

EUREKA FIRE PROTECTION DISTRICT
FINANCIAL STATEMENTS
AND MANAGEMENT'S DISCUSSION AND ANALYSIS
AND SUPPLEMENTARY INFORMATION
With report of independent auditors

Year Ended December 31, 2014

EUREKA FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS
Year Ended December 31, 2014
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INDEPENDENT AUDITORS REPORT

To the Board of Directors
Eureka Fire Protection District
St. Louis and Jefferson Counties, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Eureka Fire Protection District (the District), as of and for the year ended December 31, 2014, 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.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

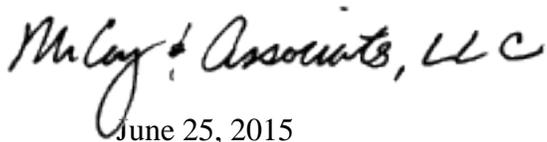
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-14 and 42-44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The supplementary information on pages 45-47 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 25, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.


June 25, 2015

EUREKA FIRE PROTECTION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Eureka Fire Protection District's Financial Report presents management's discussion and analysis of the District's financial activity during the fiscal year ended December 31, 2014. Since this management's discussion and analysis is designed to focus on current activities, resulting changes and currently known facts, please read it in conjunction with the District's basic financial statements and the notes to the financial statements. Responsibility for the completeness and fairness of this information rests with the District. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A).

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like fire suppression were financed in the short term as well as what remains for future spending.
 - Fiduciary fund statements provide information about the financial relationships - like the Retirement Plan for Employees of the Eureka Fire Protection District - in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.
 - Proprietary fund statements offer financial information about business-type activities and internal service funds. Since the District has no business-type activities, these statements cover only the internal service fund.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide statements

The government-wide statement reports information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the

EUREKA FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position - the difference between the District's assets and liabilities - is one way to measure the District's financial health, or position.

- Over time, increases or decreases in the District's net position are in an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the size and timing of TIF Districts.
- The government-wide financial statements of the District are comprised solely of governmental activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds - not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes:

- Some funds are required by State law and by bond covenants.
- The District Board of Directors establishes other funds to control and manage money for particular purposes (like emergency medical services) or to show that it is properly using certain taxes (like collection and payment of dispatch agency fees)

The District has three kinds of funds:

- Governmental funds - Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- Fiduciary funds - The District is the trustee, or fiduciary, for the Retirement Plan for Employees of the Eureka Fire Protection District. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide

EUREKA FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

financial statements because the District cannot use these assets to finance its operations.

- Proprietary funds - The District uses an internal service fund (a kind of proprietary fund) to report activities of the District health plan.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- The District operates 5 separate tax supported funds general revenue, ambulance service, pension, dispatch, and bond retirement. The total tax rate or the 5 funds for 2014 was \$1.2423/\$100 assessed value.
- The District has seen a steady decline in assessed value since 2008, this even with some new construction the chart below reflects the changes;

Trending of Assessed values

2009	\$394,229,259		
2010	\$379,121,434	% change	(3.84%)
2011	\$380,496,366	% change	0.37%
2012	\$365,394,207	%change	(4.00%)
2013	\$372,194,205	%change	1.86%
2014	\$371,230,068	%change	(0.25%)
2015	\$373,465,032	%change	.60%

Estimated Increase from new Construction

2009	\$ 6,860,270
2010	\$ 4,763,550
2011	\$ 3,810,450
2012	\$ 4,015,550
2013	\$ 5,350,800
2014	\$ 3,679,299

- The District is working towards implementing a complete accounting guide for the District.
 - ✓ The District has implemented a procedure that the administrative staff review and update the Standard Operating Guidelines SOG's. These are reviewed by the administrative staff and updated as necessary. This is an ongoing process.
 - ✓ The review and update of the District's policy manual is an ongoing process.
 - ✓ To better insure that routine transactions and transfers are properly documented, review and approval of the Chief is required and documented.
- The District began using Pro Claims of St. Louis for ambulance billing. The District billing and collection history is outlined below:

YEAR	Billed	Collected	%
2014	\$716,412	\$411,415	57.42%
2013	\$715,568	\$491,935	68.75%

EUREKA FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

2012	\$647,247	\$374,508	57.86%
2011	\$698,501	\$332,931	47.66%
2010	\$645,521	\$371,605	57.57%

- The District needs to evaluate on an annual basis, its ambulance billing rates to ensure we remain fair and in line with current EMS billing trends. This is accomplished by a survey of other providers, conducted by staff and ensuring with our billing agent that we are with in Federal and State reimbursement guidance.
- In 2014 the District has made some technology advances in further development of our Continuity of Government (COG) planning. The District has acquired server space and virtual storage in a “Cloud” service. With additional back up storage on site at the District. Information flows across a VPN that was established by CCE911 within Charters fiber network, from there is a transfer at via optical handoff to the Gannett Private Digital Network. The PDN is has multiple fiber rings Trans versing the Country and Multiple Data Centers. The PDN is redundant to Five 9’s of reliability. The hosting, connectivity and overall supervision is through agreement with PDNS. Locally, technical service is provided by EPS. Internet, VOIP and fiber network service is with Charter Communications.
- The District operates 3 internal service funds, medical claims, and capital improvement. In addition the District administers the funds for Explorer Post 2498 and Eureka Equine SAR Funds. The Explorer Post and Equine SAR are funded mainly by fund raisers, done by those groups and donations. The SAR group is a 501 c3 entity, in order to help with the ability to receive more donations. The 501c3 has Board elected by its membership to oversee all donations and disbursements.
- The Fire District provides a defined benefit pension plan for its employees. In accordance with Missouri statutes, the pension plan is overseen by a pension board which is made up by the 3 Directors and 2 plan participants. The Directors are Dr. Patrick Feder, Director Francis “Butch” Oberkramer, Charles E. Kuhn and the 2 plan participants that are on the pension board are Brad Dickinson and Lannie Power. This plan has been managed for the District by John Hancock Inc. Cost for employee disability insurance and retiree health have been taken out of the pension fund in the past. The Board of Directors has placed those expenses into the general revenue budget; estimated cost of these two items is \$40,000 annually. Individuals hired after June 2013 has a 10 year vesting period, those hired prior to that date have a 5 year vesting period. Years of service prior to 2014 accrued 2 ½ % per year, starting in 2014 that rate is 2 % per year of service for up to 30 years of service. The District Directors are the trustees of the plan. Currently the district is in the process of providing names to the Board of Directors to complete a new requirement in State law that requires a pension board to be in place of the 3 Directors and 2 plan participants. The pension board does meet and conducts training quarterly. Currently, the plan on-going Funded Status is at 90.3%.
- In efforts to become more open to the community we serve, the District has started adding more information to the public section of our webpage. Items included

EUREKA FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

on the page are audit reports, financial statements, Board meeting minutes, budgets and salary schedules.

The District responded to 2088 incidents in 2014 this as compared to 1937 in 2013. This is an increase 7.8%. A 3 year comparison is below;

	<u>2012</u>	<u>% of total</u>	<u>2013</u>	<u>% of total</u>	<u>2014</u>	<u>% of total</u>
Emergency Medical	1582	76%	1536	76.6%	1519	79.4%
Fire	484	24%	401	23.4%	569	20.6%
TOTAL	<u>2066</u>		<u>1937</u>		<u>2088</u>	

In 2014 the Fire District estimated Fire loss;

Value of property lost to fire		\$ 1,169,050	
Value of property saved in those fires		\$ 19,064,000	
Residential Fires	10	\$ 586,500 est. loss	50.2% of total loss
Commercial Fires	4	\$ 160,000 est. loss	13.7% of total loss
Vehicle Fires	3	\$ 420,050 est. loss	35.9% of total loss
Misc. fires	1	\$ 2000 est. loss	0.20% of total loss

In 2014 issued

Commercial construction permits	25	
Miscellaneous permits	<u>37</u>	
Total Permits	62	
Fire Prevention Inspections conducted	1,146 -	4% Increase
Community Services Events	71 -	71% Decrease
People Contacted	17,290 -	243% Increase
CPR Classes Conducted	23 -	26% Decrease
Class participants	126 -	58% Decrease
Car Seat Safety Checks	62 -	29% Increase
Neighborhood Paramedic Visits	38 -	27% Decrease
Total Community Services hours	791 -	52% Decrease

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Assets
As of December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Current Assets (net of inter-fund receivables)	\$ 7,699,242	\$ 8,279,083
Capital assets, net of depreciation	<u>4,470,441</u>	<u>4,302,194</u>
Total Assets	<u>\$ 12,169,683</u>	<u>\$ 12,581,277</u>

EUREKA FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Current Liabilities (net of inter-fund payables)	\$ 584,141	\$ 420,399
Non-current Liabilities	<u>7,521,153</u>	<u>7,716,020</u>
Total Liabilities	<u>\$ 8,105,294</u>	<u>\$ 8,136,419</u>
Invested in capital assets, net of related debt	\$ (1,862,005)	\$(2,279,321)
Unrestricted	682,876	761,952
Restricted	<u>5,243,518</u>	<u>5,962,227</u>
Total Net Position	<u>\$ 4,064,389</u>	<u>\$ 4,444,858</u>
Total Liabilities and Net Position	<u>\$ 12,169,683</u>	<u>\$ 12,581,277</u>

As of December 31, 2014, the District's net position was \$4.0 million, of which (46%) represented investment in capital assets. The District's current assets totaled \$7.7 million, of which 73% represented cash and cash equivalents and 27% represented property taxes receivable. Total liabilities were \$8.1 million, of which 7% was current and 93% was non-current.

Total operating expenditures for 2014 were \$4.7 million. General operations represented 49% of the total operating expenditures, while Ambulance expenditures were 36%. Dispatching, debt service and capital project expenses made up the remaining 15%.

Statement of Revenue, Expenditures, and Changes in Fund Balance
For Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenue		
Tax revenue	\$ 4,440,136	\$ 4,062,161
Non-Resident ambulance billings	410,737	491,883
Inspection and permit revenue	13,629	19,966
Income from investments	24,071	12,334
Other	<u>20,564</u>	<u>12,009</u>
Total Revenues	4,909,137	4,598,353
Personal services	2,418,932	2,302,549
Employee benefits	361,995	349,952
Supplies	93,415	91,810
Heat, light and power	159,156	152,957
Capital outlay	619,398	8,841
Dispatching services	106,681	100,558
Building and equipment	305,317	357,492
Miscellaneous	65,979	76,484
Administration	181,423	235,966
Payments in lieu of insurance premiums	467,537	525,042
Debt service	<u>518,737</u>	<u>489,680</u>
Total Expenditures	<u>5,298,570</u>	<u>4,691,331</u>

EUREKA FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Other Financing Sources	-	<u>3,845,330</u>
Excess Revenue and Other Financing Sources Over (Under) Expenditures	(389,433)	3,752,352
Fund Balances, Beginning of the Year	<u>7,549,163</u>	<u>3,796,812</u>
Fund Balances, End of Year	<u>\$ 7,159,730</u>	<u>\$ 7,549,163</u>

FINANCIAL ANALYSIS OF THE DISTRICTS FUNDS

General Fund

General fund revenues exceeded expenditures by \$460,303. The largest expenditure in the general fund related to salaries and benefits, which accounted for 60% (\$1.3 million) of the total general fund expenditures.

Special Revenue Funds

Special revenue funds consist of two funds – ambulance and dispatching services. Ambulance and EMS expenditures exceeded revenues by \$260,756. Over 81% of ambulance expenditures are related to salaries. The ambulance fund balance increased by \$14,244 and included an operating transfer of \$275,000 from the general fund.

Budget Analysis

The overall budget and actual expense amounts were reasonably close:

	<u>Budget</u>	<u>Actual</u>
General Revenue	\$2,214,756	\$2,175,044
Ambulance	\$1,807,795	\$1,682,115
Pension	\$ 443,502	\$ 131,714
Communications	\$ 132,517	\$ 106,681
Bond Retirement	\$ 669,845	\$ 518,737

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Details of the District's capital assets are as follows:

	<u>2014</u>	<u>2013</u>
Land	\$ 177,440	\$ 177,440
Buildings and improvements	4,410,364	4,090,481
Ambulances and fire apparatus	2,831,497	2,881,556
Equipment and furnishings	<u>2,624,438</u>	<u>2,324,923</u>
Total	\$ 10,043,739	\$ 9,474,400
Less accumulated depreciation	<u>5,573,298</u>	<u>5,172,206</u>
Net capital assets	<u>\$ 4,470,441</u>	<u>\$ 4,302,194</u>

EUREKA FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

In 2014 the District completed the needs assessment survey of capital improvement projects. This process was conducted by the many committees made up by staff and subject matter experts. The final projects list was approved by the Board of Directors and is reflected in the District's updated capital improvements schedule. In 2013, the District issued 3.8 million dollars in bonds. The bond sale was completed and funds received by the District. See schedule below:

2014 Capital Improvement Schedule

Apparatus

1. Replace Staff Vehicle 2403. 1st Q- BOND- **Completed**
2. Purchase New Heart Monitors 1st Q- BOND- **Completed**
3. New Ambulance Station 2. Order 2nd Q –BOND- **Completed**
4. Power Lift Stretchers for Ambulances. 2nd Q-BOND- **Completed**
5. New Pumper for Station 3. Order 4th Q-BOND- On order projected late 2015

Facilities

1. Lighting Upgrades-All Facilities 1st Q-BOND- **Completed**
2. Automate HVAC controls-All Facilities 1st Q-BOND- **Completed**
3. New workout equipment- 2nd Q-BOND- **Completed**
4. Continuity of Operations Project- On Going
5. Land Acquisition – On Going

Station 1

1. Replace needed HVAC Units 1st Q- BOND- **Completed**
2. Install Automatic Hose tower door 1st Q- BOND- **Completed**
3. Replace Man doors in bay 1st Q- BOND- **Completed**
4. New Carbon Filters for Bay air cleaners 1st Q- BOND- **Completed**
5. Install Digital Signage 2nd Q- BOND- **On Hold**
6. Security Upgrades 2nd Q- BOND- **Completed**
7. Seal Bricks on building 2nd Q-BOND- Postponed to fall 2015
8. Concrete replacement 3rd Q-BOND- Postponed 2015
9. Canopy for rear doors 3rd Q-BOND- Postponed

Station 2 Completed

1. Replace needed HVAC unit 1st Q-BOND-
2. Install Automatic Hose tower door 1st Q- BOND- **Completed**
3. Replace Man doors in bay 1st Q- BOND- **Completed**
4. New Carbon Filters for Bay air cleaners 1st Q- BOND- **Completed**
5. Security Upgrades 2nd Q- BOND- **Completed**
6. Seal Bricks on building 2nd Q-BOND- Postponed
7. Canopy for rear doors 3rd Q-BOND- Postponed
8. Install railing for Community room entrance 2nd Q-BOND- On Hold

Station 3

1. New Carbon Filters for Bay air cleaners 1st Q- BOND- **Completed**
2. Security Upgrades 2nd Q- BOND- **Completed**

Training Center

1. Security Upgrades 2nd Q- BOND- **Completed**
2. Seal Bricks on building 2nd Q-BOND- Postponed

EUREKA FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

3. New Training Props. On going
4. Replace Burn Panels in Tower 2nd Q-BOND

Technologies

1. New Heart Monitors 1st Q-BOND- **Completed**
2. Training Software 1st Q- BOND - **Completed**
3. Training Area Furniture 1st Q-BOND
4. SAR Helmets and Backpacks 1st Q-BOND - **Completed**
5. SCBA Replacement 3rd Q-BOND- On Order
6. PPE Replacement 3rd Q-BOND- Pending Delivery July 2015
7. New Dry Suits and ICE Suits 3rd Q-BOND- **Completed**
8. New Fire Hose 3rd Q-BOND- **Completed**
9. Mapping Upgrades 3rd Q-BOND
10. CO Monitors for EMS and Rehab. 4th Q-BOND- **Completed**
11. Updating Portable Equipment On going

2015

Apparatus

1. Replace Staff Vehicle 2406 1st Q-BOND
2. Receive New pumper for Station 3 4th Q-BOND
3. Replace Rescue Trailer 2nd Q-BOND
4. Replace SAR Trailer 2nd Q-BOND
5. Send 2412 for Refurbishment 3rd Q-BOND
6. Replace ATV 3rd Q-BOND

Technologies

1. New Thermal Imaging Camera 1st Q-BOND- ordering June 2015
2. New Air Monitoring Equipment 1st Q BOND- **Completed**
3. Upgrade Rescue Tools 1st Q-BOND- Ordering June 2015
4. Hazmat Suit 1st Q-BOND

2016

Apparatus

1. Replace Staff Vehicle 2400 1st Q-BOND
2. New Ambulance order 1st Q-BOND
3. Replace Staff Vehicle 2401 4th Q-Bond

In 2019 or 2020 it is projected the Eureka Fire Protection District will issue 4.6 million dollars in General obligation bonds.

Apparatus

1. Replace pumper/tanker at Station 3. Est. cost \$650,000 Source-BOND
2. Replace Staff Vehicle Inspectors. Est. cost \$50,000 Source-CI Fund

Technology

1. Upgrade and replace PPE. Est. cost \$250,000 Source-BOND

2014-2015

Apparatus

1. Replace Ambulance at Station 2. Est. cost \$200,000 Source-BOND
2. Replace Staff Vehicle 2403. Est. cost \$50,000 Source-CI Fund

EUREKA FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

2015-2016

Apparatus

1. Replace Brush unit Station 1. Est. cost \$70,000 Source-BOND
2. Replace Staff Vehicle 2406. Est. cost \$55,000 Source-CI Fund

2019 - 2023

It is projected that in 2019 the District will issue up to \$5.7 million in General Obligation Bonds

Apparatus

Projected Staff Vehicle replacement annually.

2018-Unit 2468

2019- Inspector Vehicle

2020- Unit 2403

2021-Unit 2406

2022- Unit 2400

2023- Unit 2401

Projected Improvements to be made are listed below.

2022- Replace Ambulance Station 2. Est. cost \$270,000

2024- Replace Pumper at Station 2 with a Quint. Est. cost \$800,000

2024- Replace Ambulance at Station 1. Est. cost \$300,000

2026- Replace Pumper at Station 1

Facilities

Technology

In 2018 the District again projects upgrading the PPE for all personnel. Estimated cost of this upgrade is \$300,000.

Summary Information

The above schedule is based upon the best estimates by our committees. This document will be reevaluated annually to provide the closest possible estimates. In addition this reevaluation will be used to evaluate if the assumptions used in making growth projections are still accurate or if the plan needs to be revised.

Apparatus assumptions are as follows

- Staff Vehicles are replaced on a 6 year cycle
- Ambulances are replaced on an 8 year cycle
- Pumpers (Fire Engines) are replaced on a 15 year cycle
- Aerials are replaced on a 15 year cycle

Facilities assumptions are based on projected growth of the District and travel distances/ response times.

EUREKA FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Technology assumptions are based on PPE upgrades on a 4 year cycle and Computer systems on a 5 year cycle.

Personnel Issues

In 2014, the District hired Tim George, Alex Hawkins, Brian Kopp and Justin Light. In 2014 several employees' left employment. In March 2014 Firefighter/ Paramedic Greg Light, a 26 year employee, was tragically killed in a vehicle accident while off duty. Kate Geisel left employment on permanent disability from an on duty injury. Deputy Chief/Fire Marshal Scott Mullins retired, after 25 years of service. Rich Pallarito was promoted to the rank of fire marshal January 1, 2015.

In 2014, the District created 3 lieutenant positions, one per shift, to coordinate EMS and training on each shift under the direction of the assistant chief. Further an additional promotion to lieutenant was made to replace the supervisory opening when Rich Pallarito was promoted. The 4 lieutenants are Scott Kavanaugh, Shawn Merry, Chris Lafata, and Lannie Power

Long-Term Debt

Maturities of bonds are as follows:

<u>Bond</u>	<u>Interest</u>	<u>Total</u>	<u>Maturity</u>
\$ 295,000	\$ 243,669	\$ 538,669	2015
320,000	235,769	555,769	2016
335,000	227,063	562,063	2017
350,000	217,563	567,563	2018
360,000	206,669	566,669	2019
215,000	196,850	411,850	
<u>4,375,000</u>	<u>1,437,445</u>	<u>5,812,445</u>	Thereafter
<u>\$ 6,250,000</u>	<u>\$ 2,765,028</u>	<u>\$ 9,015,028</u>	Total

During the year ended December 31, 2014, the following changes occurred in Long-term Debt:

	<u>January 1,</u> <u>2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31,</u> <u>2014</u>
2005 Series G.O Bonds	\$ 75,000	\$ -	\$ 75,000	\$ -
2009 Series G.O Bonds	2,650,000	-	200,000	2,575,000
2013 Series G.O Bonds	3,800,000	-	-	3,800,000
Retiree medical benefits	105,687	-	-	105,687
Net pension obligation	<u>1,360,333</u>	<u>100,133</u>	<u>-</u>	<u>1,460,466</u>
	<u>\$ 7,991,020</u>	<u>\$ 4,002,996</u>	<u>\$ 275,000</u>	<u>\$ 7,941,143</u>

EUREKA FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS AND NEXT YEARS BUDGETS

The District covers 82 Sq. Miles in SW St. Louis and NW Jefferson Counties and services a resident population of approximately 25,000, With major attractions and an interstate highway, the population can easily swell to 80,000 at any time.

The Eureka Fire Protection District has by no means been immune to the economic recession that has affected the United States and the world. We are currently seeing the existing retail vacancy rate rise to more than 15%.

There have been some encouraging economic discussions in the Eureka area. One of the larger proposals being considered is by McBride Homes for a 540 lot subdivision off of Brewster Road. Payne Family Homes has taken over 100 lots in the Pevely Farm subdivision and construction is picking up there. Several of the closed and vacant occupancies on the 5th Street corridor are be remodels or completely rebuilt. In Jefferson County, The Marisol Subdivision is nearing completion and the commercial development at Hwy 109 and Hwy W has been to planning and zoning for retail development.

CONTACT INFORMATION

This financial report has been prepared in the spirit of full disclosure to provide the reader with an overview of the District's financial operations. If the reader has questions or would like additional information about the District, please contact the Chief of the District.

Eureka Fire Protection District
Statement of Net Position
December 31, 2014

	Governmental Activities
ASSETS:	
Cash and cash equivalents	\$ 5,595,544
Taxes receivable, net of allowance	2,086,359
Due from other funds	17,339
Capital assets:	
Land	177,440
Buildings	4,410,364
Equipment and other	5,455,935
Less accumulated depreciation	(5,573,298)
Total capital assets, net of depreciation	4,470,441
Total Assets	\$ 12,169,683
LIABILITIES:	
Accounts payable	46,914
Accrued wages and payroll taxes	140,021
Due to other funds	19,760
Long-term liabilities:	
Portion due or payable within one year:	
Bonds	295,000
Accrued interest	82,446
Portion due or payable after one year:	
Bonds	5,955,000
Retiree medical benefits liability	105,687
Net pension obligation	1,460,466
Total Liabilities	8,105,294
NET POSITION	
Invested in capital assets, net of related debt	(1,862,005)
Restricted for:	
Debt service	582,409
Capital projects	3,474,465
Ambulance and dispatching operations	1,186,644
Unrestricted	682,876
Total net position	\$ 4,064,389

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

Eureka Fire Protection District
Statement of Activities
December 31, 2014

FUNCTIONS/PROGRAMS	<u>Governmental Activities</u>
Fire prevention and suppression	\$ 2,588,178
EMS operations	1,966,660
Dispatching service	106,681
Interest expense	269,668
Depreciation expense not allocated to programs	34,998
Loss on disposal of assets	-
Total program expenses	<u>4,966,185</u>
Program revenue:	
Charges for permit fees	13,629
Charges for ambulance calls	410,737
Total program revenue	<u>424,366</u>
Net program Expense	<u>4,541,819</u>
General revenue:	
Taxes levied and contract protection	4,139,564
Loss on disposal of assets	(4,902)
Income from investments	24,071
Miscellaneous	2,617
Total general revenue	<u>4,161,350</u>
Decrease in net position	(380,469)
Net position-Beginning of year	4,444,858
Net position-End of year	<u><u>\$ 4,064,389</u></u>

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

Eureka Fire Protection District
Balance Sheet
December 31, 2014

	General Fund	Ambulance Fund	Debt Service Fund	Capital Projects Fund	Non-Major Dispatch Fund	Total Governmental Funds
ASSETS:						
Cash and cash equivalents	\$ 1,228,931	\$ 406,214	\$ 406,081	\$ 3,468,769	\$ 53,229	\$ 5,563,224
Property taxes receivable	1,257,407	506,340	272,323	-	50,289	2,086,359
Due from other Funds	14,645	256,996	-	5,696	667	278,004
Total Assets	<u>\$ 2,500,983</u>	<u>\$ 1,169,550</u>	<u>\$ 678,404</u>	<u>\$ 3,474,465</u>	<u>\$ 104,185</u>	<u>\$ 7,927,587</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 26,994	\$ 7,360	\$ -	\$ -	\$ -	\$ 34,354
Accrued wages and payroll taxes	60,290	79,731	-	-	-	140,021
Due to other funds	247,116	-	13,549	-	-	260,665
Deferred revenue	200,582	80,772	43,441	-	8,022	332,817
Total Liabilities	<u>534,982</u>	<u>167,863</u>	<u>56,990</u>	<u>-</u>	<u>8,022</u>	<u>767,857</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	1,001,687	621,414	3,474,465	96,163	5,193,729
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	1,966,001	-	-	-	-	1,966,001
Total Fund Balance	<u>1,966,001</u>	<u>1,001,687</u>	<u>621,414</u>	<u>3,474,465</u>	<u>96,163</u>	<u>7,159,730</u>
Total liabilities and fund balances	<u>\$ 2,500,983</u>	<u>\$ 1,169,550</u>	<u>\$ 678,404</u>	<u>\$ 3,474,465</u>	<u>\$ 104,185</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$ 10,043,739 and the accumulated depreciation is \$ 5,573,298.	4,470,441
Other long-term assets (property taxes receivable not collected within 60 days of year-end) are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	332,817
To recognize interest accrual to year-end on general obligation bonds	(82,446)
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
General obligation bonds	(6,250,000)
Retiree medical benefits actuarial accrued liability	(105,687)
Net pension obligation	(1,460,466)
	<u>(7,816,153)</u>
Net position-governmental activities	<u>\$ 4,064,389</u>

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

Eureka Fire Protection District
Statement of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2014

	General Fund	Ambulance Fund	Debt Service Fund	Capital Projects Fund	Non-Major Dispatch Fund	Total
REVENUE						
Property taxes	\$ 2,671,828	\$ 1,079,613	\$ 581,470	\$ -	\$ 107,225	\$ 4,440,136
Contract protection	4,609	1,856	998	-	184	7,647
Ambulance billings	-	410,737	-	-	-	410,737
Inspection and permit fees	13,629	-	-	-	-	13,629
Income from investments	4,710	1,191	956	17,175	39	24,071
Miscellaneous	12,239	678	-	-	-	12,917
Total Revenue	<u>2,707,015</u>	<u>1,494,075</u>	<u>583,424</u>	<u>17,175</u>	<u>107,448</u>	<u>4,909,137</u>
EXPENDITURES						
Personal services	1,154,689	1,264,243	-	-	-	2,418,932
Employee benefits	192,966	169,029	-	-	-	361,995
Supplies	55,180	38,235	-	-	-	93,415
Heat, light and power	159,156	-	-	-	-	159,156
Capital outlay	-	-	-	619,398	-	619,398
Dispatching service	-	-	-	-	106,681	106,681
Building and mobile equipment	219,558	34,809	-	50,950	-	305,317
Miscellaneous	37,717	28,262	-	-	-	65,979
Administration	180,162	-	-	1,261	-	181,423
Payments in lieu of insurance premiums	247,284	220,253	-	-	-	467,537
Debt service:						
Principal retirement	-	-	275,000	-	-	275,000
Interest and other charges	-	-	243,737	-	-	243,737
Total expenditures	<u>2,246,712</u>	<u>1,754,831</u>	<u>518,737</u>	<u>671,609</u>	<u>106,681</u>	<u>5,298,570</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	460,303	(260,756)	64,687	(654,434)	767	(389,433)
OTHER FINANCING SOURCES (USES)						
Proceeds from issuance of bonds	-	-	-	-	-	-
Operating transfers in (out)	(280,000)	275,000	-	-	5,000	-
Total Other Financing Sources (Uses)	<u>(280,000)</u>	<u>275,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	180,303	14,244	64,687	(654,434)	5,767	(389,433)
FUND BALANCES AT BEGINNING OF YEAR	1,785,698	987,443	556,727	4,128,899	90,396	7,549,163
FUND BALANCES AT END OF YEAR	<u>\$ 1,966,001</u>	<u>\$ 1,001,687</u>	<u>\$ 621,414</u>	<u>\$ 3,474,465</u>	<u>\$ 96,163</u>	<u>\$ 7,159,730</u>

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

Eureka Fire Protection District
 Reconciliation of the Governmental Funds Statement of
 to the Statement of Activities

Total net change in fund balances - governmental funds	\$	(389,433)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$619,398) exceeded depreciation expense (\$435,949).		183,449
Proceeds from sales of fixed assets are reported as revenue in governmental funds. However, in the statement of activities, the net book value of the assets sold is a reduction in calculating the revenue from the sale. This is the amount of the book value of assets sold.		(15,202)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		275,000
Because some property taxes will not be collected for several months after the district's fiscal year ends, they are not considered "available" revenue and are deferred in the governmental funds. Deferred tax revenue increased (decreased) by this amount this year.		(308,219)
Interest in long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the fund when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. Accrued interest (increased) decreased by this amount this year.		(25,931)
Retiree medical benefits are measured by the amounts earned during the year in the statement of activities. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.		-
Pension benefits are measured by the amounts earned during the year in the statement of activities. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.		(100,133)
Change in net position of governmental activities	<u>\$</u>	<u>(380,469)</u>

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

Eureka Fire Protection District
Statement of Net Assets
Proprietary Funds
December 31, 2014

	Internal Service Funds
ASSETS	
Cash and Cash Equivalents	\$ 32,320
Due from other funds	-
Total Assets	32,320
 LIABILITIES	
Claims Payable	12,560
Due to other funds	19,760
Total Liabilities	32,320
 NET ASSETS	
Unrestricted - Designated for future catastrophe losses	\$ -

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

Eureka Fire Protection District
Statement of Revenue, Expenditures, and
Changes in Fund Net Assets - Proprietary Funds
For the Year Ended December 31, 2014

	Internal Service Funds
OPERATING REVENUE	
Charges for services	\$ 482,813
Total operating revenue	482,813
OPERATING EXPENDITURES	
Insurance claims	355,182
Stop loss insurance	127,648
Administrative fees and miscellaneous	-
Total operating expenditures	482,830
NONOPERATING REVENUE	
Investment earnings	17
Total nonoperating revenue	17
NET INCOME	-
NET ASSETS AT BEGINNING OF YEAR	-
NET ASSETS AT END OF YEAR	\$ -

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

Eureka Fire Protection District
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013

	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for services	\$ 490,275
Benefit and insurance payments	(482,363)
Administrative fees and miscellaneous	-
	7,912
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating Subsidies	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment earnings	28
Net increase in cash and cash equivalents	7,940
Cash and equivalents at beginning of year	24,391
Cash and equivalents at end of year	\$ 32,331

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

Eureka Fire Protection District
Statement of Fiduciary Net Assets
December 31, 2014

	Pension Trust Fund
ASSETS	
Cash and cash equivalents	\$ 182,952
Due from other funds	2,128
Property taxes receivable	169,022
Investments, at fair value	9,671,886
Total Assets	10,025,988
LIABILITIES	
Accounts Payable	730
Due to other funds	-
Deferred revenue	26,962
Total Liabilities	27,692
NET ASSETS	
Held in trust for benefits and employee welfare	\$ 9,998,296

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

Eureka Fire Protection District
Statement of Changes in Fiduciary Net Assets
For the Year Ended December 31, 2014

	Pension Trust Fund
ADDITIONS	
Employer contribution - property taxes	\$ 360,388
Contract fee income	620
Investment earnings	411,949
Total Additions	772,957
 DEDUCTIONS	
Benefit payments	133,395
Disability Payments	-
Actuarial and consulting fees	-
Insurance	-
Plan administrative fees and miscellaneous	(1,681)
Total Deductions	131,714
Change in net assets	641,243
 NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
BEGINNING OF YEAR	9,357,053
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS BEGINNING OF YEAR	\$ 9,998,296

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

EUREKA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Eureka Fire Protection District (the District) provides fire protection, fire prevention, and emergency ambulance service to its residents. The financial statements include all accounts of the District that are controlled by the Board of Directors. The accounting principles of the District conform to generally accepted accounting principles applicable to governmental entities. The following is a summary of the more significant accounting policies:

Reporting Entity

The District's financial statements include all funds controlled by the District. A component unit is an organization that is included in the District's financial statements for which the District is financially accountable, or for which the District is not accountable, but for which the nature and significance or their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The District has no component units.

Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities.

The statement of activities presents a comparison between direct expenses and program revenue for the different functions of the District's activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenue include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

Fund Financial Statements: The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented.

The District reports the following governmental funds:

General Fund

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

EUREKA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

Special Revenue-Ambulance Fund

This fund is a special revenue fund that is used to account for the proceeds of a special tax levy which is restricted for the provision of emergency medical services.

Debt Service Fund

This fund accounts for the accumulation of resources for the payment of general long-term debt principal and interest.

Capital Projects Fund

This fund is used to account for financial resources to be used for the acquisition or construction of major capital items.

Special Revenue-Dispatching Fund

This fund is a special revenue fund that is used to account for the proceeds of a special tax levy which is restricted for the procurement of dispatching services for fire and ambulance calls.

The District reports the following fund types:

Internal Service Fund

These funds account for health, dental and vision insurance coverage provided to District departments on a cost-reimbursement basis.

Pension Trust Fund

This fund is used to account for assets held by the District in a trustee capacity. The fund accumulates contributions from the District generated from a pension tax levy as well as earnings from the fund's investments. Disbursements are made from the fund for retirement and administrative expenses.

Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without

EUREKA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

receiving (or giving) equal value in exchange, include property taxes. On an accrual basis, property taxes are recognized in the fiscal year for which the taxes are levied.

Government Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after year-end. Property taxes are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and enterprise funds of the District follow FASB Statements and interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the internal service fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are generally stated at market value.

Statutes authorize the District to invest in time deposits, U.S. Treasury and federal agency securities, commercial paper, bankers' acceptances and repurchase agreements. Statutes authorize the Pension Trust Fund to invest in corporate stocks and bonds.

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 governmental funds. The budgets are adopted on a cash basis of accounting.
2. The Board of Directors approves the tax rate by ordinance. Once this rate has been established, the Board approves the total budget appropriation and amendments.

EUREKA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

3. Unused appropriations lapse at the end of the year.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and payable by December 31. Property taxes not collected by January 1 of the subsequent year are delinquent. The county collectors collect the property tax and remit it to the District. The counties' fee for this service is 1.5% of the taxes collected.

Property taxes levied for 2014 are recorded as receivable, net of estimated uncollectibles, as are prior year levies which are reevaluated annually. Taxes receivable represent estimated amounts to be collected by the County Collector of Revenue for 2014 and prior tax years, to be remitted to the District subsequent to December 31. The portion of taxes not collected and remitted to the District within 60 days of year-end is recorded as deferred tax revenue.

Capital Assets

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed fixed assets are valued at their estimated fair market value on the date contributed. The District defines capital assets as assets with an initial, individual cost exceeding capitalization limit amounts as delineated below, and an estimated useful life in excess of one year. Capital assets used in operations are depreciated using the straight-line method over the estimated useful life of the assets.

The estimated useful lives and capitalization limits are as follows:

	<u>Estimated Lives</u>	<u>Capitalization Limit</u>
Buildings & improvements	40 years	\$5,000
Ambulances	5 years	\$5,000
Fire apparatus	10 years	\$5,000
Furniture & fixtures	10 years	\$5,000
Communications & computers	7 years	\$5,000
Firefighting & medical equipment	7 years	\$5,000
Staff vehicles	5 years	\$5,000
Boats	7 years	\$5,000

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

EUREKA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

Deferred Property Tax Revenue

The District reports deferred property tax revenue on its combined balance sheets. Deferred revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheets and revenue is recognized.

Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the District and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the District and its employees are accounted for in the period in which such services are rendered or such events take place.

The vacation period is January 1, through December 31, with no carry over into subsequent years. Duty staff (those full-time employees who regularly work a twenty-four hour rotating shift schedule) accrue sick pay at one working day per month, up to a maximum of thirty workdays. Administrative personnel working eight-hour days shall accrue two workdays per month, up to a maximum of sixty-five workdays. On December 1 of each year, the unused sick leave that is over the maximum number of days as set forth above shall be paid on a one hour for every four-hour basis.

Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B – DEPOSIT AND INVESTMENT BALANCES

Deposits

Following is a reconciliation of the District’s deposit and investment balances as of December 31, 2014:

EUREKA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

	Government- wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Cash	\$ 5,595,544	\$ 182,952	\$ 5,778,496
Investments	-	9,671,886	9,671,886
Total	\$5,595,544	\$ 9,854,838	\$15,450,382

At year-end, the carrying amount of the District's cash deposits was \$ 5,778,496 and the bank balance was \$ 5,873,985. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$500,000 was covered by federal depository insurance and the balance was collateralized by the pledging financial institutions. Such collateral was held by the pledging financial institutions agents in the District's name.

State statutes require that cash deposits must be insured or collateral must be pledged by the custodian bank in an amount sufficient to cover the amounts on deposit. The collateral is required to be held in safekeeping by the trust department of a financial institution other than the pledging bank.

Investments

At December 31, 2014, investments included the following:

	<u>Market Value</u>
Fiduciary funds:	
KBS REIT III, Inc.	\$ 463,487
Mutual funds-Unallocated Separate Accounts	9,208,399
	\$ 9,671,886

NOTE C - CAPITAL ASSETS

A summary of changes in the general fixed assets account group follows:

	January 1, 2014	Additions	Deletions	December 31, 2014
<i>Capital assets not being depreciated:</i>				
Land	\$ 177,440	\$ -	\$ -	\$ 177,440
<i>Capital assets being depreciated:</i>				
Buildings & improvements	4,090,481	319,883	-	4,410,364
Equipment & other	5,206,479	299,515	(50,059)	5,455,935
Total capital assets being depreciated:	9,296,960	619,398	(50,059)	9,866,299

Less accumulated depreciation

EUREKA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

for:				
Buildings & improvements	(1,653,429)	(104,261)	-	(1,757,690)
Equipment & other	<u>(3,518,777)</u>	<u>(331,688)</u>	<u>34,857</u>	<u>(3,815,608)</u>
Total accumulated depreciation	<u>(5,172,206)</u>	<u>(435,949)</u>	<u>34,857</u>	<u>(5,573,298)</u>
Total capital assets being depreciated, net:	4,124,754	183,448	(15,201)	4,293,001
Totals	<u>\$4,302,194</u>	<u>\$ 183,448</u>	<u>\$ (15,201)</u>	<u>\$4,470,440</u>

NOTE D – INTERFUND TRANSACTIONS

Interfund transactions are reflected as loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the concurrent portion of interfund loans).

Services provided, deemed to be at market or near market rates, are treated as revenue and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

The composition of interfund balances as of December 31, 2014 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Ambulance Fund	General Fund	<u>\$ 247,116</u>
Capital Projects Fund	General Fund	<u>\$ 5,696</u>
Medical Insurance Fund	General Fund	<u>\$ 9,880</u>
General Fund	Medical Insurance Fund	<u>\$ 9,880</u>
Dispatch Fund	General Fund	<u>\$ 667</u>
General Fund	Debt Service Fund	<u>\$ 13,459</u>
Pension Fund	General Fund	<u>\$ 2,128</u>

EUREKA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE E – RETIREMENT PLAN

Defined Benefit Plan

The District has implemented GASB Statement No. 67 (GASB 67), *Financial Reporting for Pension Plans*, for the fiscal year ended December 31, 2014. GASB 67 replaces the requirements of GASB Statement No. 25 (GASB 25), *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and specifies the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan. GASB 67 requires defined benefit plans to calculate a net pension liability to be measured as the total pension liability less the amount of the pension plan’s fiduciary net position.

GASB Statement No. 68 (GSB 68), *Accounting and Reporting for Pensions*, is effective for periods beginning after June 15, 2014. GASB 68 will be implemented in fiscal year 2015, and will require the District to report its net pension liability (NPL) in the government-wide financial statements. Under current standards GASB Statement No., 27 (GASB 27), *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, the employer reports a net pension obligation (NPO) which allows the employer to amortize the past service cost of the pension liability over a period of time. Implementing GASB 68 will result in a change in the amount of the liability that will be reported and disclosures about that liability.

Plan Description

The Eureka Fire Protection District of St. Louis County Pension Plan (the Plan) is a single-employer defined benefit pension plan administered by District management. The plan provides retirement and death benefits to plan members and beneficiaries.

Plan Membership

The Plan’s membership consisted of the following as of January 1, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Active employees	33	30
Retirees and beneficiaries currently receiving benefits	7	10
Terminated employees entitled to benefits not yet received	<u>12</u>	<u>14</u>
Total	<u>52</u>	<u>54</u>

Benefit Provisions

The Plan covers each participant whose employment commencement date is before June 11, 2013 and will have completed five years of credited service by age 55. For participants whose employment commencement date is on or after June 11, 2013, 10 years of credited service are required. Eligibility to participate commences on date of

EUREKA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

employment. Normal retirement begins at age 55 with a monthly benefit equal to the product of 2.5% of average compensation multiplied by years of service earned prior to January 1, 2014; and the product of 2.0% of average compensation multiplied by years of service earned on and after January 1, 2014. Years of service in excess of 30 years will not be included in the calculations. Early retirement provisions require 10 years of service at 50 years of age.

Accounting Policies

Contributions to the Plan are funded with the proceeds of a special pension tax levy. Plan members do not contribute to the plan. The authority for the provision of pension benefits and the levy of taxes to fund the pension plan is established by the Revised Statutes of Missouri, Section 321.600 RSMo.

Pension expenditures are recognized when paid.

Valuation of Investments

The Plan's investments include unallocated and allocated separate accounts and shares of real estate investment trusts valued at fair value.

Annual Pension Cost and Net Pension Obligation

The annual pension cost and net pension obligation for 2014 were as follows:

Annual required contribution	\$ 433,316
Interest on net pension obligation	95,223
Adjustment to annual required contribution	<u>(128,406)</u>
Annual pension cost	400,133
Contributions made	<u>(300,000)</u>
Increase (decrease) in net pension obligation	100,113
Net pension obligation beginning of year	<u>1,360,333</u>
Net pension obligation end of year	<u>\$1,460,466</u>

The annual required contribution was determined as part of the January 1, 2015 actuarial valuation using the Entry Age Normal method. The actuarial assumptions included (a) 7.00% investment rate of return and (b) projected salary increases of 4.5% per year. The assumptions did not include postretirement benefit increases.

Trend Information

Historical trend information about the plan is presented herewith as required supplementary information. This information is intended to help users assess the plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due and make comparisons with other public employee retirement systems (PERS).

EUREKA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

Schedule of Funding Progress

<u>Valuation date</u>	(1) <u>Actuarial Value of Assets</u>	(2) <u>Actuarial Accrued Liability (AAL)</u>	(3) <u>Unfunded AAL (UAAL) (2)-(1)</u>	(4) <u>Funded Ratio (1)/(2)</u>	(5) <u>Annual covered payroll</u>	(6) <u>UAAL as a % of Payroll [(2)-(1)]/(5)</u>
January 1:						
2010	6,637,578	8,009,414	1,371,836	83%	2,175,185	63%
2011	6,850,259	8,763,344	1,913,085	78%	2,292,551	83%
2012	7,034,167	9,145,452	2,111,285	77%	2,116,979	100%
2013	7,800,229	9,812,628	2,012,399	79%	2,351,397	86%
2014	8,713,087	10,224,352	1,511,265	85%	2,384,764	63%
2015	9,574,880	10,601,877	1,026,997	90%	2,056,702	50%

Schedule of Employer Contributions

<u>Year Ended December 31:</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
2007	257,667	291,398	113%
2008	279,086	269,000	96%
2009	507,166	265,000	52%
2010	496,422	278,646	56%
2011	557,436	280,300	50%
2012	563,518	285,000	50%
2013	531,226	300,000	56%
2014	433,316	300,000	79 %

Net Pension Liability (NPL) and Disclosures Required by GASB 67

Net Pension Liability

	<u>12/31/2014</u>
1. Total Pension Liability	
Retired Participants	\$ 2,296,484
Terminated Vested Participants	1,078,681
Active Participants	<u>7,226,712</u>
TOTAL	\$ 10,601,877
2. Plan Fiduciary Net Position	\$ 9,671,886
3. Net Pension Liability	\$ 929,991
4. Plan Fiduciary Net Position as % of Total Pension Liability	91.23%
5. Covered Payroll	\$ 2,056,702

EUREKA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

6. Net Pension Liability as % of Covered Payroll 45.22%

Sensitivity of Net Pension Liability to Changes in
Discount Rate

1% Decrease	\$ 2,508,962
1% Increase	\$ (380,805)

Schedule of Investment Returns

2012	11.00%
2013	10.60%
2014	4.51%

The long-term expected rate of return on the Plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of the Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target allocation as of December 31, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Allocation</u>	<u>Assumed Geometric Real Return</u>
Domestic Equity	43%	6.0%
International Equity	15%	6.0%
Fixed Income	36%	1.5%
Real Estate	6%	4.5%
Cash Equivalents	<u>0%</u>	0.0%
TOTAL	100%	

GASB 67 Discount Rate

7.00% per annum

Assumptions Used to Determine Discount Rate

- Level Employee Population
- Employer contribution increase 2.75% per year from 2014 level
- Municipal Bond Rate of 2.81% is based on approximate 20 year average yield to maturity of AA rated bonds as of December 31, 2014, determined by Morgan Stanley.
- Long-term return assumption applies to all projected cash flows.

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 government

EUREKA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

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 has established a trust to hold all amounts in the plan to ensure that the assets in the plan were protected from District creditors and that they are used exclusively to pay benefits to plan participants and/or beneficiaries.

NOTE F – POSTRETIREMENT HEALTHCARE PLAN

Plan Description. Eureka Fire Protection District Retiree Health Benefits (ERHB) is a single-employer defined benefit healthcare plan administered by the Eureka Fire Protection District. ERHB provides medical, dental and vision benefits to eligible retirees and their families.

Funding Policy. The plan operates on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation. The District’s annual other postemployment benefit (OPEB) cost (expense) based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover annual cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 was as follows:

<u>Year Ended</u> <u>December 31:</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2014	-	- %	\$105,687

As of January 1, 2010, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$ 815,954, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$ 815,954. The covered payroll (annual payroll of active employees covered by the plan) was \$2,384,764, and the ratio of the UAAL to the covered payroll was 34.2 percent.

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. Examples include assumptions about future employment, mortality, and the healthcare cost trend. 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 required supplementary information following

EUREKA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2010, actuarial valuation, age-weighted medical costs were used, based on 1994 Average Annual Expenditures per Consumer Unit for Health Care. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses) and an annual initial healthcare cost trend rate of 9.0%, graded down 1.0% each year until an ultimate rate of 4.0% is reached for the year 2015 and beyond. The actuarial assumptions assume a retirement age of 57, 20 years of service, 75% married when retired. Life expectancies were based on mortality tables from the 1994 Group Annuity Reserving Table Female ages set back 6 years.

Schedule of Funding Progress

<u>Valuation date</u>	<u>(1) Actuarial Value of Assets</u>	<u>(2) Actuarial Accrued Liability (AAL)</u>	<u>(3) Unfunded AAL (UAAL) (2)-(1)</u>	<u>(4) Funded Ratio (1)/(2)</u>	<u>(5) Annual covered payroll</u>	<u>(6) UAAL as a % of Payroll [(2)-(1)]/(5)</u>
<u>January 1:</u>						
2010	0	815,954	815,954	0.0%	2,339,103	34.9%

NOTE G - LEGAL DEBT MARGIN

Assessed valuation - January 1, 2014	<u>\$373,188,477</u>
Debt limit - 5% of assessed value	\$ 18,659,424
Amount of debt applicable to debt limit:	
Total bonded debt outstanding	6,250,000
Less amount available in debt service fund	<u>(621,414)</u>
	<u>5,628,586</u>
Legal Debt Margin	<u>\$ 13,030,838</u>

EUREKA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE H - CONTRACTUAL AGREEMENTS

During 2014, the District entered into an agreement with Central County Emergency 911 (Central County) for dispatching services. The agreement requires the District to pay Central County three and one-half cents (\$0.035) per one hundred thousand dollars of the total assessed valuation of the District for the preceding year. The agreement runs through December 31, 2018 and automatically renews annually unless terminated by either party.

NOTE I - 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 has joined together with other districts to form a group of self-insurers for workers' compensation, a public entity risk pool currently operating as a common risk management and insurance program for workers' compensation claims. The District pays an annual premium to the pool for its insurance coverage. The agreement for formation of the Missouri Fire and Ambulance Districts' Insurance Trust (MOFAD) provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$2,000,000 for each insured event. The District continues to carry commercial insurance for other risks of loss. The pooling agreement allows for the pool to use 5% of assessments to make the pool self-sustaining for supplemental aggregate reinsurance coverage. This coverage will be funded until the cumulative balance reaches \$2,000,000. MOFAD has published its own financial report for the year ended December 31, 2014 that can be obtained from MOFAD.

The District self-insures for employee medical claims up to predetermined maximums. Under the program, the internal service fund provides coverage for 100% of routine services (e.g. Dr. Office visits, physical exams, etc.). In addition, the internal service fund provides coverage for up to an annual maximum of \$35,000 per occurrence. The District purchases commercial insurance for claims in excess of coverage provided by the internal service fund. The claims liability, reflected in the internal service fund as accrued expenses in the amount of \$12,560 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

NOTE J – LONG-TERM DEBT

In August 2005, proceeds of \$1,836,851 were received from the sale of general obligation refunding bonds. The interest rate on these bonds ranges from 3% to 3.625%.

In March 2009, proceeds of \$3,616,528 were received from the sale of general obligation capital improvement bonds. The interest rate on these bonds ranges from 2.5% to 5%.

EUREKA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

In September 2013, proceeds of \$3,845,330 were received from the sale of general obligation capital improvement bonds. The interest rate on these bonds ranges from 2.5% to 4.5%.

Maturities of the District's bonds are as follows:

<u>Bond</u>	<u>Interest</u>	<u>Total</u>	<u>Maturity</u>
\$ 295,000	\$ 243,669	\$ 538,669	2015
320,000	235,769	555,769	2016
335,000	227,063	562,063	2017
350,000	217,563	567,563	2018
360,000	206,669	566,669	2019
215,000	196,850	411,850	2020
220,000	188,831	408,831	2021
240,000	179,581	419,581	2022
250,000	168,994	418,994	2023
275,000	157,563	432,563	2024
285,000	145,288	430,288	2025
315,000	131,900	446,900	2026
325,000	117,400	442,400	2027
355,000	101,900	456,900	2028
370,000	85,275	455,275	2029
400,000	68,275	468,275	2030
420,000	50,588	470,588	2031
450,000	31,275	481,275	2032
470,000	10,575	480,575	2033
<u>\$ 6,250,000</u>	<u>\$2,765,027</u>	<u>\$9,015,027</u>	Total

During the year ended December 31, 2014, the following changes occurred in liabilities reported as Long-term Debt:

	<u>January 1,</u> <u>2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31,</u> <u>2014</u>
2005 Series G.O Bonds	\$ 75,000	\$ -	\$ 75,000	\$ -
2009 Series G.O Bonds	2,650,000	-	200,000	2,575,000
2013 Series G.O Bonds	3,800,000	-	-	3,800,000
Retiree medical benefits	105,687	-	-	105,687
Net pension obligation	<u>1,360,333</u>	<u>100,133</u>	<u>-</u>	<u>1,460,466</u>
	<u>\$ 7,991,020</u>	<u>\$ 4,002,996</u>	<u>\$ 275,000</u>	<u>\$ 7,941,143</u>

EUREKA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE K – NET ASSETS/FUND BALANCES

The government-wide financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Assets*-This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by laws through constitutional provisions or enabling legislation.
- *Unrestricted Net Assets* – This category represents net assets of the District, not restricted for any project or other purpose.

In the fund financial statements, the District reports fund balances for governmental funds in classifications based primarily on the extent to which the district is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Provisions of laws, contracts, and grants specify how fund resources can be used in the *restricted* classification. The nature of this classification precludes a need for a policy from the Board. However, the Board has adopted fund balance policies for the three unrestricted classifications – committed, assigned, and unassigned.

From time to time, the Board may commit fund balances by a majority vote in a scheduled meeting. The Board’s commitment may be modified or rescinded by a majority vote in a scheduled meeting. Board commitments cannot exceed the amount of fund balance that is greater than the sum of nonspendable and restricted fund balances since that practice would commit funds that the district does not have. Commitments may be for facility expansion or renovation, program modifications, wage and salary adjustments, financial cushions (rainy day funds), and other purposes determined by the Board.

The Board may delegate authority to specified persons or groups to make assignments of certain fund balances by a majority vote in a scheduled meeting. The Board may modify or rescind its delegation of authority by the same action. The authority to make assignments shall be in effect until modified or rescinded by the Board by majority vote in a scheduled meeting.

When The District incurs expenditures that can be made from either restricted or unrestricted balances, the expenditures should be charged to unrestricted balances. When the District incurs expenditures that can be made from either committed, assigned, or

EUREKA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

unassigned balances, the expenditures should be charged to committed, then assigned, and lastly unassigned balances.

As of December 31, 2014, restricted fund balance is as follows:

- *Debt Service* – to reflect the funds held for future payment of bond principal and interest. These funds are not available for general operations.
- *Dispatching Special Revenue* – to reflect the funds held for dispatching services. These funds are not available for general operations.
- *Ambulance Special Revenue* – to reflect the funds held for emergency medical services. These funds are not available for general operations.

NOTE L – INTERFUND TRANSFERS

Operating transfers in and out that occurred during 2014 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ 280,000
Ambulance	275,000	-
Ambulance	5,000	-

**Eureka Fire Protection District
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2014**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
REVENUE				
Property taxes	\$ 2,523,304	\$ 2,523,304	\$ 2,352,884	\$ (170,420)
Contract protection	4,300	4,300	4,558	258
Inspection and Permit Fees	23,000	23,000	19,966	(3,034)
Income from Investments	15,000	15,000	5,226	(9,774)
Miscellaneous	20,000	20,000	4,079	(15,921)
Proceeds from sale of assets	50,000	50,000	-	(50,000)
Total Revenue	<u>2,635,604</u>	<u>2,635,604</u>	<u>2,386,713</u>	<u>(248,891)</u>
EXPENDITURES				
Personal services	1,198,500	1,198,500	1,135,200	(63,300)
Employee benefits	178,500	178,500	185,415	6,915
Supplies	91,550	91,550	54,612	(36,938)
Contractual services	-	-	-	-
Heat, light and power	129,710	129,710	152,957	23,247
Capital outlay	50,750	50,750	46,208	(4,542)
Building and mobile equipment	208,500	208,500	216,557	8,057
Miscellaneous	95,169	95,169	45,413	(49,756)
Administration	123,300	123,300	188,404	65,104
Payment in lieu of insurance premiums	190,000	190,000	300,042	110,042
Total expenditures	<u>2,265,979</u>	<u>2,265,979</u>	<u>2,324,808</u>	<u>58,829</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	369,625	369,625	61,905	(307,720)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(369,625)	(369,625)	(300,000)	69,625
Total Other Financing Sources (Uses)	<u>(369,625)</u>	<u>(369,625)</u>	<u>(300,000)</u>	<u>69,625</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)				
	<u>-</u>	<u>-</u>	<u>(238,095)</u>	<u>(238,095)</u>

**Eureka Fire Protection District
Required Supplementary Information
Budgetary Comparison Schedule - Ambulance Fund
For the Year Ended December 31, 2014**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
REVENUE				
Property taxes	\$ 1,001,547	\$ 1,001,547	\$ 952,515	\$ (49,032)
Contract protection	1,750	1,750	1,836	86
Ambulance charges	494,566	494,566	491,883	(2,683)
Inspection and Permit Fees	-	-	-	-
Income from Investments	5,000	5,000	1,031	(3,969)
Miscellaneous	600	600	356	(244)
Proceeds from sale of assets	-	-	-	-
Total Revenue	<u>1,503,463</u>	<u>1,503,463</u>	<u>1,447,621</u>	<u>(55,842)</u>
EXPENDITURES				
Personal services	1,342,442	1,342,442	1,259,452	(82,990)
Employee benefits	177,000	177,000	164,537	(12,463)
Supplies	37,500	37,500	37,198	(302)
Contractual services	-	-	-	-
Heat, light and power	-	-	-	-
Capital outlay	3,000	3,000	3,577	577
Building and mobile equipment	29,000	29,000	25,924	(3,076)
Miscellaneous	36,354	36,354	27,732	(8,622)
Administration	-	-	-	-
Payment in lieu of insurance premiums	192,795	192,795	225,000	32,205
Total expenditures	<u>1,818,091</u>	<u>1,818,091</u>	<u>1,743,420</u>	<u>(74,671)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(314,628)	(314,628)	(295,799)	18,829
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	314,628	314,628	300,000	(14,628)
Total Other Financing Sources (Uses)	<u>314,628</u>	<u>314,628</u>	<u>300,000</u>	<u>(14,628)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>4,201</u>	<u>4,201</u>

Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI

Explanation of differences between budgetary inflows and outflows
 and GAAP revenue and expenditures

	General Fund	Ambulance Fund
Sources/Inflows of resources		
Total revenue (budgetary basis) from the budgetary comparison schedule	\$ 2,386,713	1,447,621
Tax Revenue-levy on the budgetary basis recognizes revenue based on when the taxes are collected. For financial reporting purposes, the revenue is recognized on a modified accrual basis.	320,302	46,454
	<u>\$ 2,707,015</u>	<u>\$ 1,494,075</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 2,324,808	\$ 1,743,420
Differences-budget to GAAP		
Amounts accrued for accounts payable and accrued wages and payroll taxes for financial reporting purposes are not outflows of budgetary resources in the current year.	(78,096)	11,411
	<u>\$ 2,246,712</u>	<u>\$ 1,754,831</u>

McGee & Associates, LLC

EUREKA FIRE PROTECTION DISTRICT
 SCHEDULE OF INSURANCE IN FORCE
 December 31, 2014

<u>INSURANCE IN FORCE</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
Commercial Automobile Policy Liability Uninsured Motorists Comprehensive Coverage Collision	American Alternative Insurance Corp.	\$1,000,000 Liability/Accident \$1,000,000/Accident Actual Cash Value/Cost of Repair Actual Cash Value/Cost of Repair
Excess Liability	American Alternative Insurance Corp.	\$2,000,000/Occurrence \$4,000,000 General Aggregate
General/Healthcare Liability	American Alternative Insurance Corp.	\$ 1,000,000/Occurrence \$ 3,000,000/Products Completed Operation \$ 3,000,000 General Aggregate \$ 1,000,000 Personal Injury \$ 1,000,000 Fire Damage Legal Liability
Management Liability	American Alternative Insurance Corp.	\$1,000,000 Each Wrongful Act \$3,000,000 Aggregate Limit
Commercial Property Buildings Business Personal Property Business Income	American Alternative Insurance Corp.	Guaranteed Replacement Cost Scheduled Value 12 Months Actual Loss Sustained
Fidelity Bond	American Alternative Insurance Corp.	\$20,000/Employee \$100,000/Director
Portable Equipment	American Alternative Insurance Corp.	Scheduled Value
Workers' Compensation	MoFAD	Statutory Limits
Crime	American Alternative Insurance Corp.	\$10,000/Computer Fraud \$10,000/Identity Fraud

EUREKA FIRE PROTECTION DISTRICT
 SCHEDULE OF ASSESSED VALUATION, TAX RATE AND TAX LEVY
 Tax Year 2014

<u>ASSESSED VALUATION</u>	<u>2014</u>
Real estate	\$ 314,095,686
Personal property	<u>59,092,791</u>
Total Assessed Valuation	<u>\$ 373,188,477</u>

<u>TAX RATE (PER \$100 OF ASSESSED VALUATION)</u>	<u>2014</u> <u>Residential</u>	<u>2014</u> <u>Agricultural</u>	<u>2014</u> <u>Commercial</u>	<u>2014</u> <u>Personal</u> <u>Property</u>
General fund	.6926	.6926	.6926	.6926
Ambulance fund	.2789	.2789	.2789	.2789
Debt service fund	.1500	.1500	.1500	.1500
Pension fund	.0931	.0931	.0931	.0931
Dispatching fund	.0277	.0277	.0277	.0277
Total Tax Rate	<u>1.2423</u>	<u>1.2423</u>	<u>1.2423</u>	<u>1.2423</u>

<u>TAX LEVY</u>	<u>2014</u>
From assessed valuation	\$ 4,510,759
From TIF surplus	-
From surtax levy	<u>29,693</u>
TOTAL LEVY	<u>\$ 4,540,452</u>

Assessed valuations were made on real and personal properties owned by taxpayers on January 1.

EUREKA FIRE PROTECTION DISTRICT
SCHEDULE OF PRINCIPAL OFFICE HOLDERS
December 31, 2014

<u>OFFICE HOLDER</u>		<u>ANNUAL COMPENSATION</u>
Francis B. Oberkramer	President	\$ 2,200
Patrick D. Feder	Treasurer	\$ 2,500
Charles E. Kuhn	Secretary	\$ 2,400

The Board of Directors is elected and the Board annually determines which of its members will serve as president, treasurer, and secretary. The Board appoints the chief.

Each member of the Board may receive a fee not to exceed \$100 for attending each regularly called board meeting, or special meeting, but shall not be paid for attending more than four in any calendar month. The Chairman may receive an additional \$50 for up to two meetings per month. Each member is to be reimbursed for actual expenditures in the performance of his or her duties on behalf of the District. The Secretary and Treasurer may each receive additional compensation for the performance of their duties, not to exceed \$1,000 per year.



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

To the Board of Directors
Eureka Fire Protection District
St. Louis and Jefferson Counties, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Eureka Fire Protection District (the District), as of and for the year ended December 31, 2014, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 25, 2015.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their

assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency with respect to pension trust fund accounting described in the accompanying schedule of findings and questioned costs to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs with respect to ambulance billings to be significant deficiencies.

Compliance and Other Matters

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

The District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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


June 25, 2015

EUREKA FIRE PROTECTION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
December 31, 2014

AMBULANCE BILLINGS

Proper internal controls for billed revenue, e.g. ambulance fees, dictate that controls address the completeness, accuracy and cut-off of billed revenues. When such controls are to be addressed by a service provider, e.g., ambulance billing company, assurance should be obtained that the controls are functioning as planned. We noted that the District's policies and procedures do not adequately address the completeness, accuracy and cut-off of ambulance billings.

With respect to ambulance billings, we recommend that the District implement accounting procedures and internal controls to address the completeness, accuracy and cut-off of billed revenues and the related receivables.

District Response: The District will meet with our billing company, staff and auditor to address these issues.

PENSION TRUST FUND

We noted that the District does not correctly account for certain activity in its pension trust fund. Specifically, contributions to investment accounts are expensed, and neither benefit payments, investment earnings, nor administrative expenses, are recorded in the District's accounting records. It is our understanding that the investment activity is monitored internally and by outside advisors; however, the investment activity is not properly recorded in the District's accounting records.

We recommend that policies and procedures be adopted to address the recording of pension trust fund investment activity on a periodic basis.

District Response: The District intends to recommend to the pension board the establishment of processes with our staff, investment advisor and investment company to meet the reporting objectives.