

CENTRAL COUNTY FIRE AND RESCUE

***FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2018***

CENTRAL COUNTY FIRE AND RESCUE

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INDEPENDENT AUDITORS' REPORT



To the Board of Directors of
CENTRAL COUNTY FIRE AND RESCUE

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, 2018, 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.

Auditors' 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 auditors' 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 remaining fund of Central County Fire and Rescue, as of December 31, 2018, 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.

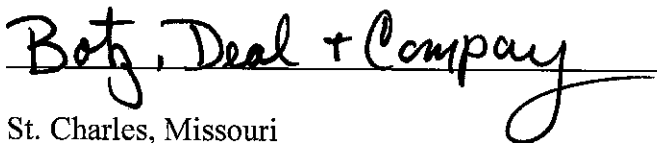
Change in Accounting Principle

As discussed in Note 16 to the financial statements, in 2018 the District adopted new accounting guidance, GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to these matters.

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, and schedules of other post-employment benefit information on pages 3 through 7 and 29 through 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.



St. Charles, Missouri
June 25, 2019

**CENTRAL COUNTY FIRE AND RESCUE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

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, 2018. 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, 2018 by \$32,210,401. Of this amount, \$26,144,691 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- District operations increased net position by \$4,382,793.
- At December 31, 2018, unassigned fund balance for the General Fund was \$15,570,633, which equals 108.7% of the General Fund expenditures for the 2018 fiscal year.
- Wages, payroll taxes and employee benefits comprise 91.2% 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 Activities 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 "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 Funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the District's own programs. The District's fiduciary funds are the Employee Benefit Trust Fund and VEBA 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 \$32,210,401 as of December 31, 2018. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) 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

	2018	2017	Increase (Decrease)
Current and other assets	\$ 33,458,844	\$ 32,159,570	\$ 1,299,274
Capital assets	19,784,199	17,397,717	2,386,482
Total assets	<u>53,243,043</u>	<u>49,557,287</u>	<u>3,685,756</u>
Deferred outflow of resources	76,872	76,858	14
Current and other liabilities	889,974	742,089	147,885
Long-term liabilities	20,219,540	21,796,555	(1,577,015)
Total liabilities	<u>21,109,514</u>	<u>22,538,644</u>	<u>(1,429,130)</u>
Net position:			
Net investment in capital assets	2,777,431	2,855,199	(77,768)
Restricted	3,288,279	3,113,507	174,772
Unrestricted	26,144,691	21,858,902	4,285,789
Total net position	<u>\$ 32,210,401</u>	<u>\$ 27,827,608</u>	<u>\$ 4,382,793</u>

Total net position increased \$4,382,793 over 2017. The key elements of this increase are as follows:

Table 2

	2018	2017	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for service	\$ 711,142	\$ 388,913	\$ 322,229
Capital grants and contributions	-	6,200	(6,200)
General revenues:			
Taxes	19,954,791	20,015,289	(60,498)
Interest income	298,973	109,575	189,398
Sale of capital assets	8,632	312,916	(304,284)
Miscellaneous	47,055	103,996	(56,941)
Total revenues	<u>21,020,593</u>	<u>20,936,889</u>	<u>83,704</u>
Expenses:			
Public safety	16,153,221	15,283,695	869,526
Interest and fiscal charges	484,579	553,718	(69,139)
Total expenses	<u>16,637,800</u>	<u>15,837,413</u>	<u>800,387</u>
Change in net position	4,382,793	5,099,476	(716,683)
Change in accounting standard	732,107	-	732,107
Net position, beginning of year	27,095,501	21,996,025	5,099,476
Net position, end of year	<u>\$ 32,210,401</u>	<u>\$ 27,095,501</u>	<u>\$ 5,114,900</u>

Total revenue increased by \$83,704. The increase was mainly due to the industrial boom in St. Peters which increased fire permit fees and rising interest rates offset by a decrease in the sale of fixed assets.

Expenses increased by \$800,387 from last year. This was primarily due to an increase in personnel cost and purchase of small equipment with the proceeds from the bond issue in 2017, which did not meet the capitalization threshold.

Governmental Funds

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

Table 3

	2018	2017	Increase (Decrease)	Percentage Change	
Governmental Funds:					
Taxes	\$ 20,163,683	\$ 19,742,992	\$ 420,691	2.1	%
Permits	711,142	388,913	322,229	82.9	
Investment income	298,973	109,575	189,398	172.8	
Miscellaneous	47,055	110,196	(63,141)	(57.3)	
Total revenues	\$ 21,220,853	\$ 20,351,676	\$ 869,177	4.3	%

Governmental Funds revenue increased \$869,177 or 4.3% from last fiscal year. Taxes comprise 95% of revenues. Revenue increased mainly due to the large amount of commercial projects in the District, increase in interest rates and a minimal increase in assessed value.

Total Governmental Funds revenues and other financing sources exceeded expenditures by \$1,224,279 for the year ended 2018. This is a result of the increase in District assessed value, permit fees, interest income and timing of tax payments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2018, the District had \$26,563,775 invested in a broad range of capital assets, including land, buildings, equipment and vehicles. (See Table 4 below.) Net capital assets increased (including additions and deductions) \$2,386,482 or 13.7% from the prior fiscal year.

Table 4

	2018	2017	Increase (Decrease)
Land	\$ 2,168,878	\$ 2,168,878	\$ -
Construction in progress	2,624,757	2,183,356	441,401
Buildings	8,272,970	8,272,970	-
Building improvements	4,408,426	2,165,093	2,243,333
Fire fighting equipment	1,274,514	1,244,841	29,673
Office equipment	244,879	244,879	-
Vehicles	7,569,351	7,051,906	517,445
Total	26,563,775	23,331,923	3,231,852
Less: accumulated depreciation	(6,779,576)	(5,934,206)	(845,370)
Net Capital Assets	\$ 19,784,199	\$ 17,397,717	\$ 2,386,482

The most significant portion of capital assets is buildings and vehicles. Buildings account for 31% and vehicles account for 28% 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 \$17,250,000 in outstanding debt compared to \$18,075,000 at the end of the prior fiscal year, a decrease of 4.6%. The District made principal payments totaling \$825,000. 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, 2018, the governmental funds of the District reported a combined fund balance of \$31,320,561. This ending balance includes an increase in fund balance of \$1,224,279 in the District's governmental funds. This is a result of the increase in District assessed value, permit fees, interest income and timing of tax payments.

Revenues exceeded expenditures in the General Fund by \$4,505,003. The increase is the result of revenues collected exceeding annual expenditures in the General Fund.

General Fund Budgetary Highlights

The District prepares its budget on a cash basis. For 2018, actual revenues on a budgetary basis were \$18,610,173 compared to the budget amount of \$18,599,856. For 2018, actual expenditures on a budgetary basis were \$14,236,230 compared to the budget amount of \$15,303,540.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The assessed valuation of the District increased by \$7 million in 2018 from the previous year. The increase in the 2018 assessed valuation of the District increase will result in an approximate increase of \$81,000 of tax revenue in 2019. In addition, information received from the St. Charles County Assessor's office indicates the District should continue to see an increase in assessed value for the next several years. Hence, this should result in additional tax revenue for the District over the next few years.

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:

Dan Aubuchon, Fire Chief
Central County Fire and Rescue
1220 Cave Springs Blvd
St. Peters, MO 63376

CENTRAL COUNTY FIRE AND RESCUE
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Governmental Activities
ASSETS	
Cash and investments	\$ 12,201,031
Receivables:	
Property taxes	20,192,535
Interest	59,018
Other	122,360
Prepaid items	84,254
Restricted assets:	
Cash	670,519
Net other post-employment benefits	129,127
Capital assets - net:	
Nondepreciable	4,793,635
Depreciable	14,990,564
TOTAL ASSETS	53,243,043
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflows related to other post-employment benefits	25,631
Deferred charges on defeasance of debt	51,241
TOTAL DEFERRED OUTFLOWS	76,872
LIABILITIES	
Accounts payable	208,203
Accrued wages	318,097
Accrued interest payable	211,762
Other liabilities	145,312
Deposits payable	6,600
Noncurrent liabilities:	
Due in one year	1,263,897
Due in more than one year	18,955,643
TOTAL LIABILITIES	21,109,514
NET POSITION	
Net investment in capital assets	2,777,431
Restricted for:	
Debt service	2,367,303
Pension	920,976
Unrestricted	26,144,691
TOTAL NET POSITION	\$ 32,210,401

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

CENTRAL COUNTY FIRE AND RESCUE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Change in Net Position
		Charges for Service	Capital Grants and Contributions	Governmental Activities
Governmental Activities				
Public safety	\$ 16,153,221	\$ 711,142	\$ -	\$ (15,442,079)
Interest and fiscal charges	484,579	-	-	(484,579)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 16,637,800	\$ 711,142	\$ -	(15,926,658)
General Revenue:				
Taxes				19,954,791
Investment income				298,973
Gain on sale of capital assets				8,632
Miscellaneous				47,055
TOTAL GENERAL REVENUES				20,309,451
CHANGE IN NET POSITION				4,382,793
NET POSITION - BEGINNING OF YEAR, AS PREVIOUSLY STATED				27,095,501
Change in accounting standard - GASB 75				732,107
NET POSITION - BEGINNING OF YEAR, AS RESTATED				27,827,608
NET POSITION - END OF YEAR				\$ 32,210,401

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

CENTRAL COUNTY FIRE AND RESCUE
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Pension Tax Fund	Total
ASSETS					
Cash and investments	\$ 11,203,818	\$ -	\$ 821,776	\$ 175,437	\$ 12,201,031
Receivables:					
Property taxes	17,859,654	-	1,543,871	789,010	20,192,535
Interest	57,362	-	1,656	-	59,018
Other	832	-	-	121,528	122,360
Prepaid items	63,134	-	-	21,120	84,254
Restricted cash	-	670,519	-	-	670,519
TOTAL ASSETS	<u>\$ 29,184,800</u>	<u>\$ 670,519</u>	<u>\$ 2,367,303</u>	<u>\$ 1,107,095</u>	<u>\$ 33,329,717</u>
LIABILITIES					
Account payable	\$ 25,375	\$ 118,237	\$ -	\$ 64,591	\$ 208,203
Accrued wages	318,097	-	-	-	318,097
Other liabilities	23,784	-	-	121,528	145,312
Deposits payable	6,600	-	-	-	6,600
TOTAL LIABILITIES	<u>373,856</u>	<u>118,237</u>	<u>-</u>	<u>186,119</u>	<u>678,212</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable revenue - property taxes	1,177,177	-	101,761	52,006	1,330,944
FUND BALANCES					
Nonspendable - prepaid items	63,134	-	-	21,120	84,254
Restricted for:					
Capital projects	-	552,282	-	-	552,282
Debt service	-	-	2,265,542	-	2,265,542
Pension	-	-	-	847,850	847,850
Assigned:					
Compensated absences	2,800,000	-	-	-	2,800,000
Other post-employment benefits	1,200,000	-	-	-	1,200,000
Future appropriations	6,000,000	-	-	-	6,000,000
Building/equipment	2,000,000	-	-	-	2,000,000
Unassigned	15,570,633	-	-	-	15,570,633
TOTAL FUND BALANCES	<u>27,633,767</u>	<u>552,282</u>	<u>2,265,542</u>	<u>868,970</u>	<u>31,320,561</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES	<u>\$ 29,184,800</u>	<u>\$ 670,519</u>	<u>\$ 2,367,303</u>	<u>\$ 1,107,095</u>	<u>\$ 33,329,717</u>

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

CENTRAL COUNTY FIRE AND RESCUE
 RECONCILIATION OF THE BALANCE SHEET
 OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
 DECEMBER 31, 2018

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

Total fund balance per balance sheet	\$ 31,320,561
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	19,784,199
Receivables not collected in the current period are not available to pay current expenditures and, therefore, are deferred inflows in the funds.	1,330,944
Deferred amounts from defeasance of debt are expensed in the governmental funds but are capitalized in the statement of net position.	51,241
Certain deferred outflows and inflows of resources represent a consumption or acquisition of net position in a future period and therefore, are not reported in the funds:	
Deferred outflows of resources - other post-employment benefits	25,631
Net other post-employment benefit assets are not current financial resources and, therefore, are not reported in the funds.	129,127
Interest payable recorded in the statement of net position does not require the use of current financial resources and, therefore, is not reported in the governmental funds.	(211,762)
Long-term liabilities including bonds payable and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(20,219,540)</u>
Net position of governmental activities	<u><u>\$ 32,210,401</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, 2018

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Pension Tax Fund	Total
REVENUES					
Taxes	\$ 17,829,047	\$ -	\$ 1,544,930	\$ 789,706	\$ 20,163,683
Permits	711,142	-	-	-	711,142
Investment income	250,116	31,522	14,430	2,905	298,973
Miscellaneous	42,952	4,103	-	-	47,055
TOTAL REVENUES	<u>18,833,257</u>	<u>35,625</u>	<u>1,559,360</u>	<u>792,611</u>	<u>21,220,853</u>
EXPENDITURES					
Public safety:					
Wages	9,224,202	-	-	-	9,224,202
Payroll taxes	717,096	-	-	-	717,096
Employee benefits	3,131,875	-	-	-	3,131,875
Occupancy	322,552	-	-	-	322,552
Vehicle	153,117	-	-	-	153,117
Firefighting	102,136	-	-	-	102,136
Office	25,482	-	-	-	25,482
Management information system	45,670	-	-	-	45,670
Outside services	276,160	-	-	-	276,160
Professional development	86,420	-	-	-	86,420
Community services	108,827	-	-	-	108,827
Pension plan	-	-	-	810,551	810,551
Capital outlay	134,717	3,523,886	-	-	3,658,603
Debt service:					
Principal, interest and fiscal charges	-	-	1,342,515	-	1,342,515
TOTAL EXPENDITURES	<u>14,328,254</u>	<u>3,523,886</u>	<u>1,342,515</u>	<u>810,551</u>	<u>20,005,206</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,505,003	(3,488,261)	216,845	(17,940)	1,215,647
OTHER FINANCING SOURCES (USES)					
Sales of capital assets	8,632	-	-	-	8,632
CHANGE IN FUND BALANCES	4,513,635	(3,488,261)	216,845	(17,940)	1,224,279
FUND BALANCES - BEGINNING OF YEAR	<u>23,120,132</u>	<u>4,040,543</u>	<u>2,048,697</u>	<u>886,910</u>	<u>30,096,282</u>
FUND BALANCES - END OF YEAR	<u>\$ 27,633,767</u>	<u>\$ 552,282</u>	<u>\$ 2,265,542</u>	<u>\$ 868,970</u>	<u>\$ 31,320,561</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 ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2018**

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	\$ 1,224,279
The acquisition of capital assets requires the use of current financial resources but has no effect on net position.	3,316,759
The cost of capital assets is allocated over their estimated useful lives and are reported as depreciation expense in the statement of activities.	(930,277)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	825,000
Revenues that do not provide current financial resources are not included in the fund financial statements.	(208,892)
Bond issuance premiums received of \$190,820 are capitalized and amortized over the lives of the bonds. Total amortization is \$51,678.	51,678
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	58,214
Net OPEB asset	64,774
Interest payable does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	6,875
Change in net position of governmental activities	\$ 4,382,793

The accompanying notes are integral part of these financial statements.

CENTRAL COUNTY FIRE AND RESCUE

STATEMENT OF FIDUCIARY NET POSITION

DECEMBER 31, 2018

	<u>VEBA Trust Fund</u>	<u>Employee Benefit Trust Fund</u>
ASSETS		
Cash	\$ 137,938	\$ 2,868
Investments:		
Mutual funds	-	376,890
TOTAL ASSETS	<u>\$ 137,938</u>	<u>\$ 379,758</u>
 NET POSITION		
Restricted for post-employment benefits	<u>\$ 137,938</u>	<u>\$ 379,758</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, 2018

	<u>VEBA Trust Fund</u>	<u>Employee Benefit Trust Fund</u>
ADDITIONS		
Contributions	\$ 165,000	\$ -
Interest and dividends	468	-
Net increase(decrease) in fair value of investments	-	(1,773)
TOTAL ADDITIONS	<u>165,468</u>	<u>(1,773)</u>
DEDUCTIONS		
Administrative fees	<u>27,530</u>	<u>3,797</u>
INCREASE (DECREASE) IN NET POSITION	137,938	(5,570)
NET POSITION - BEGINNING OF YEAR	<u>-</u>	<u>385,328</u>
NET POSITION - END OF YEAR	<u><u>\$ 137,938</u></u>	<u><u>\$ 379,758</u></u>

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

CENTRAL COUNTY FIRE AND RESCUE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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. 61, *The Financial Reporting Entity* (GASB 61), 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 activities 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 activities 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.

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 the Employee Benefit Trust 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.

Fiduciary Fund - The District uses the VEBA Trust 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 VEBA Trust Fund accounts for the assets of the District's medical expense reimbursement plan held in a Voluntary Employees' Beneficiary Association Trust.

D. **PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond December 31, 2018 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

E. **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

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

F. **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.

G. **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.

H. **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, 2018, employees had accrued vacation of \$166,439 and accumulated sick leave of \$2,324,573. Employees are paid for accumulated sick leave upon termination of employment up to 1,584 hours. A liability for accrued vacation and sick leave has been recorded in the government-wide financial statements. Funds to retire compensated absences come from the General Fund.

I. **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.

J. **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.

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

J. **NET POSITION AND FUND EQUITY** - continued

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 \$3,288,279 of restricted net position, 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.

Committed - Resources which are subject to limitations the government imposes upon itself at its highest level of decision making (resolution), 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.

K. **INVESTMENTS**

Investments for the District are reported at fair value (generally based on quoted market prices). 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 fair value.

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

K. **INVESTMENTS** - continued

Employee Benefit 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.

L. **CONCENTRATION OF LABOR**

Approximately 95% of the labor force was subject to a collective bargaining agreement expiring December 31, 2018.

2. **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 (FDIC). As of December 31, 2018, the carrying amount of the District's bank deposits totaled \$12,871,550 with bank balances of \$13,262,502. 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 \$2,868 in cash and cash equivalents held by the Employee Benefit Trust Fund and \$137,938 in cash and cash equivalents held by the VEBA Trust Fund. All of which was insured by the FDIC.

Investment Credit and Interest Rate Risk

The District does not have a formal policy addressing credit risk, the risk of loss due to the failure of the security issuer.

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, 2018 include:

<u>Investment</u>	<u>Amount</u>	<u>S & P Rating</u>	<u>Average Maturity</u>
Employee Benefit Trust Fund:			
Fixed Income Mutual Fund	\$ 109,122	N/A	4 years
Fixed Income Mutual Fund	199,956	N/A	7 years
Fixed Income Mutual Fund	67,812	N/A	3 years

3. **FAIR VALUE MEASUREMENTS**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of December 31, 2018:

Equity and Fixed Income Mutual Funds are valued using the net asset value at the close of business each day multiplied the number of shares held by the District at the close of business. (Level 1).

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, 2018, upon which the 2018 levy was based on an assessed value for real, personal and public utility property, was \$1,757,948,929. The District's tax rate was levied per \$100 of assessed value as follows:

General Fund	\$.9937
Pension Tax Fund	.0439
Debt Service Fund	.0859

5. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2018 is as follows:

	BALANCE, BEGINNING OF YEAR	TRANSFERS AND ADDITIONS	TRANSFERS AND DELETIONS	BALANCE, END OF YEAR
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,168,878	\$ -	\$ -	\$ 2,168,878
Construction in progress	2,183,356	2,653,511	(2,212,110)	2,624,757
Total capital assets, not being depreciated	<u>4,352,234</u>	<u>2,653,511</u>	<u>(2,212,110)</u>	<u>4,793,635</u>
Capital assets, being depreciated:				
Buildings	8,272,970	-	-	8,272,970
Building improvements	2,165,093	2,243,333	-	4,408,426
Fire fighting equipment	1,244,841	40,687	(11,014)	1,274,514
Office equipment	244,879	-	-	244,879
Vehicles	7,051,906	591,338	(73,893)	7,569,351
Total capital assets, being depreciated	<u>18,979,689</u>	<u>2,875,358</u>	<u>(84,907)</u>	<u>21,770,140</u>
Less accumulated depreciation for:				
Buildings	(2,747,172)	(206,231)	-	(2,953,403)
Building improvements	(610,712)	(108,691)	-	(719,403)
Fire fighting equipment	(561,468)	(157,824)	11,014	(708,278)
Office equipment	(178,101)	(8,153)	-	(186,254)
Vehicles	(1,836,753)	(449,378)	73,893	(2,212,238)
Total accumulated depreciation	<u>(5,934,206)</u>	<u>(930,277)</u>	<u>84,907</u>	<u>(6,779,576)</u>
Total capital assets, being depreciated, net	<u>13,045,483</u>	<u>1,945,081</u>	<u>-</u>	<u>14,990,564</u>
Total governmental activities	<u>\$ 17,397,717</u>	<u>\$ 4,598,592</u>	<u>\$ (2,212,110)</u>	<u>\$ 19,784,199</u>

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

6. **LONG-TERM DEBT**

General Obligation Bonds - In 2010, the District was authorized to issue up to \$12,000,000 in bonds, all of which have been issued. In 2015, the District was authorized to issue up to \$9,645,000, all of which has been issued. In 2017, the District was authorized to issue up to \$16,000,000 and \$6,355,000 has been issued so far. The bonds were issued for the purpose of constructing, purchasing, equipping and maintaining fire stations, as well as purchasing fire-fighting apparatus and auxiliary equipment for the District. These bonds are being serviced through a separate property tax recorded in the Debt Service Fund.

General Obligation Refunding Bonds, Series 2010 Annual installments of \$216,977 to \$715,575 through February 2022, interest at 2.0% to 4.75%	\$2,575,000
General Obligation Bonds Series 2015 Annual installments of \$347,712 to \$866,330 through February 2035, interest at 2.0% to 4.0%	\$8,445,000
General Obligation Bonds Series 2017 Annual installments of \$286,656 to \$490,438 through February 2037, interest at 2.0% to 4.0%	\$6,230,000

Annual debt service payments are as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2019	\$ 865,000	\$ 498,974	\$ 1,363,974
2020	890,000	477,743	1,367,743
2021	915,000	453,369	1,368,369
2022	940,000	427,368	1,367,368
2023	810,000	397,569	1,207,569
2024 - 2028	4,485,000	1,566,010	6,051,010
2029 - 2033	5,130,000	908,959	6,038,959
2034 - 2037	3,215,000	165,368	3,380,368
Total	<u>\$ 17,250,000</u>	<u>\$ 4,895,360</u>	<u>\$ 22,145,360</u>

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 2015	\$ 8,545,000	\$ -	\$ (100,000)	\$ 8,445,000	\$ 110,000
Series 2017	6,355,000	-	(125,000)	6,230,000	150,000
General Obligation Fire Protection Refunding Bonds:					
Series 2010	3,175,000	-	(600,000)	2,575,000	605,000
Issuance premiums	530,206	-	(51,678)	478,528	-
Compensated absences	<u>2,549,226</u>	<u>1,328,705</u>	<u>(1,386,919)</u>	<u>2,491,012</u>	<u>398,897</u>
Subtotal governmental activities	<u>\$ 21,154,432</u>	<u>\$ 1,328,705</u>	<u>\$ (2,263,597)</u>	<u>\$ 20,219,540</u>	<u>\$ 1,263,897</u>

7. **LEASE - SOLAR**

The District leases solar panels which were added to five buildings. The lease commenced on August 27, 2014 and shall terminate after 20 years. The District pays \$9,180 annually. Future minimum payments are as follows:

2019	\$ 9,180
2020	9,180
2021	9,180
2022	9,180
2023	9,180
2024-2028	45,900
2029-2033	45,900
2034	<u>9,180</u>
TOTAL MINIMUM LEASE PAYMENTS	<u>\$ 146,880</u>

8. **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. The District purchases workman's compensation insurance through Missouri Employers Mutual (MEM). Settled claims resulting from these risks have not exceeded coverage in any of the past three years.

9. **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, 2018, the District made contributions totaling \$771,156.

10. **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 matches contributions up to \$5,200 annually. Contributions for the year ended December 31, 2018 totaled \$380,174.

11. **COMMITMENTS AND CONTINGENCIES**

From time to time, the District is a party to various pending claims and legal actions arising in the ordinary course of its operations. Although the outcome of such matters cannot be forecast with certainty, in the opinion of management, all such matters are adequately covered by insurance, or if not covered, are without merit or involve amounts such that an unfavorable disposition would not have a material effect on the financial statements of the District.

12. **OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

Plan Description and Provisions - The Central county Fire and Rescue Retiree Medical Plan (the Plan) is a single-employer other post-employment benefit plan that provides a subsidy for health insurance premiums for retired employees who voluntarily retire on or after age 50 with at least 10 years of service. Once the retiree reaches age 55, the District pays \$400 per month of the retiree's health insurance premium for up to 10 years or until they reach age 65. The Plan is closed to new entrants. There are no stand-alone plan statements available.

Net position as of January 1, 2018 has been restated for the retroactive implementation of GASB Statement 75.

At January 1, 2019, the date of the last actuarial valuation, the Plan covered the following number of participants:

Active participants	-
Retirees and beneficiaries currently receiving benefits	<u>12</u>
Total Plan Participants	<u><u>12</u></u>

Valuations are performed using the Entry Age Normal Cost Method, assuming pre-retirement and post-retirement rate of return of 5% and using the mortality rate based on RP2014 Healthy Annuitant Table for males, set back 4 years for females.

12. **OTHER POST-EMPLOYMENT BENEFITS (OPEB) - continued**

Contributions

There is no requirement for the District to contribute to the Plan, however the District has historically contributed to the Plan on an annual basis. For the year ended December 31, 2018 the District contributed \$48,564.

Actuarial Assumptions

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality Rate:	
Post-retirement	RP-2014 Male Healthy Annuitant Mortality set back 4 years for Females
Discount Rate	5.0%
Pre-retirement terminations	None
Benefit commencement	All benefits are in pay status

Discount Rate

The discount rate used to measure the total OPEB liability was 5.0%.

Net OPEB Liability (Asset)

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balances as of December 31, 2017	\$ 295,344	\$ 385,328	\$ (89,984)
Changes for the year:			
Service cost	-	-	-
Interest	13,553	-	13,553
Assumption changes	-	-	-
Actuarial losses/(gains)	(9,702)	-	(9,702)
Contributions - employer	-	48,564	(48,564)
Net investment gain/(loss)	-	(1,773)	1,773
Benefit payments	(48,564)	(48,564)	-
Administrative expense	-	(3,797)	3,797
Net Changes	<u>(44,713)</u>	<u>(5,570)</u>	<u>(39,143)</u>
Balances as of December 31, 2018	\$ <u>250,631</u>	\$ <u>379,758</u>	\$ <u>(129,127)</u>

12. **OTHER POST-EMPLOYMENT BENEFITS (OPEB) - continued**

Sensitivity Of The Net OPEB Liability (Asset)

Discount Rate Sensitivity - The following presents the net OPEB liability (asset) of the District, calculated using the discount rate of 5.0%, as well as what the District's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (4.0%) or 1 percentage-point higher (6.0%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability (asset)	\$ (121,952)	\$ (129,127)	\$ (135,893)

Other Post-Employment Benefit Expense And Deferred Outflows of Resources and Deferred Inflows Of Resources Related to OPEB

For the year-ended December 31, 2018, the District recognized OPEB income of \$8,528. At December 31, 2018, the District reported deferred outflow of resources and deferred inflows of resources related to the OPEB Plan from the following:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net differences between projected and actual earnings on OPEB plan investments	25,631	-
Total	<u>\$ 25,631</u>	<u>\$ -</u>

The net of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2019	\$ 6,887
2020	6,887
2021	6,889
2022	4,968

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectation and new estimates are made about the future.

13. **TAX ABATEMENTS**

As of December 31, 2018, the District is subject to the real property tax abatement program initiated by the City of St. Peters, MO under Chapter 353 RSMo and Chapter 100RSMo. The effect of the tax abatement under Chapter 353 RSMo to the District was \$34,144 for the year ended December 31, 2018. The effect of the tax abatement under Chapter 100 RSMo was \$290,448 for the year ended December 31, 2018.

14. **SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through the date of the Independent Auditors' Report which is the date the financial statements were available to be issued.

15. **PENDING GOVERNMENTAL ACCOUNTING STANDARDS**

The effect on the District's financial statements of the following statements issued, but not yet adopted, has not yet been determined.

This report does not incorporate GASB Statement No. 83, *Certain Asset Retirement Obligations*; GASB Statement No. 84, *Fiduciary Activities*; GASB Statement No. 87, *Leases*; GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*; GASB 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* and GASB 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*. The effects of the District's financial statements as a result of adoption of these new pronouncements are unknown. The District will adopt and implement these statements at the required time.

16. **PRIOR PERIOD RESTATEMENT**

The net position of the Governmental Activities has been adjusted due the adoption of GASB Statements No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in the year ended December 31, 2018, as a result the following adjustments have been made to net position:

Net position as of December 31, 2017, as previously stated	\$ 27,095,501
Adoption of GASB Statement No. 75	<u>732,107</u>
Net position as of December 31, 2017, as restated	<u>\$ 27,827,608</u>

REQUIRED SUPPLEMENTARY INFORMATION

CENTRAL COUNTY FIRE AND RESCUE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
OPERATING REVENUES				
Taxes	\$ 17,396,369	\$ 17,654,285	\$ 17,657,607	\$ 3,322
Permits	120,000	711,099	711,142	43
Investment income	70,000	192,279	198,472	6,193
Miscellaneous	-	42,193	42,952	759
TOTAL REVENUES	<u>17,586,369</u>	<u>18,599,856</u>	<u>18,610,173</u>	<u>10,317</u>
EXPENDITURES				
Public safety:				
Wages	8,636,412	9,477,526	9,103,299	374,227
Payroll taxes	660,686	705,735	717,096	(11,361)
Employee benefits	3,163,997	3,326,829	3,134,834	191,995
Occupancy	335,630	367,793	337,216	30,577
Vehicle	264,000	204,468	153,364	51,104
Firefighting	121,250	152,437	101,606	50,831
Office	36,500	40,709	25,589	15,120
Management information system	40,400	51,760	39,959	11,801
Outside services	368,250	376,566	290,716	85,850
Professional development	167,000	175,981	88,652	87,329
Community services	134,000	134,000	109,532	24,468
Capital outlay	836,820	289,736	134,367	155,369
TOTAL EXPENDITURES	<u>14,764,945</u>	<u>15,303,540</u>	<u>14,236,230</u>	<u>1,067,310</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,821,424	3,296,316	4,373,943	1,077,627
OTHER FINANCING SOURCES (USES)				
Sale of fixed assets	-	8,632	8,632	-
CHANGE IN NET POSITION	2,821,424	3,304,948	4,382,575	<u>\$ 1,077,627</u>
FUND BALANCES - BEGINNING OF YEAR				
	<u>6,822,075</u>	<u>6,822,075</u>	<u>6,822,075</u>	
FUND BALANCES - END OF YEAR				
	<u>\$ 9,643,499</u>	<u>\$ 10,127,023</u>	<u>\$ 11,204,650</u>	
Fund balance, end of year - budgetary basis			\$ 11,204,650	
Accrual adjustments:				
Revenues			16,739,839	
Expenditures			(310,722)	
Fund balance, end of year - GAAP basis			<u>\$ 27,633,767</u>	

CENTRAL COUNTY FIRE AND RESCUE
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

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 investigated and resolved.
- 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 measureable 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 SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OTHER POST-EMPLOYMENT
BENEFIT LIABILITY (ASSET) AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31

Total OPEB Liability

	2018
Service cost	\$ -
Interest	13,553
Difference between expected and actual experience	(9,702)
Benefit payments	(48,564)
Changes of assumptions	-
Net change in total OPEB liability	(44,713)
Total OPEB liability - beginning of year	295,344
Total OPEB liability - end of year	\$ 250,631

Plan Fiduciary Net Position

Contributions - employer	\$ 48,564
Contributions - employee	-
Net investment income	(1,773)
Benefit payments	(48,564)
Administrative expense	(3,797)
Net change in plan fiduciary net position	(5,570)
Plan fiduciary net position - beginning of year	385,328
Plan fiduciary net position - end of year	\$ 379,758

Net OPEB liability (asset) - end of year	\$ (129,127)
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Plan fiduciary net position as a percentage of total OPEB liability	152%
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Note: The above information is not available for years prior to the implementation of GASB 75.

CENTRAL COUNTY FIRE AND RESCUE
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS

<u>Year Ended</u> <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Employer</u> <u>Actual</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Percentage</u> <u>Contributed</u>	<u>Covered</u> <u>Employee</u> <u>Payroll</u>	<u>Contribution As</u> <u>A Percentage</u> <u>Of Covered</u> <u>Employee Payroll</u>
2018	\$ -	\$ 48,564	\$ (48,564)	n/a	n/a	n/a

Notes to Schedule

Valuation Date: January 1, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Valuation procedures	No liability is held for non-vested, terminated employees even if a break-in-service had not occurred as of the valuation date.
Mortality	RP-2014 Male Healthy Annuitant Mortality set back 4 years for Females
Discount Rate	5.0%
Pre-retirement terminations	None
Benefit Commencement	All benefits are in pay status

The Plan is closed to new entrants; therefore, there are no active Plan participants and no covered employee payroll. The Plan includes retirees only. There are no actuarially determined or required contributions although the District has historically contributed to the Plan by paying Plan benefits.

Note: The above information is not available for years prior to the implementation of GASB 75.