual installments of \$216,977 to \$715,575 through February 2022, interest at 2.0% to 4.75%	5,820,000
<b>TOTAL</b>	<u><u>\$6,460,000</u></u>

Annual debt service payments are as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2013	\$ 560,000	\$ 207,721	\$ 767,721
2014	540,000	182,333	722,333
2015	565,000	156,652	721,652
2016	615,000	129,164	744,164
2017	640,000	106,802	746,802
2018 - 2022	3,425,000	283,226	3,708,226
2023	115,000	2,300	117,300
Total	<u><u>\$ 6,460,000</u></u>	<u><u>\$ 1,068,198</u></u>	<u><u>\$ 7,528,198</u></u>

**Advance and current refundings**

In 2010, the District issued \$6,125,000 of general obligation fire protection refunding bonds to provide resources for the purchase of investments that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$6,100,000 of outstanding general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. All of the defeased bonds were paid in full during 2012.

In 2012, the District defeased \$685,000 aggregate principal amount of the 2007 general obligation bonds. As a result, the liability has been removed from the governmental activities column of the statement of net position.

6. **LONG-TERM DEBT** - continued

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

	<u>BALANCE, BEGINNING OF YEAR</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE, END OF YEAR</u>	<u>DUE WITHIN ONE YEAR</u>
Governmental activities:					
General Obligation Bonds:					
Series 2002	\$ 225,000	\$ -	\$ ( 225,000)	\$ -	\$ -
Series 2007	1,400,000	-	( 760,000)	640,000	75,000
General Obligation Fire Protection Refunding Bonds:					
Series 2010	6,055,000	-	( 235,000)	5,820,000	485,000
Issuance premiums	250,907	-	( 27,878)	223,029	-
Net OPEB obligation	-	363,774	-	363,774	-
Compensated absences	1,598,477	112,111	-	1,710,588	294,425
Subtotal governmental activities	<u>\$ 9,529,384</u>	<u>\$ 475,885</u>	<u>\$ (1,247,878)</u>	<u>\$ 8,757,391</u>	<u>\$ 854,425</u>

7. **RISK MANAGEMENT**

The District is exposed to various risks of loss related to tort; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District purchases commercial insurance to cover risks related to building and other District property, crimes, business, travel, earthquakes, and employee blanket bonds. Settled claims resulting from these risks have not exceeded coverage in any of the past three years.

8. **RETIREMENT PLAN**

The District has a money purchase defined contribution plan which covers all full-time employees over age 21 with one year of service. Benefits vest after one year of service and normal retirement is at age 65. Members are not allowed to contribute to the plan. For the year ended December 31, 2012, the District made contributions totaling \$612,768.

9. **DEFERRED COMPENSATION PLAN**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The District makes no contribution to the Plan.

10. **OTHER POST EMPLOYMENT BENEFITS (OPEB)**

**Plan Description and Provisions** - The District is a single-employer other post-employment benefit plan that provides a subsidy for health insurance premiums for retired employees and their dependents who voluntarily retire on or after age 50 with at least 10 years of service. The District pays \$400 per month of the retiree's health insurance premium until the retiree's 65<sup>th</sup> birthday.

**Net OPEB Obligation**

Triennial valuations are performed using the Projected Unit Credit Method, assuming pre-retirement and post-retirement rate of return of 5% and using the mortality rate based on RP2000 Blue Collar for Males, offset 4 years for females.

The District's annual other post-employment benefit cost of the current Plan year is as follows:

Annual required contribution (actuarially computed)	\$ 58,202
Interest on net benefit plan obligation	20,588
Adjustment to annual required contribution	<u>(26,786)</u>
Annual benefit plan cost	52,004
Contributions made	<u>(100,000)</u>
Decrease in net benefit plan obligation	(47,996)
Net OPEB obligation, beginning of year	<u>411,770</u>
Net OPEB obligation, end of year	<u>\$ 363,774</u>

**Trend Information - Other Post Employment Benefits**

<u>Fiscal Year Ended December 31,</u>	<u>Annual Benefit Plan Cost</u>	<u>Percentage Contribution</u>	<u>Net OPEB Obligation</u>
2011	\$ 51,271	195.0 %	\$ 411,770
2012	52,004	192.3	363,774

**Funded Status and Funding Progress** - As of January 1, 2013, the most recent actuarial valuation available, the plan was 45.9% funded. The actuarial accrued liability for benefits was \$640,932, and the actuarial value of assets was \$294,269, resulting in an unfunded actuarial accrued liability (UAAL) of \$346,663. The covered payroll (annual payroll of active employees covered by the plan) was \$6,320,798, and the ratio of the UAAL to the covered payroll was 5.5%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**11. COMMITMENTS**

At December 31, 2012, the District had commitments of approximately \$1,788,400 for construction of a new station. Construction is expected to be completed in 2013. Also, in connection with the construction of the new station, the District issued Certificates of Participation, Series 2013. The Certificates, in the amount of \$2,060,000 bear interest at 2.75% with a maturity date of May 1, 2033.

**12. IMPLEMENTATION OF GASB STATEMENT NOS. 63 AND 65**

In 2012, the District implemented GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB 65, *Items Previously Reported as Assets and Liabilities*. These statements required changes in account captions in the statement of net position. In addition, costs associated with the issuances of debt are now expensed when incurred. Previously these costs were capitalized and amortized over the life of the related debt. Net position as of January 1, 2012, has been adjusted for the effect of retroactive application of the new standard, resulting in a decrease in beginning net position of \$35,249.

**13. SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through June 19, 2013, the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CENTRAL COUNTY FIRE AND RESCUE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>OPERATING REVENUES</b>				
Taxes	\$ 11,374,310	\$ 11,798,063	\$ 11,798,063	\$ -
Permits	100,000	118,063	118,063	-
Investment income	20,000	22,389	22,506	117
Miscellaneous	10,000	17,281	17,264	(17)
TOTAL REVENUES	<u>11,504,310</u>	<u>11,955,796</u>	<u>11,955,896</u>	<u>100</u>
<b>EXPENDITURES</b>				
Public safety:				
Wages	6,953,179	7,142,010	7,046,256	95,754
Payroll taxes	531,918	546,364	535,123	11,241
Employee benefits	1,871,305	1,954,985	2,002,302	(47,317)
Occupancy	266,800	267,800	214,024	53,776
Vehicle	316,840	389,190	384,380	4,810
Firefighting	82,150	82,670	40,651	42,019
Office	34,600	34,600	22,534	12,066
Management information system	38,900	38,900	25,344	13,556
Outside services	298,828	303,928	264,819	39,109
Professional development	100,598	100,598	59,526	41,072
Community services	96,700	96,700	86,335	10,365
Capital outlay	427,648	427,648	67,315	360,333
TOTAL EXPENDITURES	<u>11,019,466</u>	<u>11,385,393</u>	<u>10,748,609</u>	<u>636,784</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>				
	<u>484,844</u>	<u>570,403</u>	<u>1,207,287</u>	<u>636,884</u>
<b>OTHER FINANCING SOURCES</b>				
Insurance proceeds	-	13,439	13,439	-
Sale of fixed assets	-	15,631	15,631	-
TOTAL OTHER SOURCES AND (USES)	<u>-</u>	<u>29,070</u>	<u>29,070</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>				
	484,844	599,473	1,236,357	<u>\$ 636,884</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>				
	<u>4,497,598</u>	<u>4,497,598</u>	<u>4,497,598</u>	
<b>FUND BALANCES - END OF YEAR</b>				
	<u>\$ 4,982,442</u>	<u>\$ 5,068,001</u>	<u>\$ 5,733,955</u>	
Fund balance, end of year - budgetary basis			\$ 5,733,955	
Accrual adjustments:				
Revenues			10,949,342	
Expenditures			(259,624)	
Fund balance, end of year - GAAP basis			<u>\$ 16,423,673</u>	



***CENTRAL COUNTY FIRE AND RESCUE***  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2012

Budgets and Budgetary Accounting

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

- 1) Formal budgetary integration is employed as a management control device during the year for all funds. These budgets are adopted on the cash basis of accounting.
- 2) 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. The Budget is monitored monthly through a line item budget comparison report by fund. Any significant variances are
- 3) Unused appropriations for all of the annually budgeted funds lapse at the end of the year.
- 4) Subsequent to its formal approval of the budget, the Board of Directors has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.
- 5) The District's budgetary process is based upon accounting for certain transactions on a basis other than generally accepted accounting principles (GAAP). To provide a meaningful comparison of actual results with the budget, the actual results of operations are presented in the budgetary comparison schedules in accordance with the budget basis of accounting. The differences between the budget and GAAP basis of accounting are that revenues are recorded when received in cash (budget) as opposed to when they are measurable and available (GAAP) and expenditures are recorded when paid (budget) as opposed to when the obligation is incurred (GAAP).

**CENTRAL COUNTY FIRE AND RESCUE**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**

**FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFIT PLAN**

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfund AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Annual Covered Payroll (c)	UAAL As A Percentage Of Covered Payroll [(b)-(a)/(c)]
1/1/2012	\$ 176,365	\$ 611,184	\$ 434,819	28.9 %	\$ 6,604,695	6.6 %
1/1/2013	294,269	640,932	346,663	45.9	6,320,798	5.5