

**Wentzville Fire
Protection District**

Annual Financial Statements

For The Year Ended December 31, 2020

TABLE OF CONTENTS

	<u>Pages</u>
FINANCIAL SECTION	
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3A-3E
 Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Balance Sheet - Governmental Funds	6
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	9
Statement of Fiduciary Net Position - Pension Trust Fund	10
Statement of Changes in Fiduciary Net Position - Pension Trust Fund	11
Notes to the Financial Statements	12-24
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund	25
Notes to Required Supplementary Information	26
Schedule of Changes in Net Pension Liability and Related Ratios	27
Schedule of Contributions	28
 OTHER SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - Debt Service Fund	29
Budgetary Comparison Schedule - Capital Projects Fund	30
Combining Statement of Fiduciary Net Position	31
Combining Statement of Changes in Fiduciary Net Position	32
 FEDERAL COMPLIANCE SECTION	
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 <i>Government Auditing Standards</i>	33-34
Summary of Auditors' Results	35
Summary of Prior Year Audit Findings	35



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Wentzville Fire Protection District
St. Louis, 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, 2020 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, 2020, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios and schedule of contributions on pages 3A–3E and 25–28 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 as a whole that collectively comprise the District's basic financial statements. The budgetary comparison schedules - debt service and capital project funds, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2021, 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 solely 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 the effectiveness of the Wentzville Fire Protection District's 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

Fick, Eggemeyer & Williamson, CPA's
Saint Louis, Missouri
May 22, 2021

**WENTZVILLE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

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, 2020, 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 \$1,913,926.
- Governmental Activities revenue was \$17,348,473.
- Governmental Activities property taxes represented \$15,842,858 of the total revenue total or 95.2%.
- Expenses for the General Fund were \$16,822,749.

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 - 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.

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

A FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's combined net position increased from \$18,411,353 to \$20,325,279 between years 2019 and 2020.

	Governmental		Total
	Governmental Activities		Percentage Change
	2020	2019	2020-2019
Assets			
Current and other assets	\$ 28,248,930	\$ 30,080,096	-6%
Capital assets, net	20,845,716	22,255,201	-6%
Total assets	49,094,646	52,335,297	-6%
Deferred Outflows	684,643	75,389	808%
Liabilities			
Current liabilities	1,923,082	1,857,522	4%
Long-term liabilities	27,099,419	32,141,811	-16%
Total liabilities	29,022,501	33,999,333	-15%
Deferred Inflows	431,509	-	N/A
Net position			
Net investment in capital assets	(2,256,406)	(2,169,165)	4%
Restricted	2,018,496	2,092,011	-4%
Unrestricted	20,563,189	18,488,507	11%
Total net position	\$ 20,325,279	\$ 18,411,353	10%

Changes in Net Position

For the years ended December 31, 2020 and 2019, net position of the primary government changed as follows:

	Governmental		Total
	Governmental Activities		Percentage Change
	2020	2019	2020-2019
Revenues			
Program revenues:			
Permits	\$ 502,047	\$ 649,217	-23%
Operating grants	110,305	-	N/A
General revenues:			
Taxes	16,517,775	16,077,417	3%
Investment income	205,965	522,617	-61%
Miscellaneous revenue	12,381	61,390	-80%
Gain/(loss) on sale of assets	-	18,300	-100%
Total revenues	17,348,473	17,328,941	0%
Expenses			
Fire prevention and suppression	14,750,902	22,876,138	-36%
Interest and fiscal charges	683,645	713,055	-4%
Total expenses	15,434,547	23,589,193	-35%
Increase/decrease in net position	\$ 1,913,926	\$ (6,260,252)	-131%

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 \$15,254,240 and expenditures of \$16,822,749, resulting in a decrease in fund balance of \$1,568,509. During 2020 the District made a contribution of \$4,000,000 to fund the defined benefit pension plan.

The Debt Service Fund reported revenues of \$2,167,440 and expenditures of \$2,222,278, resulting in a decrease in fund balance of \$54,838.

The Capital Projects Fund reported revenues of \$1,463 and expenditures of \$182,486, resulting in a decrease in fund balance of \$181,023.

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, 2020, General Fund expenditures were \$828,342 below final appropriations, while actual resources available for appropriation were \$828,434 above the final budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2020, the District had \$20,845,716 invested in capital assets, net of depreciation, including buildings, equipment and vehicles. This represents a net decrease of \$1,409,485 or 6% below last year. Below is a summary of capital assets net of depreciation:

	Capital Assets Net Of Depreciation	
	2020	2019
Land	\$ 964,845	\$ 964,845
Buildings and improvements	17,781,112	18,479,354
Vehicles	1,818,920	2,406,042
Equipment	111,841	138,906
Office equipment	9,121	49,976
Furniture and fixtures	159,877	216,078
Total capital assets	<u>\$ 20,845,716</u>	<u>\$ 22,255,201</u>

Long-Term Debt

At December 31, 2020, the District had \$24,875,000 in long-term debt compared to \$26,375,000 at December 31, 2019. This represents a decrease of 6%. All of the debt is related to governmental activities. Below is a summary of long-term debt:

	Long-term debt	
	December 31, 2020	December 31, 2019
General Obligation Bonds - Series 2014	\$ 3,800,000	\$ 4,000,000
General Obligation Bonds - Series 2015	4,000,000	4,175,000
General Obligation Bonds - Series 2016	8,100,000	8,500,000
General Obligation Bonds - Series 2017	8,200,000	8,700,000
General Obligation Bonds - Series 2018	775,000	1,000,000
Total long-term debt	<u>\$ 24,875,000</u>	<u>\$ 26,375,000</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

For the year ending December 31, 2021, the general fund budget is fairly consistent with the December 31, 2020 budget. The Capital Projects fund budget will include the spending of the 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, 2020

	<u>Governmental Activities</u>
Current assets	
Cash and cash equivalents	\$ 8,044,853
Certificates of deposit	4,000,000
Taxes receivable, net of allowance	16,095,689
Prepaid expenses	108,388
Total current assets	<u>28,248,930</u>
Noncurrent assets	
Land	964,845
Capital assets, net of depreciation	19,880,871
Total noncurrent assets	<u>20,845,716</u>
TOTAL ASSETS	<u><u>\$ 49,094,646</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of pension resources	<u><u>\$ 684,643</u></u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 21,530
Salaries and benefits payable	235,795
Interest payable	140,757
Current portion of long-term liabilities	1,525,000
Total current liabilities	<u>1,923,082</u>
Noncurrent liabilities	
Bonds payable	23,350,000
Bond premium	385,961
Accrued compensated absences	1,376,857
Net pension liability	1,986,601
Total noncurrent liabilities	<u>27,099,419</u>
TOTAL LIABILITIES	<u><u>\$ 29,022,501</u></u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of pension resources	<u><u>\$ 431,509</u></u>
NET POSITION	
Net investment in capital assets	\$ (2,256,406)
Restricted	
Debt service	2,016,940
Capital projects	1,556
Unrestricted	20,563,189
TOTAL NET POSITION	<u><u>\$ 20,325,279</u></u>

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, 2020

FUNCTIONS/PROGRAMS	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Fire prevention and suppression	\$ 14,750,902	\$ 502,047	\$ 110,305	\$ -	\$ (14,138,550)
Interest and fiscal charges	683,645	-	-	-	(683,645)
Total governmental activities	<u>\$ 15,434,547</u>	<u>\$ 502,047</u>	<u>\$ 110,305</u>	<u>\$ -</u>	<u>(14,822,195)</u>
General revenues:					
Property taxes					16,517,775
Interest and investment earnings					205,965
Miscellaneous					12,381
Total general revenues					<u>16,736,121</u>
Changes in net position					1,913,926
Net position - beginning					<u>18,411,353</u>
Net position - ending					<u>\$ 20,325,279</u>

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

WENTZVILLE FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 7,271,975	\$ 110,910	\$ 661,968	\$ 8,044,853
Certificates of deposit	3,000,000	1,000,000	-	4,000,000
Taxes receivable, net of allowance	14,013,966	2,081,723	-	16,095,689
Prepaid expenses	108,388	-	-	108,388
Internal balances	580	-	3,639	4,219
TOTAL ASSETS	\$ 24,394,909	\$ 3,192,633	\$ 665,607	\$ 28,253,149
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 19,447	\$ -	\$ 2,083	\$ 21,530
Salaries and benefits payable	235,795	-	-	235,795
Internal balances	3,639	580	-	4,219
Total liabilities	258,881	580	2,083	261,544
 Deferred inflows of resources				
Unavailable revenue	432,344	64,203	-	496,547
 Fund balance				
Nonspendable	108,388	-	-	108,388
Restricted	-	3,127,850	663,524	3,791,374
Assigned	20,000,000	-	-	20,000,000
Unassigned	3,595,296	-	-	3,595,296
Total fund balance	23,703,684	3,127,850	663,524	27,495,058
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
	\$ 24,394,909	\$ 3,192,633	\$ 665,607	\$ 28,253,149

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, 2020

Total fund balance - governmental funds		\$ 27,495,058
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		20,845,716
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		496,547
Certain assets (obligations) are not financial resources and, therefore, are not reported in the governmental funds. These items consist of:		
Net pension liability	(1,986,601)	
Deferred outflows of resources related to pensions	684,643	
Deferred inflows of resources related to pensions	<u>(431,509)</u>	(1,733,467)
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	(24,875,000)	
Unamortized bond premium	(385,961)	
Interest payable	(140,757)	
Accrued compensated absences	<u>(1,376,857)</u>	<u>(26,778,575)</u>
Net assets of governmental activities		<u>\$ 20,325,279</u>

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, 2020

	General Fund	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Property taxes	\$ 14,437,698	\$ 2,154,747	\$ -	\$ 16,592,445
Permits and fees	502,047	-	-	502,047
Grant income	110,305	-	-	110,305
Investment income	191,809	12,693	1,463	205,965
Miscellaneous	12,381	-	-	12,381
Total revenues	<u>15,254,240</u>	<u>2,167,440</u>	<u>1,463</u>	<u>17,423,143</u>
Expenditures				
Current				
Fire prevention and suppression	16,815,380	-	-	16,815,380
Capital outlay	-	-	182,486	182,486
Debt service				
Principal	-	1,500,000	-	1,500,000
Interest and fiscal charges	7,369	722,278	-	729,647
Total expenditures	<u>16,822,749</u>	<u>2,222,278</u>	<u>182,486</u>	<u>19,227,513</u>
Net change in fund balance	(1,568,509)	(54,838)	(181,023)	(1,804,370)
Fund balances - beginning of year	<u>25,272,193</u>	<u>3,182,688</u>	<u>844,547</u>	<u>29,299,428</u>
Fund balances - end of year	<u>\$ 23,703,684</u>	<u>\$ 3,127,850</u>	<u>\$ 663,524</u>	<u>\$ 27,495,058</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, 2020

Net change in fund balances - governmental funds \$ (1,804,370)

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	98,283	
Depreciation expense	<u>(1,507,768)</u>	(1,409,485)

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

Deferred revenue	<u>(74,670)</u>	(74,670)
------------------	-----------------	----------

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.

Current year change in net pension liability	3,640,820	
Current year change in deferred outflows	609,254	
Current year change in deferred inflows	(431,509)	
Compensated absences	(162,116)	
Interest payable	<u>7,314</u>	<u>3,663,763</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:

Repayments:

Bonds payable	1,500,000	
Amortization of premiums on debt issuance	<u>38,688</u>	<u>1,538,688</u>

Change in net assets of governmental activities \$ 1,913,926

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

WENTZVILLE FIRE PROTECTION DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
DECEMBER 31, 2020

ASSETS

Cash and cash equivalents	\$	4,063,563
Investments, at fair value		27,640,730
Participant loans receivable		286,705
Accrued interest receivable		5,803
		<u>5,803</u>
Total assets	\$	<u>31,996,801</u>

LIABILITIES AND NET POSITION

Liabilities

Obligation - 457 plan	\$	8,279,523
		<u>8,279,523</u>
Total liabilities		<u>8,279,523</u>

NET POSITION

Held in trust for pension benefits		<u>23,717,278</u>
Total net position		<u>23,717,278</u>
Total liabilities and net position	\$	<u>31,996,801</u>

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

WENTZVILLE FIRE PROTECTION DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Additions		
Contributions	\$	6,058,487
Net appreciation in fair value of assets		1,899,896
Dividend and interest income		<u>787,609</u>
Total additions		<u>8,745,992</u>
Deductions		
Investment expenses		85,038
Benefits paid		<u>571,894</u>
Total deductions		<u>656,932</u>
Change in net position		8,089,060
Net position held in trust for pension benefits		
January 1, 2020		<u>15,628,218</u>
December 31, 2020	\$	<u><u>23,717,278</u></u>

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

WENTZVILLE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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.

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

The statement of activities 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.

WENTZVILLE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

Additionally, the government reports the following fiduciary fund type:

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

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.

Investments

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

WENTZVILLE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. As of December 31, 2020 one former employee was on the health insurance plan. The premium is paid in by the District. This program is offered for a duration of 18 months after the termination date. The liability calculated was immaterial, therefore, the District has not recorded any post employment benefit liability as of December 31, 2020.

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, 2020 was \$147,641.

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.

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

WENTZVILLE FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 costs 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 is for prepaid assets.

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.

WENTZVILLE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 \$12,108,416 (including fiduciary cash of \$4,063,563) and bank balances totaled \$12,143,030. At year-end, the District also had certificates of deposit with local banks with a total carrying amount, valued at cost, of \$4,000,000. 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, \$6,613,393 was insured by the Federal Deposit Insurance Corporation, and \$5,579,468 was covered by pledged collateral, which was held in the District's name. The remaining balance of \$3,950,169 (comprised entirely of fiduciary cash) was unsecured as of December 31, 2020 and is not required to be secured by Missouri Statute.

Note 3 - 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 2020 for purposes of local taxation was \$2,098,457,954. The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2020 for purposes of local taxation is \$0.6734 and \$.1000 for the General and Debt Service Funds, respectively.

Note 4 - INTERFUND RECEIVABLES/PAYABLES

The composition of interfund balances as of December 31, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
Capital Projects Fund	General Fund	\$ 3,639
General Fund	Debt Service Fund	580

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

WENTZVILLE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Note 5 - CAPITAL ASSETS

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Land	\$ 964,845	\$ -	\$ -	\$ 964,845
Total capital assets not being depreciated	<u>964,845</u>	<u>-</u>	<u>-</u>	<u>964,845</u>
<i>Capital assets being depreciated:</i>				
Buildings and other improvements	20,710,836	-	-	20,710,836
Vehicles	5,894,823	34,956	-	5,929,779
Equipment	1,196,979	63,327	107,716	1,152,590
Office equipment	256,701	-	91,140	165,561
Furniture and fixtures	402,105	-	5,940	396,165
Total capital assets being depreciated	<u>28,461,444</u>	<u>98,283</u>	<u>204,796</u>	<u>28,354,931</u>
<i>Less accumulated depreciation for:</i>				
Buildings and other improvements	2,231,482	698,242	-	2,929,724
Vehicles	3,488,781	622,078	-	4,110,859
Equipment	1,058,073	90,392	107,716	1,040,749
Office equipment	206,725	40,855	91,140	156,440
Furniture and fixtures	186,027	56,201	5,940	236,288
Total accumulated depreciation	<u>7,171,088</u>	<u>1,507,768</u>	<u>204,796</u>	<u>8,474,060</u>
Total net capital assets being depreciated	<u>21,290,356</u>	<u>(1,409,485)</u>	<u>-</u>	<u>19,880,871</u>
Governmental activity capital assets, net	<u>\$22,255,201</u>	<u>\$(1,409,485)</u>	<u>\$ -</u>	<u>\$20,845,716</u>

Depreciation expense of \$1,507,768 was charged to the function fire prevention and suppression.

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.

WENTZVILLE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Note 7 - DEFINED CONTRIBUTION 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 6% in any given plan year. The District is also to contribute 14% 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, 2020 totaled \$1,324,487.

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.

Note 9 - DEFINED BENEFIT PLAN

Plan Description

During 2019 the District implemented a single-employer, defined-benefit pension plan administered by the Retirement Plan Committee. The Plan provides retirement, death, and disability benefits to plan members and beneficiaries in accordance with the resolution establishing the Plan and may be amended. The District's Defined Benefit Plan issues a publicly available report that can be obtained by contacting the Wentzville Fire Protection District.

Eligibility

Employees shall become a participant on the later of date of hire or January 1, 2019. First responders are eligible at age 60 and all other participants are eligible at age 62.

Benefits Provided

The benefits are calculated as 1.5% of average annual compensation multiplied by years of service, up to a maximum of 20 years. Average annual compensation will be calculated by compensation earned in the highest 5 consecutive years out of the last 10 years. Payment under the basic form is life annuity with 10 years certain. For married participants only, a monthly income payable for the lifetime of the participant, with a monthly income continuing thereafter in (i) one-half (50%), or (ii) the same amount (100%) of the amount paid to the participant at the time of the participant's death to the participant's spouse.

WENTZVILLE FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2020

Note 9 - DEFINED BENEFIT PLAN (continued)

At December 31, 2020, the following employees were covered by the plan:

Covered members:			
Inactive employees entitled to but not yet receiving benefits	1		
Active employees	64		
Total Membership	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;"></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">65</td> </tr> </table>		65
	65		

Contributions

The District must annually contribute an actuarially determined amount. The District authorized a \$4,500,000 contribution in 2020, or 67.34% of the \$6,682,658 in covered payroll.

Basis of Accounting

The Defined Benefit Plan's financial statements are prepared using the accrual basis of accounting.

Asset Valuations

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

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	5.00%
Investment rate of return	5.00%
Salary increases, including inflation	3.00%
Inflation	2.00%

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of the actuarial experience study for the period January 1, 2020 to December 31, 2020. In addition, mortality rates were based on the PubS-2010 with generational improvements from 2010 based on MP-20.

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

Discount Rate

The discount rate used to measure the total pension liability was 5.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Professional judgment on future contributions has been applied in those cases where contribution patterns deviate from the actuarially determined rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

WENTZVILLE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Note 9 - DEFINED BENEFIT PLAN (continued)

Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, December 31, 2019	\$ 9,633,185	\$ 4,005,764	\$ 5,627,421
Changes for the year			
Service cost	523,097	-	523,097
Interest	507,814	-	507,814
Differences between expected and actual results	272,345	-	272,345
Change of assumptions	408,098		408,098
Net investment income (loss)	-	852,174	(852,174)
Contribution – employer	-	4,500,000	(4,500,000)
Changes in net pension liability (asset)	1,711,354	5,352,174	(3,640,820)
Balance, December 31, 2020	\$ 11,344,539	\$ 9,357,938	\$ 1,986,601

The District's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

The following presents the net pension liability calculated using the discount rate of 5.00%, as well as 1% higher and 1% lower than the current rate.

	Discount Rate		
	1% Decrease (4.00%)	Current Rate (5.00%)	1% Increase (6.00%)
Net pension liability	\$ 4,037,872	\$ 1,986,601	\$ 304,301

Pension Expenses - Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2020, the District recognized pension expense of \$681,435. On December 31, 2020 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 251,395	\$ -
Net difference between projected and actual earnings on pension investment	376,706	-
Changes of assumptions	56,542	431,509
Total	\$ 684,643	\$ 431,509

WENTZVILLE FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2020

Note 9 - DEFINED BENEFIT PLAN (continued)

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

Year ended December 31,		
2021	\$	(36,688)
2022		(36,688)
2023		(36,687)
2024		(55,536)
2025		52,342
Thereafter		366,391
Total	\$	253,134

Note 10 - FAIR VALUE MEASUREMENTS - PENSION FUND

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

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

Level 2 - Inputs to the valuation methodology include:

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

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020.

Mutual funds: Valued at the net asset value of shares held by the Plan at year-end.

ETFs: Valued at the closing market price on the active exchange on which the securities are traded.

Certificates of deposit - brokerage: valued at an estimate of fair market value, as reported by the investment custodian.

Bonds: Valued by the investment administrator holding the corporate notes.

Guaranteed interest and stable value funds: calculated as the present value of future cash flows.

WENTZVILLE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Note 10 - FAIR VALUE MEASUREMENTS - PENSION FUND (continued)

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

The following table sets forth by level, within the fair value hierarchy, the Pension Fund's assets at fair value as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 24,711,516	\$ -	\$ -	\$ 24,711,516
Exchange traded funds	971,820	-	-	971,820
Corporate bonds	641,350	-	-	641,350
Certificates of deposit - brokerage	-	153,423	-	153,423
Guaranteed interest	-	-	628,312	628,312
Stable value	-	-	534,309	534,309
Total at fair value	<u>\$ 26,324,686</u>	<u>\$ 153,423</u>	<u>\$ 1,162,621</u>	<u>\$ 27,640,730</u>

The table below sets forth a summary of changes in fair value of the District's level 3 assets for the year ended December 31, 2020.

	<u>Guaranteed Interest</u>	<u>Stable Value</u>
Balance, beginning of year	\$ 542,926	\$ 482,604
Purchases	74,428	42,698
Earnings	10,958	9,007
Balance, end of year	<u>\$ 628,312</u>	<u>\$ 534,309</u>

Concentration of Credit Risk

The District has an investment that exceeds 5% of the total investments. The concentrations are as follows:

American Funds 2030 Trgt Date Retire R6	\$ 3,709,784
American Funds 2040 Trgt Date Retire R6	3,354,007
Vanguard 500 Index Admiral	2,595,907
Vanguard Total Bond Market Index Adm	1,650,198

WENTZVILLE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Note 11 - LONG-TERM LIABILITIES

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

	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020	Amount Due Within One Year
General Obligation Bonds	\$ 26,375,000	\$ -	\$ 1,500,000	\$ 24,875,000	\$ 1,525,000
Unamortized bond premium	424,649	-	38,688	385,961	-
Net pension liability *	5,627,421	-	3,640,820	1,986,601	-
Compensated Absences *	1,214,741	162,116	-	1,376,857	-
	<u>\$ 29,664,636</u>	<u>\$ 162,116</u>	<u>\$ 5,179,508</u>	<u>\$ 28,624,419</u>	<u>\$ 1,525,000</u>

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

Note 12 - BONDS PAYABLE

Bond payable consists of the following at December 31, 2020:

	Original Issue Amount	Maturity Date	Interest Rates	Balance at December 31, 2020
Series 2014	\$ 5,000,000	2034	2.00% - 3.25%	\$ 3,800,000
Series 2015	5,000,000	2035	2.00% - 3.25%	4,000,000
Series 2016	9,750,000	2035	2.00% - 3.00%	8,100,000
Series 2017	9,200,000	2036	2.30% - 4.00%	8,200,000
Series 2018	1,000,000	2023	4.00%	775,000
	<u>\$29,950,000</u>			<u>\$ 24,875,000</u>

Debt Service Requirements to Maturity

The annual debt service requirements for bonded debt as of December 31, 2020 are as follows:

Year Ending December 31,	Principal	Interest	Total
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	1,525,000	559,189	2,084,189
2025	1,400,000	520,312	1,920,312
2026-2030	7,650,000	2,015,346	9,665,346
2031-2035	9,450,000	846,874	10,296,874
2036	650,000	10,563	660,563
	<u>\$ 24,875,000</u>	<u>\$ 5,873,220</u>	<u>\$ 30,748,220</u>

WENTZVILLE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 13 - OPERATING LEASES

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

In 2018, the District entered into an operating lease agreement for the use of a forklift. The lease agreement runs from December 2018 through December 2023 and required monthly payments of \$299.

In 2019, the District entered into an operating lease agreement for the use of a copier. The lease agreement runs from February 2019 through January 2022 and requires monthly payments of \$340.

Lease expenditures for the year ended December 31, 2020 were \$8,899. Future minimum lease payments under the above leases are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 9,708
2022	9,708
2023	5,968
2024	2,040
2025	2,040
2026 and thereafter	17,170
	<u>\$ 46,634</u>

Note 14 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 22, 2021, 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, 2020

	Budgeted Amounts			Positive (Negative)
	Original	Final	Actual	
Revenues				
Property taxes	\$ 13,452,346	\$ 14,437,698	\$ 14,437,698	\$ -
Permits and fees	300,000	502,048	502,047	(1)
Grant income	-	110,305	110,305	-
Investment income	150,000	191,809	191,809	-
Miscellaneous	10,000	12,288	12,381	93
Total revenues	<u>13,912,346</u>	<u>15,254,148</u>	<u>15,254,240</u>	<u>92</u>
Expenditures				
Public safety				
Salaries	6,654,200	6,744,979	6,329,374	415,605
Salaries - overtime	550,000	696,077	1,111,682	(415,605)
Election expenses	22,000	22,000	-	22,000
Payroll taxes	551,122	564,894	564,894	-
Office supplies	17,500	17,500	15,230	2,270
Gasoline and oil	72,000	72,000	38,546	33,454
Dues and subscriptions	-	-	18,293	(18,293)
Advertising and public relations	81,000	81,000	23,314	57,686
Insurance - general	143,640	143,640	127,726	15,914
Insurance - employee	2,320,750	2,320,750	1,941,949	378,801
Professional fees	123,890	123,890	120,790	3,100
Informaiton technology services	60,248	60,248	59,352	896
Building and maintenance	125,000	125,000	117,673	7,327
Equipment and vehicle maintenance	254,426	254,426	118,600	135,826
Doctor fees	57,155	57,155	40,756	16,399
Training and education	120,000	120,000	44,017	75,983
Uniforms	-	-	8,003	(8,003)
Supplies	20,000	45,106	42,560	2,546
Utilities	160,000	160,000	139,225	20,775
Pension contribution	2,033,226	6,033,226	5,953,396	79,830
Debt service				
Interest and fiscal charges	9,200	9,200	7,369	1,831
Total expenditures	<u>13,375,357</u>	<u>17,651,091</u>	<u>16,822,749</u>	<u>828,342</u>
Net change in fund balance	<u>\$ 536,989</u>	<u>\$ (2,396,943)</u>	<u>(1,568,509)</u>	<u>\$ 828,434</u>
Fund balance, beginning of year			<u>25,272,193</u>	
Fund balance, end of year			<u>\$ 23,703,684</u>	

WENTZVILLE FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
DECEMBER 31, 2020

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

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

Last 10 Calendar Years

Fiscal year ending December 31,	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total pension liability										
Service cost	\$ 523,097	\$ 507,861								
Interest on the total pension liability	507,814	458,723								
Changes of benefit terms	-	8,666,601								
Difference between expected and actual experience	272,345	-								
Assumption changes	408,098	-								
Benefit payments and refunds	-	-								
Net change in total pension liability	1,711,354	9,633,185								
Total pension liability - beginning	9,633,185	-								
Total pension liability - ending (a)	\$ 11,344,539	\$ 9,633,185								
Plan Fiduciary Net Position										
Contributions - employer	\$ 4,500,000	\$ 4,000,000								
Pension plan net investment income	852,174	5,764								
Benefit payments and refunds	-	-								
Administrative expenses	-	-								
Net change in plan fiduciary net position	5,352,174	4,005,764								
Plan fiduciary net position - beginning	4,005,764	-								
Plan fiduciary net position - ending (b)	\$ 9,357,938	\$ 4,005,764								
Net pension liability (asset) - ending (a) - (b)	\$ 1,986,601	\$ 5,627,421								
Net position as a percentage of pension liability	82.49%	41.58%								
Covered-employee payroll	\$ 6,789,778	\$ 5,990,119								
Net pension liability as a percentage of payroll	29.26%	93.95%								

Notes to schedule:

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

Other Supplementary Information

WENTZVILLE FIRE PROTECTION DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Positive (Negative)
	Original	Final	Actual	
Revenues				
Property taxes	\$ 2,178,743	\$ 2,224,401	\$ 2,154,747	\$ (69,654)
Investment income	10,000	11,991	12,693	702
Total revenues	<u>2,188,743</u>	<u>2,236,392</u>	<u>2,167,440</u>	<u>(68,952)</u>
Expenditures				
Debt service				
Principal	1,500,000	1,500,000	1,500,000	-
Interest and fiscal charges	<u>723,188</u>	<u>723,188</u>	<u>722,278</u>	<u>910</u>
Total expenditures	<u>2,223,188</u>	<u>2,223,188</u>	<u>2,222,278</u>	<u>910</u>
Net change in fund balance	<u>\$ (34,445)</u>	<u>\$ 13,204</u>	(54,838)	<u>\$ (68,042)</u>
Fund balance, beginning of year			<u>3,182,688</u>	
Fund balance, end of year			<u>\$ 3,127,850</u>	

WENTZVILLE FIRE PROTECTION DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 2,500	\$ 1,462	\$ 1,463	\$ 1
Total revenues	<u>2,500</u>	<u>1,462</u>	<u>1,463</u>	<u>1</u>
Expenditures				
Capital outlay	<u>257,867</u>	<u>257,867</u>	<u>182,486</u>	<u>75,381</u>
Total expenditures	<u>257,867</u>	<u>257,867</u>	<u>182,486</u>	<u>75,381</u>
Net change in fund balance	<u>\$ (255,367)</u>	<u>\$ (256,405)</u>	(181,023)	<u>\$ 75,382</u>
Fund balance, beginning of year			<u>844,547</u>	
Fund balance, end of year			<u>\$ 663,524</u>	

WENTZVILLE FIRE PROTECTION DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PENSION TRUST FUND
 DECEMBER 31, 2020

ASSETS	Defined Benefit Plan	Defined Contribution Plan	Deferred Compensation Plan	Health Reimbursement Arrangement Plan	Total
Cash and cash equivalents	\$ 4,063,563	\$ -	\$ -	\$ -	\$ 4,063,563
Investments, at fair value	5,288,572	12,890,363	8,202,752	1,259,043	27,640,730
Participant loans receivable		209,934	76,771	-	286,705
Accrued interest receivable	5,803	-	-	-	5,803
Total assets	\$ 9,357,938	\$ 13,100,297	\$ 8,279,523	\$ 1,259,043	\$ 31,996,801
LIABILITIES AND NET POSITION					
Liabilities					
Obligation - 457 plan	\$ -	\$ -	\$ 8,279,523	\$ -	\$ 8,279,523
Total liabilities	-	-	8,279,523	-	8,279,523
NET POSITION					
Held in trust for pension benefits	9,357,938	13,100,297	-	1,259,043	23,717,278
Total net position	9,357,938	13,100,297	-	1,259,043	23,717,278
Total liabilities and net position	\$ 9,357,938	\$ 13,100,297	\$ 8,279,523	\$ 1,259,043	\$ 31,996,801

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

WENTZVILLE FIRE PROTECTION DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Defined Benefit Plan	Defined Contribution Plan	Deferred Compensation Plan	Health Reimbursement Arrangement Plan	Total
Additions					
Contributions	\$ 4,500,000	\$ 1,324,487	\$ -	\$ 234,000	\$ 6,058,487
Net appreciation in fair value of assets	673,156	1,202,865	-	23,875	1,899,896
Dividend and interest income	217,870	470,555	-	99,184	787,609
Total additions	<u>5,391,026</u>	<u>2,997,907</u>	<u>-</u>	<u>357,059</u>	<u>8,745,992</u>
Deductions					
Investment expenses	38,852	39,466	-	6,720	85,038
Benefits paid	-	565,174	-	6,720	571,894
Total deductions	<u>38,852</u>	<u>604,640</u>	<u>-</u>	<u>13,440</u>	<u>656,932</u>
Change in net position	5,352,174	2,393,267	-	343,619	8,089,060
Net position held in trust for pension benefits					
January 1, 2020	<u>4,005,764</u>	<u>10,707,030</u>	<u>-</u>	<u>915,424</u>	<u>15,628,218</u>
December 31, 2020	<u>\$ 9,357,938</u>	<u>\$ 13,100,297</u>	<u>\$ -</u>	<u>\$ 1,259,043</u>	<u>\$ 23,717,278</u>

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

Federal Compliance Section



**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, 2020, 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 22, 2021.

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 22, 2021

WENTZVILLE FIRE PROTECTION DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2020

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: N/A

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

N/A