

O'FALLON FIRE PROTECTION DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2015

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SPINNER & KUMMER, P. C.
CERTIFIED PUBLIC ACCOUNTANTS
50 CRESTWOOD EXECUTIVE CENTER ~ SUITE 400
(WATSON & SAPPINGTON)
ST. LOUIS, MISSOURI 63126

FOUNDED 1928
BY
FELIX G. KRAFT, C.P.A.

(314) 842-1120
FAX: (314) 842-0921

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
MISSOURI SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

GREGORY J. SPINNER, C.P.A.
BRUCE D. KUMMER, C.P.A.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
O'Fallon Fire Protection District
111 Laura K Drive
O'Fallon, Missouri 63366-3990

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of

O'FALLON FIRE PROTECTION DISTRICT

as of and for the year ended December 31, 2015, 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 the modified cash basis of accounting described in Note 1(D); this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of O'Fallon Fire Protection District, as of December 31, 2015, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1(D).

Basis of Accounting

We draw attention to Note 1(D) of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise O'Fallon Fire Protection District's basic financial statements. The management's discussion and analysis and budgetary comparison information, as stated in the table of contents, 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.

Spinner & Kummer, P.C.

Certified Public Accountants

St. Louis, Missouri

June 16, 2016

BK/cp

MANAGEMENT'S DISCUSSION AND ANALYSIS

An objective and easily readable analysis of the District's financial activities. The Management's Discussion and Analysis presents an analytical overview of both short-term and long-term financial information.

O'FALLON FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS **YEAR ENDED DECEMBER 31, 2015**

The discussion and analysis of the O'Fallon Fire Protection District's financial performance provides an overview of the District's financial activities for the year ended December 31, 2015, within the limitations of the District's modified cash basis of accounting. Please read it in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the year ended December 31, 2015 are as follows:

- The net position for the Governmental Activities increased by \$641,596.
- Governmental Activities revenue was \$9,651,366.
- Property taxes represented \$9,521,537 of the Governmental Activities revenue total or 99%.
- Expenses for the Governmental Activities were \$9,009,770.

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 modified cash 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 explanation and detail regarding the information reported in the statements.

Other Information: This Management Discussion and Analysis and the Budgetary Comparison Schedules represent other financial information presented for the purposes of additional analysis and are not a required part of the basic financial statements. 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 a modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to *when* financial events are recorded, such as the timing for recognizing revenues, expenses and their related assets and liabilities. Under the District's modified cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from cash transactions, except for the recording of depreciation expense on capital assets in the government-wide financial statements for all activities. Property taxes are recognized when collected after the year of assessment. Those revenues collected before that time are deferred until the following year.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (*such as accounts receivable and revenue for billed or provided services not yet collected*) and certain liabilities and their related expenses (*such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities*) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Reporting the District as a Whole

The District's Reporting Entity Presentation

This annual report includes all activities for which the O'Fallon Fire Protection District is fiscally responsible.

The primary government includes the following legal entity:

- O'Fallon 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 modified cash basis of accounting.

These two statements report the District's net position and changes in them. Keeping in mind the limitations of the modified cash basis of accounting, you can think of the District's net 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 need to consider other non-financial factors, however, 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, grants, and investment earnings finance most of the activities.

Reporting the District's Most Significant Funds

The Fund Financial Statements

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 and by bond covenants. However, the District Officials may establish certain other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

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

Fiduciary fund - The District uses this fund to account for assets that are held in a trustee capacity such as pension plan assets, assets held per trust agreements and similar arrangements.

A FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position - Modified Cash Basis

The District's combined net position, resulting from modified cash basis transactions, increased from approximately \$5,985,962 to \$6,627,558 between years 2014 and 2015.

	<u>Governmental Activities</u>		Total
	<u>2015</u>	<u>2014</u>	<u>Percentage Change</u>
			<u>2015 - 2014</u>
Current and other assets	\$ 5,799,645.	\$ 7,303,299.	(21%)
Capital assets	<u>8,936,802.</u>	<u>7,179,376.</u>	24%
Total assets	<u>\$ 14,736,447.</u>	<u>\$ 14,482,675.</u>	2%
Long-term debt outstanding	\$ 7,985,000.	\$ 8,345,000.	(4%)
Deferred inflows of resources	117,297.	139,933.	(16%)
Other liabilities	<u>6,592.</u>	<u>11,780.</u>	(44%)
Total liabilities	<u>\$ 8,108,889.</u>	<u>\$ 8,496,713.</u>	(5%)
Net position			
Net investment in capital assets	\$ 951,802.	\$ 1,680,141.	(43%)
Restricted	1,109,170.	325,173.	241%
Unrestricted	<u>4,566,586.</u>	<u>3,980,648.</u>	15%
Total net position	<u>\$ 6,627,558.</u>	<u>\$ 5,985,962.</u>	11%

Net position of the District's governmental activities increased to \$6,627,558. However, \$2,060,972 of the net position either is restricted as to the purposes it can be used for or is invested in capital assets (buildings, equipment, vehicles and so on). Consequently, unrestricted net position showed \$4,566,586 at the end of this year. Changes between 2014 and 2015 reflect an increase in unrestricted net position of 15%.

Changes in Net Position - Modified Cash Basis

For the year ended December 31, 2015, net position of the primary government (resulting from modified cash basis transactions) changed as follows:

	<u>Governmental Activities</u>		<u>Total Percentage</u>
	<u>2015</u>	<u>2014</u>	<u>Change</u>
			<u>2015 - 2014</u>
<u>Revenues</u>			
Program revenues -			
Permits and fees	\$ 104,367.	\$ 48,027.	117%
General revenues -			
Taxes	9,521,537.	9,336,812.	2%
Interest revenue	19,876.	21,894.	(9%)
Gain / (loss) on sale or exchange of assets	5,352.	72,771.	(93%)
Miscellaneous revenue	<u>234.</u>	<u>173.</u>	35%
Total revenues	\$ <u>9,651,366.</u>	\$ <u>9,479,677.</u>	2%
<u>Expenses</u>			
Public safety - fire protection	\$ <u>9,009,770.</u>	\$ <u>8,926,366.</u>	1%
Total expenses	\$ <u>9,009,770.</u>	\$ <u>8,926,366.</u>	1%
Increase (decrease) in net position	\$ <u><u>641,596.</u></u>	\$ <u><u>553,311.</u></u>	16%

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 and grants. 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.

For the year ended December 31, 2015, total expenses for governmental activities, resulting from modified cash basis transactions, amounted to \$9,009,770. Of these total expenses, taxpayers and other general revenues funded \$8,905,403, while those directly benefiting from the program funded \$104,367 from charges for services.

Net Cost of O'Fallon Fire Protection District's Governmental Activities - Modified Cash Basis

	<u>Total Cost of Services</u>		<u>Percentage</u>	<u>Net Cost of Services</u>		<u>Percentage</u>
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>2015</u>	<u>2014</u>	<u>Change</u>
			<u>2015 - 2014</u>			<u>2015 - 2014</u>
Public safety	\$ <u>9,009,770.</u>	\$ <u>8,926,366.</u>	1%	\$ <u>8,905,403.</u>	\$ <u>8,878,339.</u>	0%

A FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Certain funds experienced noteworthy changes from the prior year and are highlighted as follows:

- The General Fund reported revenues of \$8,233,172 and expenditures of \$7,647,235, resulting in an increase in fund balance of \$585,937.

General Fund Budgetary Highlights

Over the course of the year, the Board of Directors revised the General Fund budget at various times.

For the year ended December 31, 2015, General Fund expenditures were \$297,295 below final appropriations, while actual resources available for appropriation were \$278,567 above the final budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - Modified Cash Basis

At December 31, 2015, the District had \$8,936,802 invested in capital assets, net of depreciation, including buildings, equipment and vehicles. This represents a net increase of \$1,757,426 or 24% above last year.

PRIMARY GOVERNMENT CAPITAL ASSETS - MODIFIED CASH BASIS
(Net of accumulated depreciation)

	<u>Governmental Activities</u>	
	<u>Year Ended</u>	<u>Year Ended</u>
	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Land	\$ 1,087,794.	\$ 960,289.
Buildings	6,013,234.	4,190,211.
Vehicles	1,366,781.	1,528,359.
Equipment	294,470.	346,591.
Furniture	<u>174,523.</u>	<u>153,926.</u>
TOTAL	\$ <u>8,936,802.</u>	\$ <u>7,179,376.</u>

This year's more significant capital asset additions included:

• Land	\$	127,505.
• Completion of Station #1	\$	1,172,470.
• New administration building	\$	885,460.
• Fitness equipment	\$	36,798.
• Refurbish 2007 aerial truck	\$	119,943.

Long-Term Debt - Modified Cash Basis

At December 31, 2015, the District had \$7,985,000 in long-term debt arising from modified cash basis transactions, compared to \$8,345,000 at December 31, 2014. This represents a decrease of 4%. All of the debt is related to governmental activities.

Primary Government Long-Term Debt - Modified Cash Basis

	<u>Balance at December 31, 2015</u>	<u>Balance at December 31, 2014</u>
General Obligation Bonds - Series 2013	\$ 7,985,000.	\$ 8,345,000.
Total	<u>\$ 7,985,000.</u>	<u>\$ 8,345,000.</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

For the year ending December 31, 2016, the budget is fairly consistent with the December 31, 2015 budget.

On March 31, 2016, the District sold House 1 for \$425,000.00. After closing costs, the District received a check for \$318,208.61.

On April 14, 2016, the District purchased a 2016 Chevy Silverado for \$35,797.00.

On April 27, 2016, the District purchased a 2016 Chevy Tahoe for \$44,112.00.

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, contact Chief Tom Vineyard at 111 Laura K Drive, O'Fallon, Missouri, 63366.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide financial statements
- Fund financial statements
 - Governmental funds
 - Fiduciary fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

O'FALLON FIRE PROTECTION DISTRICT

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2015**

ASSETS

Cash and investments	\$ 5,799,644.13
Capital assets:	
Land	1,087,793.92
Other capital assets, net of accumulated depreciation	<u>7,849,008.51</u>
TOTAL ASSETS	\$ <u>14,736,446.56</u>

LIABILITIES

Payroll withholdings payable	\$ 6,592.08
Long-term liabilities:	
Due within one year	370,000.00
Due in more than one year	<u>7,615,000.00</u>
TOTAL LIABILITIES	\$ <u>7,991,592.08</u>

DEFERRED INFLOWS OF RESOURCES

Deferred tax revenue	\$ <u>117,296.73</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ <u>117,296.73</u>

NET POSITION

Net investment in capital assets	\$ 951,802.43
Restricted for capital projects	430,839.89
Restricted for retirement benefits	206,574.29
Restricted for debt service	471,755.87
Unrestricted	<u>4,566,585.27</u>
TOTAL NET POSITION	\$ <u>6,627,557.75</u>

See accompanying notes to the basic financial statements.

O'FALLON FIRE PROTECTION DISTRICT

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

EXPENSES

Public safety - fire protection:	
Personnel – wages and benefits	\$ 7,039,693.20
Materials, supplies and maintenance	358,350.36
Depreciation	682,644.62
Interest and fees	189,630.00
Insurance	368,251.22
Communications - dispatching, telephone and paging	44,531.45
General and administrative	<u>326,669.34</u>
TOTAL PROGRAM EXPENSES	\$ <u>9,009,770.19</u>

PROGRAM REVENUES

Charges for services (permits and fees)	\$ <u>104,367.42</u>
TOTAL PROGRAM REVENUE	\$ <u>104,367.42</u>
NET PROGRAM EXPENSE	\$ <u>8,905,402.77</u>

GENERAL REVENUES

Property taxes	\$ 9,521,537.20
Investment earnings	19,875.65
Gain/(loss) on sale / disposition of assets	5,351.69
Other revenue	<u>234.25</u>
TOTAL GENERAL REVENUES	\$ <u>9,546,998.79</u>
CHANGE IN NET POSITION	\$ 641,596.02

NET POSITION - Beginning of year 5,985,961.73

NET POSITION - End of year \$ 6,627,557.75

See accompanying notes to the basic financial statements.

O'FALLON FIRE PROTECTION DISTRICT

**BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

RECONCILIATION TO STATEMENT OF NET POSITION

Fund Balances	\$	5,675,755.32
Amounts reported for governmental activities in the statement of the net position are different because:		
Capital assets used in governmental activities of \$15,713,929.80 are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$6,777,127.37.		8,936,802.43
Long-term liabilities of \$7,985,000.00 are not due and payable in the current period and are not reported in the funds.		<u>(7,985,000.00)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>6,627,557.75</u>

See accompanying notes to the basic financial statements.

O'FALLON FIRE PROTECTION DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>					
Taxes, penalties and interest	\$ 8,106,350.95	\$ 584,528.38	\$	\$ 830,657.87	\$ 9,521,537.20
Permits and fees	104,367.42				104,367.42
Interest revenue	16,867.85	413.56	2,099.48	494.76	19,875.65
Other revenue	<u>234.25</u>				<u>234.25</u>
TOTAL REVENUES	<u>\$ 8,227,820.47</u>	<u>\$ 584,941.94</u>	<u>\$ 2,099.48</u>	<u>\$ 831,152.63</u>	<u>\$ 9,646,014.52</u>
<u>EXPENDITURES</u>					
Current:					
General and administration	\$ 7,624,187.38	\$ 513,277.02	\$ 1.17	\$ 30.00	\$ 8,137,495.57
Capital outlay:					
Current expenditures	23,047.83		2,417,022.99		2,440,070.82
Debt Service:					
Principal retirement				360,000.00	360,000.00
Interest and fees				<u>189,630.00</u>	<u>189,630.00</u>
TOTAL EXPENDITURES	<u>\$ 7,647,235.21</u>	<u>\$ 513,277.02</u>	<u>\$ 2,417,024.16</u>	<u>\$ 549,660.00</u>	<u>\$ 11,127,196.39</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER FINANCING SOURCES (USES)</u>					
	<u>\$ 580,585.26</u>	<u>\$ 71,664.92</u>	<u>\$ (2,414,924.68)</u>	<u>\$ 281,492.63</u>	<u>\$ (1,481,181.87)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Sale of capital assets	<u>\$ 5,351.69</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 5,351.69</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 5,351.69</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 5,351.69</u>
<u>NET CHANGE IN FUND BALANCES</u>					
	<u>\$ 585,936.95</u>	<u>\$ 71,664.92</u>	<u>\$ (2,414,924.68)</u>	<u>\$ 281,492.63</u>	<u>\$ (1,475,830.18)</u>
<u>FUND BALANCES - Beginning of year</u>					
	<u>3,980,648.32</u>	<u>134,909.37</u>	<u>2,845,764.57</u>	<u>190,263.24</u>	<u>7,151,585.50</u>
<u>FUND BALANCES - End of year</u>					
	<u>\$ 4,566,585.27</u>	<u>\$ 206,574.29</u>	<u>\$ 430,839.89</u>	<u>\$ 471,755.87</u>	<u>\$ 5,675,755.32</u>

See accompanying notes to the basic financial statements.

O'FALLON FIRE PROTECTION DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2015**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (1,475,830.18)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense as to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	2,440,070.82
Depreciation expense	(682,644.62)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	<u>360,000.00</u>
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CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 641,596.02

See accompanying notes to the basic financial statements.

FIDUCIARY FUND AND FINANCIAL STATEMENTS

Required financial statements for fiduciary funds are the statement of fiduciary net position and the statement of changes in fiduciary net position. Fiduciary fund financial statements should include information about all fiduciary funds. The statements should provide a separate column for pension (and other employee benefits) trust funds, investment trust funds, private-purpose trusts, and agency funds.

O'FALLON FIRE PROTECTION DISTRICT

**STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUND
DECEMBER 31, 2015**

ASSETS

Cash and investments (at fair value)		\$ <u>9,440,178.03</u>
	TOTAL ASSETS	\$ <u>9,440,178.03</u>

LIABILITIES

	TOTAL LIABILITIES	\$ <u>0.00</u>
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NET POSITION

Held in trust for pension benefits and other purposes		\$ <u>9,440,178.03</u>
	TOTAL NET POSITION	\$ <u>9,440,178.03</u>

See accompanying notes to the basic financial statements.

O'FALLON FIRE PROTECTION DISTRICT

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2015**

ADDITIONS

Contributions:
Employer \$ 502,738.52
Employee rollovers 0.00

TOTAL CONTRIBUTIONS \$ 502,738.52

Investments earnings:
Net increase (decrease) in fair market value of investments \$ (212,663.72)

TOTAL INVESTMENT EARNINGS \$ (212,663.72)

TOTAL ADDITIONS / (SUBTRACTIONS) \$ 290,074.80

DEDUCTIONS

Benefits paid \$ 835,942.45
Administrative fees 33,569.83

TOTAL DEDUCTIONS \$ 869,512.28

CHANGE IN NET POSITION \$ (579,437.48)

NET POSITION – Beginning of year 10,019,615.51

NET POSITION - End of year \$ 9,440,178.03

See accompanying notes to the basic financial statements.

NOTES TO FINANCIAL STATEMENTS

O'FALLON FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS **DECEMBER 31, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 1(C), these financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Financial Reporting Entity

The District's financial reporting entity is comprised of the following:

Primary Government: O'Fallon Fire Protection District

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

B. Implementation of New Accounting Principles

The District has adopted the provision of Government Accounting Standards Board (GASB) Statement No. 68, entitled *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*.

C. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements represent the District's governmental activities. Governmental activities generally are financed through taxes, charges for services, grants and investment earnings.

Fund Financial Statements

Fund financial statements of the reporting entity 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/expenses. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5% of the corresponding total for all governmental funds combined.

The funds of the financial reporting entity are described as follows:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Fund

The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction, or improvement of major capital items. The Capital Projects Fund accounts for the proceeds of the general obligation bonds issued by the District.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of general long-term debt principal and interest.

Fiduciary Fund Type

Pension Trust Fund

This fund was established to provide pension benefits for District employees. The principal revenue source for this fund is a tax levy.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined in item (b) following.

In the fund financial statements, the “current financial resources” measurement focus, as applied to the modified cash basis of accounting, is used.

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

- b. Governmental activities utilize an “economic resources” measurement focus in the Statement of Net Position and in the Statement of Activities. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or non-current, financial or non-financial) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements. Property tax revenues are recognized when collected after the year of assessment. Those revenues collected before that time, are deferred until the following year. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

E. Assets, Liabilities and Equity

Cash and Cash Equivalents

For the purpose of financial reporting, “cash and cash equivalents” includes all demand and savings accounts and certificates of deposits or short-term investments with an original maturity of three months or less.

Investments

Investments classified in the financial statements consist entirely of certificates of deposit whose original maturity term exceeds three months. Investments are carried at cost, which approximates fair value.

Capital Assets

The District’s modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate. The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$1,000.00 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

- Buildings	30 years
- Vehicles	7 years
- Equipment	10 years
- Furniture	10 years

Fund Financial Statements

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-Term Debt

All long-term debt arising from cash basis transactions to be repaid from governmental resources are reported as liabilities in the government-wide statements.

Long-term debt arising from cash basis transactions of governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

Compensated Absences

As a result of the use of the modified cash basis of accounting, liabilities related to accrued compensated absences are not recorded in the government-wide or fund financial statements. Expenditures/expenses related to compensated absences are recorded when paid.

Equity Classification

Government-Wide Statements:

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

It is the District's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balances

The District adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). The statement is designed to improve financial reporting by establishing fund balance classifications that are easier to understand and apply. GASB 54 establishes the following classifications depicting the relative strength of the constraints that control how specific amounts can be spent:

Non-spendable – Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).

Restricted – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.

Committed – Amounts constrained to specific purposes by the District itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint. The District's highest level of decision-making authority is the Board of Directors. The formal action that is required to be taken to establish committed fund balances is either by ordinance or resolution.

Assigned – Amounts the District intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned – Amounts that are available for any purpose; these amounts are reported only in the General Fund.

The District's policy is to spend the most restricted resources first before less restricted resources in the following order: Non-spendable (if funds become spendable), restricted, committed, assigned, then unassigned.

The District's fund balance policy was enacted in an effort to ensure financial security through the maintenance of a healthy reserve fund that guides the creation, maintenance, and use of resources for financial stabilization purposes. The District's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The District also seeks to maintain the highest possible credit ratings which are dependent, in part, on the District's maintenance of a healthy fund balance. The unrestricted fund balances of the General Fund have been accumulating to meet this purpose to provide stability and flexibility in order to respond to unexpected adversity and/or opportunities. The target is to maintain an unrestricted fund balance of not less than 25% of annual operating expenditures in order to provide adequate funding to cover approximately two months of operating expenditures, provide the liquidity necessary to accommodate the District's uneven cash flow, which is inherent in its periodic tax collection schedule, and provide liquidity to respond to contingent liabilities.

F. Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. St. Charles County bills, collects and remits the taxes to the District. The District records the revenues from property taxes when they are received, after the year of assessment. Property taxes collected before that time are recorded as deferred revenues.

2. CASH AND INVESTMENTS

The District's investment policy allows the District to invest in interest bearing checking accounts, certificates of deposit, repurchase agreements, United States Government Obligations, bonds, notes or other obligations of the State of Missouri, and any other securities or investments that are lawful for the investment of monies held in such funds or accounts under the law of the State of Missouri are appropriate types of investments for its needs.

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 4,989,689.44
Collateralized:	
Collateral held by District's agent in the District's name	0.00
Collateral held by pledging bank's trust department in the District's name	920,955.50
Collateral held by pledging bank's trust department not in the District's name	0.00
Uninsured and uncollateralized	<u>0.00</u>
Total	<u>\$ 5,910,644.94</u>

Custodial Credit Risk - Deposits

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 does not have a deposit policy for custodial credit risk. As of December 31, 2015, \$0.00 of the District's bank balance of \$5,910,644.94 was exposed to credit risk as follows:

<u>Type of Deposit</u>	<u>Custody Credit Risk Amount</u>
Uninsured and uncollateralized	\$ 0.00
Uninsured and collateralized by pledging bank's trust department not in the District's name	<u>0.00</u>
Total	<u>\$ 0.00</u>

Investments

As of December 31, 2015, the District had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Cost</u>
Repurchase agreement	2/3/16	\$ 299,925.58	\$ 299,925.58
Certificates of Deposit	various	<u>4,551,603.05</u>	<u>4,551,603.05</u>
Total		<u>\$ 4,851,528.63</u>	<u>\$ 4,851,528.63</u>

3. CAPITAL ASSETS

Capital asset activity resulting from modified cash basis transactions for the year ended December 31, 2015 was as follows:

<u>Governmental Activities:</u>	<u>Balance Jan. 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2015</u>
Capital assets not being depreciated:				
Land	\$ 960,288.50	\$ 127,505.42	\$ 0.00	\$ 1,087,793.92
Total capital assets not being depreciated	\$ 960,288.50	\$ 127,505.42	\$ 0.00	\$ 1,087,793.92
Capital assets being depreciated:				
Buildings	\$ 6,897,058.10	\$ 2,086,898.62	\$ 0.00	\$ 8,983,956.72
Vehicles	3,763,117.09	119,943.00	29,622.00	3,853,438.09
Equipment	1,272,263.38	52,648.17	0.00	1,324,911.55
Furniture	410,753.91	53,075.61	0.00	463,829.52
Total capital assets being depreciated	\$ 12,343,192.48	\$ 2,312,565.40	\$ 29,622.00	\$ 14,626,135.88
Less accumulated depreciation:				
Buildings	\$ 2,706,847.00	\$ 263,876.70	\$ 0.00	\$ 2,970,723.70
Vehicles	2,234,757.59	281,521.12	29,622.00	2,486,656.71
Equipment	925,671.88	104,769.47	0.00	1,030,441.35
Furniture	256,828.28	32,477.33	0.00	289,305.61
Total accumulated depreciation	\$ 6,124,104.75	\$ 682,644.62	\$ 29,622.00	\$ 6,777,127.37
Total capital assets being depreciated, net	\$ 6,219,087.73	\$ 1,629,920.78	\$ 0.00	\$ 7,849,008.51
Governmental activities capital assets, net	\$ 7,179,376.23	\$ 1,757,426.20	\$ 0.00	\$ 8,936,802.43

Depreciation expense was charged to the public safety function in the Statement of Activities.

Depreciation expense totaled \$682,644.62 for the year ended December 31, 2015.

4. LONG-TERM DEBT

Governmental Activities

As of December 31, 2015, the long-term debt, arising from cash transactions, payable from the general revenue fund resources consisted of the following:

• General Obligations Bonds Series 2013, with interest at 2.00% to 2.75%, dated March 13, 2013, final payment due March 1, 2033.	\$ 7,985,000.00
Total	\$ 7,985,000.00

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2015:

<u>Governmental Activities:</u>	<u>Balance Jan. 1, 2015</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance Dec. 31, 2015</u>	<u>Amount Due Within One Year</u>
General Obligation Bonds - Series 2013	\$ 8,345,000.00	\$ 0.00	\$ 360,000.00	\$ 7,985,000.00	\$ 370,000.00
Total Governmental Activities	\$ 8,345,000.00	\$ 0.00	\$ 360,000.00	\$ 7,985,000.00	\$ 370,000.00

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, for long-term debt, as of December 31, 2015, are as follows:

General Obligation Bonds - Series 2013

Dated - February 28, 2013

Original amount of issue - \$8,680,000.00

Interest payable - Semi-annually March 1 and September 1 of each year

Bond paying agent - United Missouri Bank

<u>Date</u>	<u>Total Payment</u>	<u>Principal Portion</u>	<u>Interest Rate</u>	<u>Interest Portion</u>	<u>Balance</u>
					\$ 7,985,000.00
03/01/2016	\$ 463,015.00	\$ 370,000.00	2.000%	\$ 93,015.00	7,615,000.00
09/01/2016	89,315.00			89,315.00	
03/01/2017	464,315.00	375,000.00	2.000%	89,315.00	7,240,000.00
09/01/2017	85,565.00			85,565.00	
03/01/2018	465,565.00	380,000.00	2.000%	85,565.00	6,860,000.00
09/01/2018	81,765.00			81,765.00	
03/01/2019	471,765.00	390,000.00	2.000%	81,765.00	6,470,000.00
09/01/2019	77,865.00			77,865.00	
03/01/2020	477,865.00	400,000.00	2.000%	77,865.00	6,070,000.00
09/01/2020	73,865.00			73,865.00	
03/01/2021	478,865.00	405,000.00	2.000%	73,865.00	5,665,000.00
09/01/2021	69,815.00			69,815.00	
03/01/2022	484,815.00	415,000.00	2.000%	69,815.00	5,250,000.00
09/01/2022	65,665.00			65,665.00	
03/01/2023	490,665.00	425,000.00	2.000%	65,665.00	4,825,000.00
09/01/2023	61,415.00			61,415.00	
03/01/2024	491,415.00	430,000.00	2.250%	61,415.00	4,395,000.00
09/01/2024	56,577.50			56,577.50	
03/01/2025	496,577.50	440,000.00	2.250%	56,577.50	3,955,000.00
09/01/2025	51,627.50			51,627.50	
03/01/2026	501,627.50	450,000.00	2.250%	51,627.50	3,505,000.00
09/01/2026	46,565.00			46,565.00	
03/01/2027	506,565.00	460,000.00	2.300%	46,565.00	3,045,000.00
09/01/2027	41,275.00			41,275.00	
03/01/2028	516,275.00	475,000.00	2.500%	41,275.00	2,570,000.00
09/01/2028	35,337.50			35,337.50	
03/01/2029	520,337.50	485,000.00	2.750%	35,337.50	2,085,000.00
09/01/2029	28,668.75			28,668.75	
03/01/2030	528,668.75	500,000.00	2.750%	28,668.75	1,585,000.00
09/01/2030	21,793.75			21,793.75	
03/01/2031	536,793.75	515,000.00	2.750%	21,793.75	1,070,000.00
09/01/2031	14,712.50			14,712.50	
03/01/2032	544,712.50	530,000.00	2.750%	14,712.50	540,000.00
09/01/2032	7,425.00			7,425.00	
03/01/2033	<u>547,425.00</u>	<u>540,000.00</u>	2.750%	<u>7,425.00</u>	0.00
TOTALS	<u>\$ 9,896,520.00</u>	<u>\$ 7,985,000.00</u>		<u>\$ 1,911,520.00</u>	

7. 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 the Volunteer Firemen’s Insurance Services (VFIS), which provides liability insurance coverage under one comprehensive plan for all members. The District pays an annual premium to VFIS for its general liability, public officials’ errors and omissions, and automobile liability. VFIS 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 fiscal years.

8. ASSESSED VALUATION AND TAX LEVY

	<u>2 0 1 5</u>	<u>2 0 1 4</u>
Aggregate Assessed Valuation	\$ 1,411,075,292.00	\$ 1,336,468,541.00
	<u>Tax Levy Per \$100.00 of Assessed Valuation</u>	<u>Tax Levy Per \$100.00 of Assessed Valuation</u>
General Fund	\$.5779	\$.5963
Special Revenue Fund	.0417	.0430
Debt Service Fund	<u>.0469</u>	<u>.0611</u>
	<u>\$.6665</u>	<u>\$.7004</u>
Total taxes assessed	<u>\$ 9,404,816.82</u>	<u>\$ 9,360,625.66</u>
Tax collections (including delinquent taxes)	<u>\$ 117,296.73</u>	<u>\$ 9,381,603.61</u>

The receipts of current and delinquent property taxes during the year ended December 31, 2015 aggregated approximately 1.25% of the 2015 assessed taxes and 100.22% of the 2014 assessed taxes. Taxes collected on the 2015 assessment are considered deferred revenue and will be recognized as revenue in 2016.

9. SUBSEQUENT EVENTS

On March 31, 2016, the District sold House 1 for \$425,000.00. After closing costs, the District received a check for \$318,208.61.

On April 14, 2016, the District purchased a 2016 Chevy Silverado for \$35,797.00.

On April 27, 2016, the District purchased a 2016 Chevy Tahoe for \$44,112.00.

10. DISTRICT OFFICIALS

	<u>2 0 1 5</u>
Director/Chairman	Bill Laughlin
Director/Secretary	Matt Simmons
Director/Treasurer	Matt Gober
Fire Chief	Tom Vineyard
Financial Director	Bob Cerrano

OTHER INFORMATION

Other information includes financial information and disclosures that are presented for purposes of additional analysis but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Modified Cash Basis - General Fund
- Budgetary Comparison Schedule - Modified Cash Basis - Special Revenue Fund
- Budgetary Comparison Schedule - Modified Cash Basis - Capital Projects Fund
- Budgetary Comparison Schedule - Modified Cash Basis - Debt Service Fund
- Notes to Other Information - Budgetary Comparison Schedules

O'FALLON FIRE PROTECTION DISTRICT

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<u>BEGINNING BUDGETARY FUND BALANCE</u>	\$ 3,980,648.32	\$ 3,980,648.32	\$ 3,980,648.32
<u>RESOURCES (inflows):</u>			
Taxes, penalties & interest	7,920,018.00	7,920,018.00	8,106,350.95
Permits & fees	27,817.00	27,817.00	104,367.42
Interest revenue	4,068.00	3,738.00	16,867.85
Grant revenue	1,516.00	1,516.00	0.00
Sale of assets	1,010.00	1,010.00	5,351.69
Other revenue	<u>506.00</u>	<u>506.00</u>	<u>234.25</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>\$ 11,935,583.32</u>	<u>\$ 11,935,253.32</u>	<u>\$ 12,213,820.48</u>
<u>CHARGES TO APPROPRIATIONS (outflows):</u>			
Current:			
Salaries and wages	\$ 5,397,066.45	\$ 5,389,066.00	\$ 5,259,634.92
Payroll taxes	419,468.89	419,469.00	398,732.94
Health and welfare (employee benefits)	909,921.00	909,921.00	868,586.82
Vehicle maintenance	97,850.00	122,850.00	109,293.97
Equipment maintenance	41,460.00	35,460.00	23,272.90
Fuel and oil	64,860.00	49,860.00	34,236.32
Education and training	83,765.00	83,765.00	78,387.58
Firefighters supplies	125,670.00	115,149.00	112,187.31
Fire prevention	27,740.00	27,740.00	24,966.84
Physicals and background checks	33,625.00	32,625.00	25,981.50
Telephone and internet expense	38,320.00	45,320.00	44,531.45
Volunteer contributions	10,000.00	10,000.00	10,000.00
Building repairs and maintenance	84,040.00	67,040.00	54,393.02
Utilities	54,160.00	54,160.00	51,995.40
Insurance	367,515.00	367,515.00	360,085.22
Office supplies	15,621.00	15,521.00	15,422.14
Professional fees	63,360.00	91,360.00	74,456.05
Information systems	28,550.00	28,550.00	25,735.57
Meeting expense	2,448.00	4,048.00	3,877.31
Dues and subscriptions	22,075.00	21,475.00	18,103.90
Miscellaneous administration expense	<u>24,500.00</u>	<u>30,500.00</u>	<u>30,306.22</u>
TOTAL CURRENT	<u>\$ 7,912,015.34</u>	<u>\$ 7,921,394.00</u>	<u>\$ 7,624,187.38</u>

See accompanying notes to the Budgetary Comparison Schedule.

O'FALLON FIRE PROTECTION DISTRICT

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Capital outlay:			
Equipment	\$ 13,000.00	\$ 13,521.00	\$ 13,521.47
Furniture and fixtures	<u>8,000.00</u>	<u>9,615.00</u>	<u>9,526.36</u>
TOTAL CAPITAL OUTLAY	\$ <u>21,000.00</u>	\$ <u>23,136.00</u>	\$ <u>23,047.83</u>
TOTAL CHARGES TO APPROPRIATIONS	\$ <u>7,933,015.34</u>	\$ <u>7,944,530.00</u>	\$ <u>7,647,235.21</u>
<u>ENDING BUDGETARY FUND BALANCE</u>	\$ <u>4,002,567.98</u>	\$ <u>3,990,723.32</u>	\$ <u>4,566,585.27</u>

See accompanying notes to the Budgetary Comparison Schedule.

O'FALLON FIRE PROTECTION DISTRICT

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<u>BEGINNING BUDGETARY FUND BALANCE</u>	\$ 134,909.37	\$ 134,909.37	\$ 134,909.37
<u>RESOURCES (inflows):</u>			
Taxes, penalties and interest	571,123.00	571,123.00	584,528.38
Interest revenue	<u>103.00</u>	<u>103.00</u>	<u>413.56</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>\$ 706,135.37</u>	<u>\$ 706,135.37</u>	<u>\$ 719,851.31</u>
<u>CHARGES TO APPROPRIATIONS (outflows):</u>			
Current:			
Printing, postage and office	\$ 213.00	\$ 213.00	\$ 0.00
Professional fees	15,300.00	15,300.00	2,372.50
Insurance	3,183.00	8,183.00	8,166.00
Pension expense	<u>526,567.00</u>	<u>521,567.00</u>	<u>502,738.52</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>\$ 545,263.00</u>	<u>\$ 545,263.00</u>	<u>\$ 513,277.02</u>
<u>ENDING BUDGETARY FUND BALANCE</u>	<u>\$ 160,872.37</u>	<u>\$ 160,872.37</u>	<u>\$ 206,574.29</u>

See accompanying notes to the Budgetary Comparison Schedule.

O'FALLON FIRE PROTECTION DISTRICT

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>	
	<u>Original and Final</u>	<u>Actual Amounts</u>
<u>BEGINNING BUDGETARY FUND BALANCE</u>	\$ 2,845,764.57	\$ 2,845,764.57
<u>RESOURCES (inflows):</u>		
Interest revenue	<u>1,000.00</u>	<u>2,099.48</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	\$ <u>2,846,764.57</u>	\$ <u>2,847,864.05</u>
<u>CHARGES TO APPROPRIATIONS (outflows):</u>		
Current:		
Administrative	\$ <u>0.00</u>	\$ <u>1.17</u>
TOTAL CURRENT	\$ <u>0.00</u>	\$ <u>1.17</u>
Capital outlay:		
Land	\$ 0.00	\$ 127,505.42
Vehicles	120,000.00	119,943.00
Equipment	0.00	39,126.70
Buildings / improvements	2,577,058.98	2,086,898.62
Furniture	<u>0.00</u>	<u>43,549.25</u>
TOTAL CAPITAL OUTLAY	\$ <u>2,697,058.98</u>	\$ <u>2,417,022.99</u>
TOTAL CHARGES TO APPROPRIATIONS	\$ <u>2,697,058.98</u>	\$ <u>2,417,024.16</u>
<u>ENDING BUDGETARY FUND BALANCE</u>	\$ <u>149,705.59</u>	\$ <u>430,839.89</u>

See accompanying notes to the Budgetary Comparison Schedule.

O'FALLON FIRE PROTECTION DISTRICT

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>	
	<u>Original and Final</u>	<u>Actual Amounts</u>
<u>BEGINNING BUDGETARY FUND BALANCE</u>	\$ 190,263.24	\$ 190,263.24
<u>RESOURCES (inflows):</u>		
Taxes, penalties & interest	811,526.00	830,657.87
Interest revenue	<u>68.00</u>	<u>494.76</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>\$ 1,001,857.24</u>	<u>\$ 1,021,415.87</u>
<u>CHARGES TO APPROPRIATIONS (outflows):</u>		
Current:		
Administrative expense	<u>\$ 150.00</u>	<u>\$ 30.00</u>
TOTAL CURRENT	<u>\$ 150.00</u>	<u>\$ 30.00</u>
Debt Service:		
Principal retirement	\$ 360,000.00	\$ 360,000.00
Interest expense	<u>189,630.00</u>	<u>189,630.00</u>
TOTAL DEBT SERVICE	<u>\$ 549,630.00</u>	<u>\$ 549,630.00</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>\$ 549,780.00</u>	<u>\$ 549,660.00</u>
<u>ENDING BUDGETARY FUND BALANCE</u>	<u>\$ 452,077.24</u>	<u>\$ 471,755.87</u>

See accompanying notes to the Budgetary Comparison Schedule.

O'FALLON FIRE PROTECTION DISTRICT

NOTES TO OTHER INFORMATION **BUDGETARY COMPARISON SCHEDULES** **YEAR ENDED DECEMBER 31, 2015**

Budgets and Budgetary Practices

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 budgets for the District are presented in the Budgetary Comparison Schedules – General Fund and Special Revenue Fund.
- h. All annual appropriations lapse at fiscal year-end.

Basis of Accounting

The budget is prepared on the same modified cash basis of accounting as applied to the governmental funds in the basic financial statements. Revenues and expenditures are reported when they result from cash transactions.