

**Wentzville Fire  
Protection District**

**Annual Financial Statements**

For The Year Ended December 31, 2018

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# *Fick, Eggemeyer & Williamson*

Certified Public Accountants, PC



## INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinions**

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

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3a-3c and 18-19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2019, on our consideration of the Wentzville Fire Protection District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Wentzville Fire Protection District's internal control over financial reporting and compliance.



Fick, Eggemeyer, Williamson, CPA's

St. Louis, Missouri

May 7, 2019

**WENTZVILLE FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

The discussion and analysis of the Wentzville Fire Protection District's financial performance provides an overview of the District's financial activities for the year ended December 31, 2018, within the limitations of the District's accrual basis of accounting. Please read it in conjunction with the District's financial statements.

**FINANCIAL HIGHLIGHTS**

- Based upon current year activity the net position for the Governmental Activities increased by \$2,242,661.
- Governmental Activities revenue was \$17,472,024.
- Property taxes represented \$15,685,045 of the General Fund revenue total or 89.8%.
- Expenses for the General Fund were \$10,836,148.

**USING THIS ANNUAL FINANCIAL REPORT**

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's accrual basis of accounting.

Report Components

This annual report consists of four parts as follows:

**Government-Wide Financial Statements:** The Statement of Net Position and the Statement of Activities provide information about the activities of the District government-wide (or "as a whole") and present a longer-term view of the District's finances.

**Fund Financial Statements:** Fund financial statements focus on the individual parts of the District's government. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant ("major") funds. For *governmental activities*, these statements tell how these services were financed in the short term as well as what remains for future spending.

**Notes to the Financial Statements:** The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanations and detail regarding the information reported in the statements.

**Required Supplementary Information:** This Management Discussion and Analysis and the Budgetary Comparison Schedules represent financial information required to be presented by the GASB. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as "the basic financial statements").

Basis of Accounting

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

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

### Reporting the District as a Whole

#### *The District's Reporting Entity Presentation*

This annual report includes all activities for which the Wentzville Fire Protection District is fiscally responsible. The primary government includes the following legal entity:

- Wentzville Fire Protection District

#### *The Government-Wide Statement of Net Position and the Statement of Activities*

One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all of the District's assets and liabilities resulting from the use of the accrual basis of accounting.

These two statements report the District's net position and changes in them. You can think of the District's position – the difference between assets and liabilities - as one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will also need to consider other non-financial factors, such as changes in the District's property tax base. In the Statement of Net Position and the Statement of Activities, we have one kind of activity:

*Governmental activities* - All of the District's basic services are reported here. Property taxes, permit fees and investment earnings finance all of the activities.

### Reporting the District's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law or by bond covenants. However, the District officials establish certain other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

*Governmental funds* - All of the District's basic services are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. The governmental fund's statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the District's program. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation in the fund financial statements.

## A FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

### Net Position

The District's combined net position increased from \$22,428,944 to \$24,671,605 between years 2017 and 2018.

	<b>Governmental Activities</b>		<b>Total</b>
	<b>2018</b>	<b>2017</b>	<b>Percentage Change 2018-2017</b>
<b>Assets</b>			
Current and other assets	\$ 30,700,818	\$ 28,984,172	6%
Capital assets, net	23,666,319	24,159,570	-2%
Total assets	<u>54,367,137</u>	<u>53,143,742</u>	2%
<b>Liabilities</b>			
Current liabilities	1,705,941	2,250,162	-24%
Long-term liabilities	27,989,591	28,464,636	-2%
Total liabilities	<u>29,695,532</u>	<u>30,714,798</u>	-3%
<b>Net position</b>			
Net investment in capital assets	(1,590,369)	311,429	-611%
Restricted	3,858,538	4,632,962	N/A
Unrestricted	22,403,436	17,484,553	28%
Total net position	<u>\$ 24,671,605</u>	<u>\$ 22,428,944</u>	10%

## Changes in Net Position

For the years ended December 31, 2018 and 2017, net position of the primary government changed as follows:

	<b>Governmental Activities</b>		<b>Total</b>
	<b>2018</b>	<b>2017</b>	<b>Percentage Change 2018-2017</b>
<b>Revenues</b>			
Program revenues:			
Permits	\$ 365,753	\$ 388,729	-6%
Grants	-	18,395	N/A
General revenues:			
Taxes	15,198,200	15,544,221	-2%
Investment income	237,407	201,704	18%
Miscellaneous revenue	37,638	32,372	16%
Gain/(loss) on sale of assets	<u>(310,628)</u>	<u>(181,470)</u>	71%
Total revenues	<u>15,528,370</u>	<u>14,952,636</u>	4%
<b>Expenses</b>			
Fire prevention and suppression	12,495,279	11,524,657	8%
Interest and fiscal charges	<u>790,430</u>	<u>856,169</u>	-8%
Total expenses	<u>13,285,709</u>	<u>9,681,086</u>	37%
Increase/decrease in net assets	<u>\$ 2,242,661</u>	<u>\$ 5,271,550</u>	-57%

## Governmental Activities

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed first with revenues from that particular program reported below it. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the District's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees. All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

### **A FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The General Fund reported revenues of \$15,158,843 and expenditures of \$10,836,148, resulting in an increase in fund balance of \$4,322,695.

The Debt Service Fund reported revenues of \$2,301,712 and expenditures of \$1,976,478, resulting in an increase in fund balance of \$325,234.

The Capital Projects Fund reported revenues of \$1,092,426 and expenditures of \$2,814,246, resulting in a decrease in fund balance of \$1,721,820.



General Fund Budgetary Highlights

Over the course of the year, the Board of Directors revised the General Fund budget. For the year ended December 31, 2018, General Fund expenditures were \$708,359 below final appropriations, while actual resources available for appropriation were \$1,358,458 above the final budgeted amount.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital Assets

At December 31, 2018, the District had \$23,666,319 invested in capital assets, net of depreciation, including buildings, equipment and vehicles. This represents a net decrease of \$493,251 or 2% below last year. Below is a summary of capital assets net of depreciation:

	<b>Capital Assets Net Of Depreciation</b>	
	<b>2018</b>	<b>2017</b>
Land	\$ 964,845	\$ 1,370,015
Buildings and improvements	19,055,964	20,323,007
Vehicles	3,015,933	1,727,525
Equipment	315,377	360,114
Office equipment	59,824	78,800
Furniture and fixtures	254,376	300,109
Total capital assets	<u>\$ 23,666,319</u>	<u>\$ 24,159,570</u>

Long-Term Debt

At December 31, 2018, the District had \$27,750,000 in long-term debt compared to \$27,950,000 at December 31, 2017. This represents a decrease of 1%. All of the debt is related to governmental activities. Below is a summary of long-term debt:

	<b>Long-term debt</b>	
	<b>December 31, 2018</b>	<b>December 31, 2017</b>
General Obligation Bonds - Series 2014	\$ 4,175,000	\$ 4,375,000
General Obligation Bonds - Series 2015	4,375,000	4,625,000
General Obligation Bonds - Series 2016	9,000,000	9,700,000
General Obligation Bonds - Series 2017	9,200,000	9,250,000
General Obligation Bonds - Series 2018	1,000,000	-
Total long-term debt	<u>\$ 27,750,000</u>	<u>\$ 27,950,000</u>

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

For the year ending December 31, 2019, the general fund budget is fairly consistent with the December 31, 2018 budget. The Capital Projects fund budget will include the spending of the 2017 and 2018 bond proceeds.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, 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 concerning this report or need additional information, please contact the District at 502 Luetkenhaus Blvd, Wentzville, Missouri.

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

	Governmental Activities
<b>Current assets</b>	
Cash and cash equivalents	\$ 7,321,232
Certificates of deposit	8,548,398
Taxes receivable, net of allowance	14,805,189
Prepaid expenses	25,999
Total current assets	30,700,818
<b>Noncurrent assets</b>	
Land	964,845
Capital assets, net of depreciation	22,701,474
Total noncurrent assets	23,666,319
<b>TOTAL ASSETS</b>	<b>\$ 54,367,137</b>
 <b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable	\$ 36,070
Salaries and benefits payable	139,092
Interest payable	155,779
Current portion of long-term liabilities	1,375,000
Total current liabilities	1,705,941
<b>Noncurrent liabilities</b>	
Bonds payable	26,375,000
Bond premium	463,337
Accrued compensated absences	1,151,254
Total noncurrent liabilities	27,989,591
<b>TOTAL LIABILITIES</b>	<b>\$ 29,695,532</b>
 <b>NET POSITION</b>	
Net investment in capital assets	\$ (1,590,369)
Restricted	3,858,538
Unrestricted	22,403,436
<b>TOTAL NET POSITION</b>	<b>\$ 24,671,605</b>

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

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

FUNCTIONS/PROGRAMS	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Fire prevention and suppression	\$ 12,495,279	\$ 365,753	\$ -	\$ -	\$ (12,129,526)
Interest and fiscal charges	790,430	-	-	-	(790,430)
Total governmental activities	\$ 13,285,709	\$ 365,753	\$ -	\$ -	(12,919,956)
General revenues:					
Property taxes					15,198,200
Interest and investment earnings					237,407
Miscellaneous					37,638
Loss on sale of assets					(310,628)
Total general revenues					15,162,617
Changes in net position					2,242,661
Net position - beginning					22,428,944
Net position - ending					\$ 24,671,605

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

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

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,827,920	\$ 1,377,581	\$ 1,115,731	\$ 7,321,232
Certificates of deposit	8,548,398	-	-	8,548,398
Taxes receivable, net of allowance	12,669,055	2,136,134	-	14,805,189
Prepaid expenses	25,999	-	-	25,999
Internal balances	410,981	-	29,207	440,188
<b>TOTAL ASSETS</b>	<u>\$ 26,482,353</u>	<u>\$ 3,513,715</u>	<u>\$ 1,144,938</u>	<u>\$ 31,141,006</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 22,312	\$ -	\$ 13,758	\$ 36,070
Salaries and benefits payable	139,092	-	-	139,092
Internal balances	27,639	412,549	-	440,188
<b>Total liabilities</b>	<u>189,043</u>	<u>412,549</u>	<u>13,758</u>	<u>615,350</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue	288,084	48,574	-	336,658
<b>Fund balance</b>				
Nonspendable	89,473	-	-	89,473
Restricted	-	2,727,358	1,131,180	3,858,538
Assigned	18,380,971	-	-	18,380,971
Unassigned	7,534,782	325,234	-	7,860,016
<b>Total fund balance</b>	<u>26,005,226</u>	<u>3,052,592</u>	<u>1,131,180</u>	<u>30,188,998</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 26,482,353</u>	<u>\$ 3,513,715</u>	<u>\$ 1,144,938</u>	<u>\$ 31,141,006</u>

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

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

Total fund balance - governmental funds		\$ 30,188,998
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$30,059,780 and the accumulated depreciation is \$6,393,461.		23,666,319
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		336,658
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds. All liabilities both current and long-term are reported in the Statement of Net Position.		
Bonds payable	(27,750,000)	
Unamortized bond premium	(463,337)	
Interest payable	(155,779)	
Accrued compensated absences	(1,151,254)	(29,520,370)
Net assets of governmental activities		\$ 24,671,605

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

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

	General Fund	Debt Service	Capital Projects	Total Governmental Funds
<b>Revenues</b>				
Property taxes	\$ 13,398,699	\$ 2,286,346	\$ -	\$ 15,685,045
Permits and fees	365,753	-	-	365,753
Investment income	210,572	15,366	11,469	237,407
Miscellaneous	1,183,819	-	-	1,183,819
Total revenues	<u>15,158,843</u>	<u>2,301,712</u>	<u>11,469</u>	<u>17,472,024</u>
<b>Expenditures</b>				
Current				
Fire prevention and suppression	10,808,629	-	-	10,808,629
Capital outlay	23,943	-	2,775,325	2,799,268
Debt service				
Principal	-	1,200,000	-	1,200,000
Interest and fiscal charges	3,576	776,478	-	780,054
Total expenditures	<u>10,836,148</u>	<u>1,976,478</u>	<u>2,775,325</u>	<u>15,587,951</u>
Revenues over (under) expenditures	<u>4,322,695</u>	<u>325,234</u>	<u>(2,763,856)</u>	<u>1,884,073</u>
<b>Other financing sources (uses)</b>				
Bond issuance costs	-	-	(38,921)	(38,921)
Bond proceeds	-	-	1,080,957	1,080,957
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,042,036</u>	<u>1,042,036</u>
Net change in fund balance	4,322,695	325,234	(1,721,820)	2,926,109
Fund balances - beginning of year	<u>21,682,531</u>	<u>2,727,358</u>	<u>2,853,000</u>	<u>27,262,889</u>
Fund balances - end of year	<u>\$ 26,005,226</u>	<u>\$ 3,052,592</u>	<u>\$ 1,131,180</u>	<u>\$ 30,188,998</u>

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

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

Net change in fund balances - governmental funds \$ 2,926,109

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	2,579,660	
Depreciation expense	<u>(1,616,102)</u>	963,558

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds

Deferred revenue	<u>(486,845)</u>	(486,845)
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Disposal of capital assets

Disposals	<u>(1,456,809)</u>	(1,456,809)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in fund statements.

Compensated absences	149,060	
Interest payable	<u>(3,397)</u>	<u>145,663</u>

The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. These amounts are the net effect of these differences in the treatment of long-term debt and related items:

Debt issued during the current year:

Issuances of general obligation bonds	(1,000,000)	
Premium	(80,957)	

Repayments:

Bonds payable	1,200,000	
Amortization of premiums on debt issuance	<u>31,942</u>	<u>150,985</u>

Change in net assets of governmental activities \$ 2,242,661

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

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

Reporting Entity

The District provides fire protection and fire prevention services to its residents. It operates as a political subdivision, duly organized under laws of the State of Missouri, and is funded by real and personal property tax revenue, licenses, permits, and miscellaneous revenues. An elected board of directors, who regulate all major operations, oversees the District.

The District defines its financial reporting entity in accordance with the provisions of the Governmental Accounting Standards Board (GASB). The statement requirement for inclusion of component units is based primarily upon whether the District's governing body has any significant amount of financial accountability for potential component units. The District is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that potential component unit, or the potential component unit may provide specific financial benefits to, or impose specific financial burdens on, the District. Currently, the District does not have any component units.

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. As a general rule the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenues not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds.

Measurement Focus and Basis of Accounting

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

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

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



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

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property taxes associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Fund Accounting

Fund financial statements of the District are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures. The government reports the following governmental funds:

General Fund

This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service

This fund is a Special Revenue Fund used to account for the fulfillment of future debt service requirements, including the repurchase of outstanding bonds issued.

Capital Projects

This fund is a Capital Projects Fund, which is used to account for cash received from bond proceeds and expenditures related to construction and other capital improvements.

Cash and Cash Equivalents

The District considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents. Missouri State Statute requires that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. Certificates of deposit held at banks with an original maturity in excess of three months are reported at cost and listed in the financial statements as certificates of deposit.

Interfund Activities

Interfund transfers represent interfund activities whereby the two parties to the transaction do not receive equivalent cash, goods, or services. Transfers should be reported as other financing sources and use on the Statement of Revenues, Expenditures and Change in Fund Balance. Any resulting balances at the end of the accounting period should be reported as internal balances. All interfund activity has been eliminated from the government-wide financial statements.

Post Employment Benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the Federal government for this coverage. The premium is paid in full by the insured to the District. This program is offered for a duration of 18 months after the termination date. There are currently no former employees on the plan and there are no associated costs to the District under this program.

Allowance for Doubtful Accounts

The District calculates an allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance at December 31, 2018 was \$128,144.

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

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused sick time up to a maximum as described by policy. Accrued sick time is payable to employees upon termination. In the government-wide financial statements, the District accrues sick time when earned by the employee. The District grants vacation and personal time to all employees. Unused vacation and personal time lapses at year end.

Deferred Outflows/Inflows of Resources

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

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

Capital Assets

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of donation. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciation is being computed on the straight-line method, using asset lives as follows:

Assets	Years	Assets	Years
Buildings and improvements	15-30	Office equipment	3-5
Vehicles	7	Furniture and fixtures	7
Equipment	5-10		

Governmental Fund Balances

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

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

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

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Restricted - the portion of a Governmental Fund's net assets that are subject to external enforceable legal restrictions. The following account fund balance is restricted by bond funding: Debt Service and Capital Projects.

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

Unassigned - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following fund comprises the unassigned fund balance: General.

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

Net Position

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

Uses of Estimates

The preparation of basic financial statements in conformity with the other comprehensive basis of accounting used by the District requires management to make estimates and assumptions that affect the reported amounts in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

**Note 2 - DEPOSITS**

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

Deposits - At year-end, the carrying amount of the District's demand deposits totaled \$7,321,232 and bank balances totaled \$7,373,919. At year-end, the District also had certificates of deposit with a total carrying amount, which approximates fair value, of \$8,548,398. These are shown as certificates of deposit due to their original maturity dates.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a policy for custodial credit risk that follows Missouri Statutes for deposits. Of the bank balances, \$10,060,835 was insured by the Federal Deposit Insurance Corporation, and \$5,861,482 was covered by pledged collateral, which was held in the District's name.

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

**Note 3 - CAPITAL ASSETS**

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental activities:</b>				
Land	\$ 1,370,015	\$ -	\$ 405,170	\$ 964,845
Total capital assets not being depreciated	<u>1,370,015</u>	<u>-</u>	<u>405,170</u>	<u>964,845</u>
<i>Capital assets being depreciated:</i>				
Buildings and other improvements	21,558,618	474,729	1,444,144	20,589,203
Vehicles	5,113,536	1,940,834	385,598	6,668,772
Equipment	1,051,149	145,830	-	1,196,979
Office equipment	246,666	9,114	-	255,780
Furniture and fixtures	375,048	9,153	-	384,201
Total capital assets being depreciated	<u>28,345,017</u>	<u>2,579,660</u>	<u>1,829,742</u>	<u>29,094,935</u>
<i>Less accumulated depreciation for:</i>				
Buildings and other improvements	1,235,611	690,133	392,505	1,533,239
Vehicles	3,386,011	652,426	385,598	3,652,839
Equipment	691,035	190,567	-	881,602
Office equipment	167,866	28,090	-	195,956
Furniture and fixtures	74,939	54,886	-	129,825
Total accumulated depreciation	<u>5,555,462</u>	<u>1,616,102</u>	<u>778,103</u>	<u>6,393,461</u>
Total net capital assets being depreciated	<u>22,789,555</u>	<u>963,558</u>	<u>1,051,639</u>	<u>22,701,474</u>
Governmental activity capital assets, net	<u>\$ 24,159,570</u>	<u>\$ 963,558</u>	<u>\$ 1,456,809</u>	<u>\$ 23,666,319</u>

Depreciation expense of \$1,616,102 was charged to the function fire prevention and suppression.

**Note 4 - PROPERTY TAXES**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The county collects the property tax and remits it to the District.

The assessed valuation of the tangible real, personal taxable and state assessed railroad and utilities property for the calendar year 2018 for purposes of local taxation was \$1,798,373,776.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2018 for purposes of local taxation is \$0.7117 and \$.1200 for the General and Debt Service Fund, respectively.

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

**Note 5 - INTERFUND RECEIVABLES/PAYABLES**

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Debt Service Fund	\$ 410,981
Capital Projects Fund	General Fund	27,639
Capital Projects Fund	Debt Service Fund	1,568

The interfund balances relate to costs incurred operations. The balances are expected to be repaid within one year.

**Note 6 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of Emergency Services Insurance Program (ESIP), which provides liability insurance coverage under one comprehensive plan for all members. The District pays an annual premium to ESIP for its general liability, public officials' errors and omissions, and automobile liability coverages. ESIP is self-sustaining through member premiums and reinsures with commercial companies for excess insurance. The District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**Note 7 - PENSION PLAN**

The District has a defined contribution pension plan, which covers all employees who meet the plan's eligibility requirements. An eligible employee becomes a participant in the plan on the first entry date following the later of the first anniversary of his/her employment commencement date and the completion of 1,000 hours of service, providing that the employee has attained age 18. The District is to contribute on behalf of each participant, 100% of such participant's elective deferral under the District sponsored Section 457 plan for each designated matching period within a plan year, not to exceed more than 5% in any given plan year. The District is also to contribute 13% of covered compensation to be allocated among eligible participants. Participants are fully vested upon contribution. District contributions to the plan for the year ended December 31, 2018 totaled \$975,139.

**Note 8 - DEFERRED COMPENSATION PLAN**

Employees of the Wentzville Fire Protection District may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Service Code Section 457 (Deferred Compensation Plan With Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the District. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or hardship. The plan assets are held in trust by Wells Fargo.

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

**Note 9 - LONG-TERM LIABILITIES**

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

	Balance January 1, 2018	Additions	Reductions	Balance December 31, 2018	Amount Due Within One Year
General Obligation Bonds	\$ 27,950,000	\$ 1,000,000	\$ 1,200,000	\$ 27,750,000	\$ 1,375,000
Unamortized bond premium	414,322	80,957	31,942	463,337	-
Compensated Absences *	1,300,314	-	149,060	1,151,254	-
	<u>\$ 29,664,636</u>	<u>\$ 1,080,957</u>	<u>\$ 1,381,002</u>	<u>\$ 29,364,591</u>	<u>\$ 1,375,000</u>

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

**Note 10 - BONDS PAYABLE**

Series 2014 - On November 15, 2014, the District issued General Obligation Bonds in the amount of \$5,000,000 in order to purchase real property, construct, equip and maintain fire stations, purchase and equip fire trucks, purchase protection and fire fighting apparatus and auxiliary equipment, repay leases and certificates of participation and pay the costs of issuing the bonds. The bonds have interest rates ranging from 2.00% to 3.25% and maturities through May 2034. As of December 31, 2018, the outstanding balance of General Obligation Bonds is \$4,175,000.

Series 2015 - On October 29, 2015, the District issued General Obligation Bonds in the amount of \$5,000,000 in order to purchase real property, construct, equip and maintain fire stations, purchase and equip fire trucks, purchase protection and fire fighting apparatus and auxiliary equipment and pay the costs of issuing the bonds. The bonds have interest rates ranging from 2.00% to 3.25% and maturities through April 2035. As of December 31, 2018, the outstanding balance of General Obligation Bonds is \$4,375,000.

Series 2016 - On January 14, 2016, the District issued General Obligation Bonds in the amount of \$9,750,000 in order to purchase real property, construct, equip and maintain fire stations, purchase and equip fire trucks, purchase protection and fire fighting apparatus and auxiliary equipment and pay the costs of issuing the bonds. The bonds have interest rates ranging from 2.00% to 3.00% and maturities through April 2035. As of December 31, 2018, the outstanding balance of General Obligation Bonds is \$9,000,000.

Series 2017 - On January 26, 2017, the District issued General Obligation Bonds in the amount of \$9,200,000 in order to purchase real property, construct, equip and maintain fire stations, purchase and equip fire trucks, purchase protection and fire fighting apparatus and auxiliary equipment and pay the costs of issuing the bonds. The bonds have interest rates ranging from 2.30% to 4.00% and maturities through April 2036. As of December 31, 2018, the outstanding balance of General Obligation Bonds is \$9,200,000.

Series 2018 - On February 1, 2018, the District issued General Obligation Bonds in the amount of \$1,200,000 in order to purchase real property, construct, equip and maintain fire stations, purchase and equip fire trucks, purchase protection and fire fighting apparatus and auxiliary equipment and pay the costs of issuing the bonds. The bonds have an interest rate of 4.00% and maturities through April 2023. As of December 31, 2018, the outstanding balance of General Obligation Bonds is \$1,000,000.

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

**Note 10 - BONDS PAYABLE** (continued)

Debt Service Requirements to Maturity

The annual debt service requirements for bonded debt as of December 31, 2018 are as follows:

Year Ending December 31,	Principal	Interest	Total
2019	\$ 1,375,000	\$ 757,562	\$ 2,132,562
2020	1,500,000	720,688	2,220,688
2021	1,525,000	680,437	2,205,437
2022	1,450,000	640,939	2,090,939
2023	1,225,000	599,563	1,824,563
2024-2028	7,400,000	2,404,564	9,804,564
2029-2033	8,675,000	1,375,532	10,050,532
2034-2036	4,600,000	172,187	4,772,187
	<u>\$ 27,750,000</u>	<u>\$ 7,351,469</u>	<u>\$ 35,101,469</u>

**NOTE 11 - OPERATING LEASES**

In 2014, the District entered into two operating lease agreements for solar panels. The lease agreements run from June 2014 through May 2034 and require monthly payments of \$170 for each lease.

In 2014, the District entered into an operating lease agreement for the use of a copier. The lease agreement runs from February 2014 through January 2019 and requires monthly payments of \$298. Subsequent to year end a new agreement was signed for 36 months at a rate of \$340 per month.

Lease expenditures for the year ended December 31, 2018 were \$7,656. Future minimum lease payments under the above leases are as follows:

Year Ending December 31,	Amount
2019	\$ 4,378
2020	4,080
2021	4,080
2022	4,080
2023	4,080
2024 and thereafter	42,500
	<u>\$ 63,198</u>

**Note 12 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 7, 2019, the date which the financial statements were available for issue, and noted no reportable events.

**Required Supplemental Information  
(Other than Management's Discussion & Analysis)**



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

	Budgeted Amounts			Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property taxes	\$ 12,365,613	\$ 12,748,600	\$ 13,398,699	\$ 650,099
Permits and fees	150,000	365,753	365,753	-
Investment income	100,000	210,572	210,572	-
Miscellaneous	33,000	1,183,819	1,183,819	-
Total revenues	<u>12,648,613</u>	<u>14,508,744</u>	<u>15,158,843</u>	<u>650,099</u>
<b>Expenditures</b>				
Public safety				
Salaries	5,685,867	5,685,867	5,732,576	(46,709)
Salaries - overtime	725,000	725,000	581,896	143,104
Election expenses	50,000	50,000	-	50,000
Payroll taxes	490,431	490,431	482,679	7,752
Office supplies	23,000	23,000	15,998	7,002
Gasoline and oil	60,000	66,776	69,694	(2,918)
Dues and subscriptions	18,750	18,750	14,059	4,691
Advertising and public relations	63,500	63,500	51,127	12,373
Insurance - general	150,000	150,000	135,561	14,439
Insurance - employee	2,065,750	2,065,750	1,787,237	278,513
Professional fees	97,500	97,500	91,567	5,933
Building and maintenance	175,000	175,000	177,046	(2,046)
Equipment and vehicle maintenance	258,000	258,000	161,799	96,201
Doctor fees	42,500	42,500	38,411	4,089
Training and education	120,000	120,000	69,243	50,757
Uniforms	-	-	13,064	(13,064)
Supplies	15,600	16,230	17,259	(1,029)
Utilities	193,204	193,204	166,941	26,263
Pension contribution	1,275,456	1,275,456	1,202,472	72,984
Capital outlay	-	23,943	23,943	-
Debt service				
Interest and fiscal charges	3,600	3,600	3,576	24
Total expenditures	<u>11,513,158</u>	<u>11,544,507</u>	<u>10,836,148</u>	<u>708,359</u>
Net change in fund balance	<u>\$ 1,135,455</u>	<u>\$ 2,964,237</u>	4,322,695	<u>\$ 1,358,458</u>
Fund balance, beginning of year			<u>21,682,531</u>	
Fund balance, end of year			<u>\$ 26,005,226</u>	

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

**Note 1 - BUDGETS AND BUDGETARY ACCOUNTING**

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

- a. Prior to September 1, the Board of Directors prepares a proposed operating budget for the upcoming year. The operating budget includes proposed expenditures and the means of financing them.
- b. Open meetings of the Board of Directors are held to obtain taxpayer comments.
- c. Prior to December 31, the budget for the upcoming year is adopted by the Board of Directors.
- d. Budgets are adopted on a basis consistent with the modified cash basis of accounting.
- e. Any revisions that alter the total expenditures must be approved by the Board of Directors.
- f. Prior to year-end, the Board of Directors adopts an amended budget approving any additional expenditures, if necessary.
- g. The amended budget for the District is presented in the Budgetary Comparison Schedules
- h. All annual appropriations lapse at fiscal year-end.

**Note 2 - BASIS OF ACCOUNTING**

The budget is prepared on the modified accrual basis of accounting. Revenues and expenditures are reported when they result from cash transactions

**NOTE 3 - EXPENDITURES IN EXCESS OF BUDGET**

	<u>Budget</u>	<u>Actual</u>
Capital Projects	\$ 2,757,877	\$ 2,775,325

## **Other Supplementary Information**

WENTZVILLE FIRE PROTECTION DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 DEBT SERVICE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual	Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 2,668,155	\$ 2,753,635	\$ 2,286,346	\$ (467,289)
Investment income	2,600	15,365	15,366	1
Total revenues	<u>2,670,755</u>	<u>2,769,000</u>	<u>2,301,712</u>	<u>(467,288)</u>
Expenditures				
Debt service				
Principal	1,200,000	1,200,000	1,200,000	-
Interest and fiscal charges	750,439	778,660	776,478	2,182
Total expenditures	<u>1,950,439</u>	<u>1,978,660</u>	<u>1,976,478</u>	<u>2,182</u>
Net change in fund balance	<u>\$ 720,316</u>	<u>\$ 790,340</u>	325,234	<u>\$ (465,106)</u>
Fund balance, beginning of year			<u>2,727,358</u>	
Fund balance, end of year			<u>\$ 3,052,592</u>	

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

	Budgeted Amounts			Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income	\$ 5,000	\$ 11,469	\$ 11,469	\$ -
Total revenues	<u>5,000</u>	<u>11,469</u>	<u>11,469</u>	<u>-</u>
Expenditures				
Capital outlay	592,413	2,757,877	2,775,325	(17,448)
Total expenditures	<u>592,413</u>	<u>2,757,877</u>	<u>2,775,325</u>	<u>(17,448)</u>
Revenues over (under) expenditures	(587,413)	(2,746,408)	(2,763,856)	(17,448)
Other financing sources (uses)				
Bond issuance costs	-	(50,000)	(38,921)	11,079
Bond proceeds	1,000,000	1,076,970	1,080,957	3,987
Total other financing sources (uses)	<u>1,000,000</u>	<u>1,026,970</u>	<u>1,042,036</u>	<u>15,066</u>
Net change in fund balance	<u>\$ 412,587</u>	<u>\$ (1,719,438)</u>	(1,721,820)	<u>\$ (2,382)</u>
Fund balance, beginning of year			<u>2,853,000</u>	
Fund balance, end of year			<u>\$ 1,131,180</u>	

Federal Compliance Section



***Fick, Eggemeyer  
& Williamson***

**Certified Public Accountants, PC**

**CPA**  
MEMBERS OF THE  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wentzville Fire Protection District, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Wentzville Fire Protection District's basic financial statements, and have issued our report thereon dated May 7, 2019.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Fick, Eggemeyer & Williamson*  
Fick, Eggemeyer, & Williamson, CPA's  
Saint Louis, Missouri  
May 7, 2019



WENTZVILLE FIRE PROTECTION DISTRICT  
FOR THE YEAR ENDED DECEMBER 31, 2018

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified \_\_\_\_\_ Yes   X   No

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

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

**Federal Awards - NA**

Internal control over major programs:

Material weaknesses identified? \_\_\_\_\_ Yes \_\_\_\_\_ No

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

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

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

Identification of major program:

CFDA Numbers                      Name of Federal Program or Cluster

None

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

Auditee qualified as low risk auditee? \_\_\_\_\_ Yes \_\_\_\_\_ No

WENTZVILLE FIRE PROTECTION DISTRICT  
SUMMARY OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**Summary Schedule of Prior Audit Findings**

<u>Prior finding number</u>	<u>Condition</u>	<u>Current Status</u>
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None		
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