

CENTRAL COUNTY FIRE AND RESCUE

***FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2017***

CENTRAL COUNTY FIRE AND RESCUE

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INDEPENDENT AUDITORS' REPORT



To the Board of Directors of
CENTRAL COUNTY FIRE AND RESCUE

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the remaining fund information of Central County Fire and Rescue, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

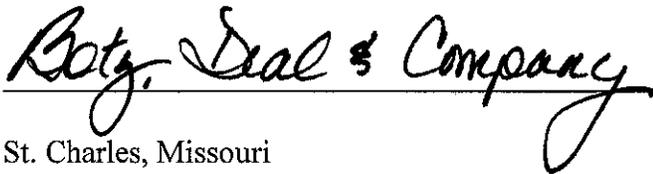
Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the remaining fund of Central County Fire and Rescue, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 3 through 7 and 28 through 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

St. Charles, Missouri
June 12, 2018

**CENTRAL COUNTY FIRE AND RESCUE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

The discussion and analysis of Central County Fire and Rescue's financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended December 31, 2017. It should be read in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- In the government-wide financial statements, the District's assets and deferred outflows exceed its liabilities at December 31, 2017 by \$27,095,501. Of this amount \$21,126,795 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- District operations increased net position by \$5,099,476.
- At December 31, 2017, unassigned fund balance for the General Fund was \$11,067,762, which equals 86.7% of the General Fund expenditures for the 2017 fiscal year.
- Wages, payroll taxes and employee benefits comprise 90.7% of General Fund expenditures.

REPORT LAYOUT

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

Basic Financial Statements

- The Statement of Net Position focuses on resources available for future operation. In simple terms, this statement presents a snap-shot view of the assets the District owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Governmental activities reflect capital assets and long-term liabilities and are prepared on the accrual basis of accounting.
- The Statement of Activities focuses gross and net costs of District programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on major governmental funds. Governmental fund statements follow the more traditional presentation of financial statements. The District's major governmental funds are presented in their own column and the remaining funds are combined into a column title "Other Non-major Funds". Budgetary comparisons for the General Fund and any major special revenue funds are presented as required supplementary information. A budgetary comparison is presented for the General Fund.
- Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governmental units and/or other funds. The District's Fiduciary Fund is not reflected in the government-wide financial statements because the resources of this fund are not available to support the District's own programs. The District's fiduciary fund is the Employee Benefit Trust Fund.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the District's financial condition.

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

THE DISTRICT AS A WHOLE

Government-wide Financial Analysis

The District's net position was \$27,095,501 as of December 31, 2017. This analysis focuses on the net position (Table 1) and changes in general revenues (Table 2) and significant expenses of the District's governmental activities.

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

Table 1

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>
Current and other assets	\$ 32,159,570	\$ 23,004,554	\$ 9,155,016
Capital assets	<u>17,397,717</u>	<u>15,874,859</u>	<u>1,522,858</u>
Total assets	<u>49,557,287</u>	<u>38,879,413</u>	<u>10,677,874</u>
Deferred outflow of resources	<u>76,858</u>	<u>102,475</u>	<u>(25,617)</u>
Current and other liabilities	742,089	933,373	(191,284)
Long-term liabilities	<u>21,796,555</u>	<u>16,052,490</u>	<u>5,744,065</u>
Total liabilities	<u>22,538,644</u>	<u>16,985,863</u>	<u>5,552,781</u>
Net position:			
Net investment in capital assets	2,855,199	3,859,250	(1,004,051)
Restricted	3,113,507	3,084,650	28,857
Unrestricted	<u>21,126,795</u>	<u>15,052,125</u>	<u>6,074,670</u>
Total net position	<u>\$ 27,095,501</u>	<u>\$ 21,996,025</u>	<u>\$ 5,099,476</u>

Total net position increased \$5,099,476 over 2016. The key elements of this increase are as follows:

Table 2

	<u>2017</u>	<u>2016</u>	<u>(Decrease)</u>
Revenues:			
Program revenues:			
Charges for service	\$ 388,913	\$ 195,844	\$ 193,069
Capital grants and contributions	6,200	24,031	(17,831)
General revenues:			
Taxes	20,015,289	14,898,420	5,116,869
Interest income	109,575	45,230	64,345
Sale of fixed assets	312,916	500	312,416
Miscellaneous	<u>103,996</u>	<u>72,556</u>	<u>31,440</u>
Total revenues	<u>20,936,889</u>	<u>15,236,581</u>	<u>5,700,308</u>
Expenses:			
Public safety	15,283,695	13,884,961	1,398,734
Interest and fiscal charges	<u>553,718</u>	<u>351,932</u>	<u>201,786</u>
Total expenses	<u>15,837,413</u>	<u>14,236,893</u>	<u>1,600,520</u>
Increase in net position	5,099,476	999,688	4,099,788
Net position, beginning of year	<u>21,996,025</u>	<u>20,996,337</u>	<u>999,688</u>
Net position, end of year	<u>\$ 27,095,501</u>	<u>\$ 21,996,025</u>	<u>\$ 5,099,476</u>

Total revenue increased by \$5,700,308. The increase was mainly due to a 28% tax increase combined with 7% increase in assessed values and also the sale of several fixed assets.

Expenses increased by \$1,600,520 from last year. This was primarily due to an increase in personnel and purchase of small equipment with the proceeds from the bond issue in 2017, which did not meet the capitalization threshold.

Governmental Funds

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

Table 3

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>	
Governmental Funds:					
Taxes	\$ 19,742,992	\$ 14,519,117	\$ 5,223,875	35.9	%
Permits	388,913	195,844	193,069	98.6	
Investment income	109,575	45,230	64,345	142.3	
Miscellaneous	110,196	76,556	33,640	43.9	
Total general revenues	\$ <u>20,351,676</u>	\$ <u>14,836,747</u>	\$ <u>5,514,929</u>	37.2	%

Governmental Funds revenue increased \$5,514,929 or 37.2% from last fiscal year. Taxes comprise 97% of revenues. Tax revenue increased because of a \$0.25 tax increase in addition to a 7% increase in assessed valuation.

Governmental Funds revenues exceeded expenditures by \$2,120,440 for the year ended 2017. This is a result of the District tax increase.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2017, the District had \$23,331,923 invested in a broad range of capital assets, including land, buildings, equipment and vehicles. (See Table 4 below.) Net capital assets increased (including additions and deductions) \$1,522,858 or 9.6% from the prior fiscal year.

Table 4

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>
Land	\$ 2,168,878	\$ 2,227,241	\$ (58,363)
Construction in progress	2,183,356	4,063,925	(1,880,569)
Buildings	8,272,970	8,334,350	(61,380)
Building improvements	2,165,093	2,125,982	39,111
Fire fighting equipment	1,244,841	1,440,569	(195,728)
Office equipment	244,879	233,290	11,589
Vehicles	7,051,906	5,684,329	1,367,577
Total	23,331,923	24,109,686	(777,763)
Less: accumulated depreciation	(5,934,206)	(8,234,827)	2,300,621
Net Capital Assets	\$ <u>17,397,717</u>	\$ <u>15,874,859</u>	\$ <u>1,522,858</u>

The most significant portion of capital assets is buildings and vehicles. Buildings account for 35% and vehicles account for 30% of total capital assets. More detailed information on the District's capital assets is presented in the notes to the financial statements.

DEBT

At year-end, the District had \$18,075,000 in outstanding debt compared to \$12,810,000 at the end of the prior fiscal year, an increase of 41%. The District made principal payments totaling \$1,090,000. More detailed information on the District's long-term liabilities is presented in the notes to the financial statements.

THE DISTRICT'S FUNDS

At the close of the District's fiscal year on December 31, 2017, the governmental funds of the District reported a combined fund balance of \$30,096,282. This ending balance includes an increase in fund balance of \$2,120,440 in the District's governmental funds. The increase was attributable to the District passing a tax increase as well as increase in assessed values.

General Fund Budgetary Highlights

The District prepares its budget on a cash basis. For 2017, actual revenues on a budgetary basis were \$13,078,110 compared to the budget amount of \$13,059,388. For 2017, actual expenditures on a budgetary basis were \$12,747,373 compared to the budget amount of \$13,451,380.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The assessed valuation of the District increased by \$118.7 million in 2017 from the previous year. The increase in the 2017 assessed valuation of the District coupled with the voter approved twenty-five (\$0.2500) cent tax increase will result in an approximate increase of \$5,385,000 of tax revenue in 2018. In addition, information received from the St. Charles County Assessor's office indicates that the District should continue to see an increase in assessed value for the next several years. Hence, this should result in additional tax revenue for the District over the next few years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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

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

CENTRAL COUNTY FIRE AND RESCUE
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Governmental Activities
ASSETS	
Cash and investments	\$ 7,640,407
Receivables:	
Property taxes	20,207,159
Interest	21,263
Prepaid items	79,501
Deposits	225,410
Restricted assets:	
Cash and investments	3,985,830
Capital assets - net:	
Nondepreciable	4,352,234
Depreciable	13,045,483
TOTAL ASSETS	49,557,287
 DEFERRED OUTFLOW OF RESOURCES	
Deferred charges on defeasance of debt	76,858
 LIABILITIES	
Accounts payable	296,425
Accrued wages	207,334
Accrued interest payable	218,637
Other liabilities	13,093
Deposits payable	6,600
Noncurrent liabilities:	
Due in one year	1,233,288
Due in more than one year	20,563,267
TOTAL LIABILITIES	22,538,644
 NET POSITION	
Net investment in capital assets	2,855,199
Restricted for:	
Debt service	2,166,566
Pension	946,941
Unrestricted	21,126,795
TOTAL NET POSITION	\$ 27,095,501

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

CENTRAL COUNTY FIRE AND RESCUE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Change in Net Position
		Charges for Service	Capital Grants and Contributions	Governmental Activities
Governmental Activities				
Public safety	\$ 15,283,695	\$ 388,913	\$ 6,200	\$ (14,888,582)
Interest and fiscal charges	553,718	-	-	(553,718)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 15,837,413	\$ 388,913	\$ 6,200	(15,442,300)
General Revenue:				
Taxes				20,015,289
Investment income				109,575
Gain on sale of fixed assets				312,916
Miscellaneous				103,996
TOTAL GENERAL REVENUES				20,541,776
CHANGE IN NET POSITION				5,099,476
NET POSITION - BEGINNING OF YEAR				21,996,025
NET POSITION - END OF YEAR				\$ 27,095,501

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

CENTRAL COUNTY FIRE AND RESCUE
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Pension Tax Fund	Total
ASSETS					
Cash and investments	\$ 6,822,075	\$ -	\$ 620,033	\$ 198,299	\$ 7,640,407
Receivables:					
Property taxes	17,872,973	-	1,546,533	787,653	20,207,159
Interest	5,718	15,545	-	-	21,263
Prepaid items	52,370	5,385	-	21,746	79,501
Deposits	-	225,410	-	-	225,410
Restricted cash	-	3,985,830	-	-	3,985,830
TOTAL ASSETS	\$ 24,753,136	\$ 4,232,170	\$ 2,166,566	\$ 1,007,698	\$ 32,159,570
LIABILITIES					
Account payable	\$ 44,041	\$ 191,627	\$ -	\$ 60,757	\$ 296,425
Accrued wages	207,334	-	-	-	207,334
Accrued and withheld items	13,093	-	-	-	13,093
Deposits payable	6,600	-	-	-	6,600
TOTAL LIABILITIES	271,068	191,627	-	60,757	523,452
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	1,361,936	-	117,869	60,031	1,539,836
FUND BALANCES					
Nonspendable - prepaid items	52,370	5,385	-	21,746	79,501
Restricted for:					
Capital projects	-	4,035,158	-	-	4,035,158
Debt service	-	-	2,048,697	-	2,048,697
Pension	-	-	-	865,164	865,164
Assigned:					
Compensated absences	2,800,000	-	-	-	2,800,000
Other post employment benefit	1,200,000	-	-	-	1,200,000
Future appropriations	6,000,000	-	-	-	6,000,000
Building/equipment	2,000,000	-	-	-	2,000,000
Unassigned	11,067,762	-	-	-	11,067,762
TOTAL FUND BALANCES	23,120,132	4,040,543	2,048,697	886,910	30,096,282
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 24,753,136	\$ 4,232,170	\$ 2,166,566	\$ 1,007,698	\$ 32,159,570

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

CENTRAL COUNTY FIRE AND RESCUE
RECONCILIATION OF THE STATEMENT OF NET POSITION
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET
DECEMBER 31, 2017

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

Total fund balance per balance sheet	\$ 30,096,282
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	17,397,717
Receivables not collected in the current period are not available to pay current expenditures and, therefore, are deferred inflows in the funds.	1,539,836
Deferred amounts from defeasance of debt are expensed in the governmental funds, but are capitalized in the statement of net position.	76,858
Interest payable recorded in the statement of net position does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	(218,637)
Long-term liabilities including bonds payable, compensated absences and net OPEB obligations are not due and payable in the current period and therefore, are not reported in the funds.	<u>(21,796,555)</u>
Net position of governmental activities	<u><u>\$ 27,095,501</u></u>

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

CENTRAL COUNTY FIRE AND RESCUE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Pension Tax Fund	Total
REVENUES					
Taxes	\$ 17,430,901	\$ -	\$ 1,530,566	\$ 781,525	\$ 19,742,992
Permits	388,913	-	-	-	388,913
Investment income	71,369	31,579	4,210	2,417	109,575
Miscellaneous	110,196	-	-	-	110,196
TOTAL REVENUES	<u>18,001,379</u>	<u>31,579</u>	<u>1,534,776</u>	<u>783,942</u>	<u>20,351,676</u>
EXPENDITURES					
Public safety:					
Wages	8,356,314	-	-	-	8,356,314
Payroll taxes	629,777	-	-	-	629,777
Employee benefits	2,602,490	-	-	-	2,602,490
Occupancy	316,196	-	-	-	316,196
Vehicle	156,438	-	-	-	156,438
Firefighting	102,436	-	-	-	102,436
Office	50,833	-	-	-	50,833
Management information system	46,208	-	-	-	46,208
Outside services	269,968	-	-	-	269,968
Professional development	133,809	-	-	-	133,809
Community services	105,517	-	-	-	105,517
Pension plan	-	-	-	762,439	762,439
Capital outlay	1,819	3,093,399	-	-	3,095,218
Debt service:					
Principal, interest and fiscal charges	-	-	1,514,873	-	1,514,873
Cost of issuance	-	88,720	-	-	-
TOTAL EXPENDITURES	<u>12,771,805</u>	<u>3,182,119</u>	<u>1,514,873</u>	<u>762,439</u>	<u>18,142,516</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,229,574</u>	<u>(3,150,540)</u>	<u>19,903</u>	<u>21,503</u>	<u>2,120,440</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	6,355,000	-	-	6,355,000
Issuance premium	-	190,820	-	-	190,820
Sales of capital assets	473,929	-	-	-	473,929
TOTAL OTHER FINANCING SOURCES (USES)	<u>473,929</u>	<u>6,545,820</u>	<u>-</u>	<u>-</u>	<u>7,019,749</u>
CHANGE IN FUND BALANCES	5,703,503	3,395,280	19,903	21,503	9,140,189
FUND BALANCES - BEGINNING OF YEAR	<u>17,416,629</u>	<u>645,263</u>	<u>2,028,794</u>	<u>865,407</u>	<u>20,956,093</u>
FUND BALANCES - END OF YEAR	<u>\$ 23,120,132</u>	<u>\$ 4,040,543</u>	<u>\$ 2,048,697</u>	<u>\$ 886,910</u>	<u>\$ 30,096,282</u>

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

CENTRAL COUNTY FIRE AND RESCUE
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2017**

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

Change in fund balance-total governmental funds	\$ 9,140,189
The acquisition of capital assets requires the use of current financial resources, but has no effect on net position.	2,594,702
In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.	(161,013)
The cost of capital assets is allocated over their estimated useful lives and are reported as depreciation expense in the statement of activities.	(910,831)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,090,000
Loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	(6,355,000)
Revenues that do not provide current financial resources are not included in the fund financial statements.	272,297
Bond issuance premiums received of \$190,820 are capitalized and amortized over the lives of the bonds. Total amortization is \$51,678.	(139,142)
Deferred charges from bond refundings are reported in the statement of net position and amortized over the lives of the bonds.	(25,617)
Some expenses do not require the use of current financial resources and, therefore, are not reported as an expenditure in governmental funds.	
Compensated absences	(234,193)
Net OPEB obligation	(105,730)
Interest payable does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	(66,186)
Change in net position of governmental activities	\$ 5,099,476

The accompanying notes are integral part of these financial statements.

CENTRAL COUNTY FIRE AND RESCUE
 STATEMENT OF FIDUCIARY NET POSITION
 DECEMBER 31, 2017

	<u>Employee Benefit Trust Fund</u>
ASSETS	
Cash	\$ 3,662
Investments:	
Mutual funds	<u>381,666</u>
TOTAL ASSETS	<u><u>\$ 385,328</u></u>
 NET POSITION	
Restricted for post employment benefits	<u><u>\$ 385,328</u></u>

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

CENTRAL COUNTY FIRE AND RESCUE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
DECEMBER 31, 2017

	Employee Benefit Trust Fund
ADDITIONS	
Interest and dividends	\$ 8,922
Net increase in fair value of investments	4,097
TOTAL ADDITIONS	13,019
DEDUCTIONS	
Administrative fees	3,815
INCREASE IN NET POSITION	9,204
NET POSITION - BEGINNING OF YEAR	376,124
NET POSITION - END OF YEAR	\$ 385,328

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

CENTRAL COUNTY FIRE AND RESCUE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The District applies the criteria set forth in GASB Statement No. 61; *The Financial Reporting Entity* (GASB 61), to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units is based on the elected officials' accountability to their constituents. The financial reporting entity follows the same accountability. In addition, the financial statements of the reporting entity should allow the user to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. Criteria for inclusion of an entity into the primary governmental unit (in blended or discrete presentation) includes, but is not limited to, legal standing, fiscal dependency, imposition of will and the primary recipient of services. The District presently has no component units included within its reporting entity.

B. BASIC FINANCIAL STATEMENTS

Basic financial statements consist of the following:

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

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

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

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

B. **BASIC FINANCIAL STATEMENTS** - continued

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

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

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

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

Additionally, the District reports the following fund types:

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

D. **CAPITAL ASSETS**

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

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

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

E. **ESTIMATES**

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

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

F. **INTERFUND TRANSACTIONS**

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

G. **COMPENSATED ABSENCES**

The District has formal personnel policies for vacation and sick pay. District employees are allowed to carry forward a limited number of vacation days past year-end. In the event of termination, an employee is paid for accumulated vacation days. At December 31, 2017, employees had accrued vacation of \$170,407 and accumulated sick leave of \$2,378,819. Employees are paid for accumulated sick leave upon termination of employment up to 1,584 hours. A liability for accrued vacation and sick leave has been recorded in the government-wide financial statements.

H. **LONG-TERM LIABILITIES**

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

I. **NET POSITION AND FUND EQUITY**

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

When both restricted and unrestricted sources are available for use, it is the District's policy to use restricted first, then unrestricted resources as they are needed. The government-wide statement of net position reports \$3,113,507 of restricted assets, which is restricted by enabling legislation.

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

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

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

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

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

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

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

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

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

J. **INVESTMENTS**

Investments for the District are reported at fair value (generally based on quoted market prices). The District is authorized to invest funds not immediately needed for the purposes to which the funds are applicable, in obligations of the United States Treasury, United States Government Agencies, and Repurchase Agreements, Certificates of Deposit, Banker's Acceptance and Commercial Paper. Investments are carried at fair value.

Employee Benefit Trust Fund investments may invest in obligations of the U.S. Treasury, U.S. Agencies, common and preferred stock and other securities approved by applicable sections of the Missouri Revised Statutes and Missouri Constitution.

K. **CONCENTRATION OF LABOR**

Approximately 95% of the labor force was subject to a collective bargaining agreement expiring December 31, 2017.

2. **BUDGETS AND BUDGETARY ACCOUNTING**

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

3. **CASH AND INVESTMENTS**

The District's bank deposits are required by state law to be secured by the deposit of certain securities with the District or trustee institution. The value of the securities must amount to the total of the District's cash not insured by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2017, the carrying amount of the District's bank deposits totaled \$11,626,237 with bank balances of \$11,911,733. The total bank balance was covered by federal depository insurance or collateralized by securities held by the pledging financial institution in the District's name. The District also has \$3,661 in cash and cash equivalents held by the Employee Benefit Trust Fund. All of which was insured by the FDIC.

Investment Credit and Interest Rate Risk

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

The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's investments subject to credit and interest rate risk disclosures as of December 31, 2017 include:

<u>Investment</u>	<u>Amount</u>	<u>S & P Rating</u>	<u>Average Maturity</u>
Fixed Income Mutual Fund	\$ 111,208	N/A	4 years
Fixed Income Mutual Fund	200,517	N/A	7 years
Fixed Income Mutual Fund	69,941	N/A	3 years

4. **FAIR VALUE MEASUREMENTS**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of December 31, 2017:

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

5. **PROPERTY TAX**

The District's property tax is levied each year on the assessed value listed as of the prior January 1 for all real and personal property located in the District. Taxes are levied on September 1 and payable by December 31. A lien is placed on the property on January 1 and is then subject to interest and penalties. The assessed value at January 1, 2017, upon which the 2017 levy was based on an assessed value for real, personal and public utility property, was \$1,750,666,068. The District's tax rate was levied per \$100 of assessed value as follows:

General Fund	\$.9937
Pension Tax Fund	.0438
Debt Service Fund	.0860

6. **CAPITAL ASSETS**

Capital asset activity for the primary government for the year ended December 31, 2017 is as follows:

	<u>BALANCE, BEGINNING OF YEAR</u>	<u>TRANSFERS AND ADDITIONS</u>	<u>TRANSFERS AND DELETIONS</u>	<u>BALANCE, END OF YEAR</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,227,241	\$ -	\$ (58,363)	\$ 2,168,878
Construction in progress	4,063,925	2,071,784	(3,952,353)	2,183,356
Total capital assets, not being depreciated	<u>6,291,166</u>	<u>2,071,784</u>	<u>(4,010,716)</u>	<u>4,352,234</u>
Capital assets, being depreciated:				
Buildings	8,334,350	-	(61,380)	8,272,970
Building improvements	2,125,982	218,818	(179,707)	2,165,093
Fire fighting equipment	1,440,569	8,245	(203,973)	1,244,841
Office equipment	233,290	21,516	(9,927)	244,879
Vehicles	5,684,329	4,226,692	(2,859,115)	7,051,906
Total capital assets, being depreciated	<u>17,818,520</u>	<u>4,475,271</u>	<u>(3,314,102)</u>	<u>18,979,689</u>
Less accumulated depreciation for:				
Buildings	(2,602,321)	(206,231)	61,380	(2,747,172)
Building improvements	(659,338)	(69,356)	117,982	(610,712)
Fire fighting equipment	(607,656)	(157,785)	203,973	(561,468)
Office equipment	(179,605)	(8,423)	9,927	(178,101)
Vehicles	(4,185,907)	(469,036)	2,818,190	(1,836,753)
Total accumulated Depreciation	<u>(8,234,827)</u>	<u>(910,831)</u>	<u>3,211,452</u>	<u>(5,934,206)</u>
Total capital assets, being depreciated, net	<u>9,583,693</u>	<u>3,564,440</u>	<u>(102,650)</u>	<u>13,045,483</u>
Total governmental activities	<u>\$ 15,874,859</u>	<u>\$ 5,636,224</u>	<u>\$ (4,113,366)</u>	<u>\$ 17,397,717</u>

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

7. **LONG-TERM DEBT**

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

General Obligation Refunding Bonds, Series 2010 Annual installments of \$216,977 to \$715,575 through February 2022, interest at 2.0% to 4.75%	\$3,175,000
General Obligation Bonds Series 2015 Annual installments of \$347,712 to \$866,330 through February 2035, interest at 2.0% to 4.0%	\$8,545,000
General Obligation Bonds Series 2017 Annual installments of \$286,656 to \$490,438 through February 2037, interest at 2.0% to 4.0%	\$6,355,000

Annual debt service payments are as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2018	\$ 825,000	\$ 516,478	\$ 1,341,478
2019	865,000	498,974	1,363,974
2020	890,000	477,743	1,367,743
2021	915,000	453,369	1,368,369
2022	940,000	427,368	1,367,368
2023 - 2027	4,350,000	1,697,742	6,047,742
2028 - 2032	4,990,000	1,053,997	6,043,997
2033 - 2037	4,300,000	286,167	4,586,167
Total	<u>\$ 18,075,000</u>	<u>\$ 5,411,838</u>	<u>\$ 23,486,838</u>

7. **LONG-TERM DEBT** - continued

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

	<u>BALANCE, BEGINNING OF YEAR</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE, END OF YEAR</u>	<u>DUE WITHIN ONE YEAR</u>
Governmental activities:					
General Obligation Bonds:					
Series 2015	\$ 9,045,000	\$ -	\$ (500,000)	\$ 8,545,000	\$ 100,000
Series 2017	-	6,355,000	-	6,355,000	125,000
General Obligation Fire					
Protection Refunding Bonds:					
Series 2010	3,765,000	-	(590,000)	3,175,000	600,000
Issuance premiums	391,064	190,820	(51,678)	530,206	-
Net OPEB obligation	536,393	105,730	-	642,123	-
Compensated absences	2,315,033	583,395	(349,202)	2,549,226	408,288
Subtotal governmental activities	<u>\$ 16,052,490</u>	<u>\$ 7,234,945</u>	<u>\$ (1,490,880)</u>	<u>\$ 21,796,555</u>	<u>\$ 1,233,288</u>

8. **LEASE - SOLAR**

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

2018	\$ 9,180
2019	9,180
2020	9,180
2021	9,180
2022	9,180
2023-2027	45,900
2028-2032	45,900
2033-2034	18,360
TOTAL MINIMUM LEASE PAYMENTS	\$ <u>156,060</u>

9. **RISK MANAGEMENT**

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

The District purchases commercial insurance to cover risks related to building and other District property, crimes, business, travel, earthquakes, and employee blanket bonds. The District purchases workman's compensation insurance through Missouri Employers Mutual (MEM). Settled claims resulting from these risks have not exceeded coverage in any of the past three years.

10. **RETIREMENT PLAN**

The District has a money purchase defined contribution plan which covers all full-time employees over age 21 with one year of service. Benefits vest after one year of service and normal retirement is at age 65. Members are not allowed to contribute to the plan. For the year ended December 31, 2017, the District made contributions totaling \$719,523.

11. **DEFERRED COMPENSATION PLAN**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The District matches contributions up to \$5,200 annually. Contributions for the year ended December 31, 2017 totaled \$344,355.

12. **COMMITMENTS AND CONTINGENCIES**

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

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

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

Net OPEB Obligation

At December 31, 2015, the date of the last actuarial valuation, the Plan covered the following number of participants:

Active participants	81
Retirees and beneficiaries currently receiving benefits	<u>8</u>
Total Plan Participants	<u><u>89</u></u>

Triennial valuations are performed using the Projected Unit Credit Method, assuming pre-retirement and post-retirement rate of return of 5% and using the mortality rate based on RP2014 Healthy Annuitant Table for males, set back 4 years for females.

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

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

Annual required contribution (actuarially computed)	\$ 107,253
Interest on net benefit plan obligation	26,820
Adjustment to annual required contribution	<u>(28,343)</u>
Annual benefit plan cost	105,730
Contributions made	<u>-</u>
Increase in net benefit plan obligation	105,730
Net OPEB obligation, beginning of year	<u>536,393</u>
Net OPEB obligation, end of year	<u><u>\$ 642,123</u></u>

Trend Information - Other Post Employment Benefits

Fiscal Year Ended December 31,	Annual Benefit Plan Cost	Percentage Contribution	Net OPEB Obligation
2015	\$ 85,475	125.2 %	\$ 435,698
2016	100,695	0.0	536,393
2017	105,730	0.0	642,123

Funded Status and Funding Progress - As of January 1, 2016, the most recent actuarial valuation available, the plan was 29.5% funded. The actuarial accrued liability for benefits was \$1,245,598, and the actuarial value of assets was \$367,611, resulting in an unfunded actuarial accrued liability (UAAL) of \$877,987. The covered payroll (annual payroll of active employees covered by the plan) was \$6,966,417, and the ratio of the UAAL to the covered payroll was 12.6%.

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

14. **TAX ABATEMENTS**

As of December 31, 2017, the District is subject to the real property tax abatement program initiated by the City of St. Peters, MO under Chapter 353 RSMo and Chapter 100RSMo. The effect of the tax abatement under Chapter 353 RSMo to the District was \$29,504 for the year ended December 31, 2017. The effect of the tax abatement under Chapter 100 RSMo was \$239,592 for the year ended December 31, 2017.

15. PENDING GOVERNMENTAL ACCOUNTING STANDARDS

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

This report does not incorporate GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, GASB Statement No. 83, Certain Asset Retirement Obligations, GASB Statement No. 84, Fiduciary Activities, GASB Statement No. 85, Omnibus 2017, GASB Statement No. 86, Certain Debt Extinguishment Issues, GASB Statement No. 87, Leases and GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The District will adopt and implement these statements at the required time.

16. SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through June 12, 2018, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CENTRAL COUNTY FIRE AND RESCUE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
OPERATING REVENUES				
Taxes	\$ 12,136,795	\$ 12,489,677	\$ 12,486,355	\$ (3,322)
Permits	120,000	388,913	388,913	-
Investment income	17,000	71,363	75,086	3,723
Miscellaneous	500	109,435	127,756	18,321
TOTAL REVENUES	<u>12,274,295</u>	<u>13,059,388</u>	<u>13,078,110</u>	<u>18,722</u>
EXPENDITURES				
Public safety:				
Wages	8,056,800	8,447,158	8,312,165	134,993
Payroll taxes	616,345	631,089	629,777	1,312
Employee benefits	2,864,229	2,898,014	2,624,873	273,141
Occupancy	335,630	341,096	304,560	36,536
Vehicle	261,000	261,000	175,974	85,026
Firefighting	103,250	154,882	102,211	52,671
Office	33,100	59,063	50,726	8,337
Management information system	40,400	60,829	49,626	11,203
Outside services	309,150	327,182	271,010	56,172
Professional development	106,500	149,420	128,310	21,110
Community services	118,450	119,828	96,322	23,506
Capital outlay	-	1,819	1,819	-
TOTAL EXPENDITURES	<u>12,844,854</u>	<u>13,451,380</u>	<u>12,747,373</u>	<u>704,007</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(570,559)	(391,992)	330,737	722,729
OTHER FINANCING SOURCES (USES)				
Sale of fixed assets	200,000	473,929	473,929	-
CHANGE IN NET POSITION	(370,559)	81,937	804,666	<u>\$ 722,729</u>
FUND BALANCES - BEGINNING OF YEAR				
	<u>6,017,409</u>	<u>6,017,409</u>	<u>6,017,409</u>	
FUND BALANCES - END OF YEAR				
	<u>\$ 5,446,850</u>	<u>\$ 6,099,346</u>	<u>\$ 6,822,075</u>	
Fund balance, end of year - budgetary basis			\$ 6,822,075	
Accrual adjustments:				
Revenues			16,516,755	
Expenditures			(218,698)	
Fund balance, end of year - GAAP basis			<u>\$ 23,120,132</u>	

CENTRAL COUNTY FIRE AND RESCUE
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017

Budgets and Budgetary Accounting

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

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

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

FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFIT PLAN

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Annual Covered Payroll (c)	UAAL As A Percentage Of Covered Payroll [(b)-(a)/(c)]
1/1/2012	\$ 176,365	\$ 611,184	\$ 434,819	28.9 %	\$ 6,604,695	6.6 %
1/1/2013	294,269	640,932	346,663	45.9	6,320,798	5.5
1/1/2016	367,611	1,245,598	877,987	29.5	6,966,417	12.6

Valuation are performed triannually as required by GASB 45.