

***EUREKA FIRE
PROTECTION DISTRICT***

***FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2022***

EUREKA PROTECTION DISTRICT

EUREKA, MISSOURI

CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
GENERAL PURPOSE FINANCIAL STATEMENTS:	
Statement Of Net Position	10
Statement Of Activities	11
Balance Sheet - Governmental Funds	12
Reconciliation Of To The Balance Sheet Of Governmental Funds To The Statement Of Net Position	13
Statement Of Revenues, Expenditures And Changes In Fund Balances - Governmental Funds	14
Reconciliation Of The Statement Of Revenues, Expenditures And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities	15
Statement Of Fiduciary Net Position	16
Statement Of Changes In Fiduciary Net Position	17
Statement Of Net Position - Proprietary Fund - Internal Service Fund	18
Statement Of Revenues, Expenses, And Changes In Net Position - Proprietary Fund - Internal Service Fund	19
Statement Of Cash Flows - Proprietary Fund - Internal Service Fund	20
Notes To Financial Statements	21
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule - General Fund	42
Budgetary Comparison Schedule - Ambulance Fund	43
Notes To Required Supplementary Information	44
Schedule Of Changes In Net Pension Liability And Related Ratios	45
Schedule Of Employer Contributions - Pension	46
Schedule Of Changes In OPEB Liability And Related Ratios	47
SUPPLEMENTARY INFORMATION:	
Combining Balance Sheet - Nonmajor Funds	48
Combining Statement of Revenues, Expenditures And Changes In Fund Balance - Nonmajor Funds	49
Budgetary Comparison Schedule - Debt Service Fund	50
Budgetary Comparison Schedule - Capital Projects Fund	51
Budgetary Comparison Schedule - Dispatch Fund	52
Budgetary Comparison Schedule - Pension Tax Fund	53
Schedule Of Principal Office Holders	54
Schedule Of Insurance In Force	55
COMPLIANCE AND INTERNAL CONTROL SECTION:	
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	56

INDEPENDENT AUDITORS' REPORT



Board of Directors of
EUREKA FIRE PROTECTION DISTRICT

Opinions

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, as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 Eureka Fire Protection District, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Eureka Fire Protection District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Eureka Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Eureka Fire Protection District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Eureka Fire Protection District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

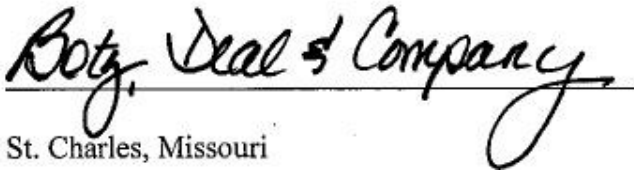
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of changes in Net Pension Liability and Net OPEB Liability and related ratios, and schedule of employer contributions be presented 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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Eureka Fire Protection District's financial statements. The other budgetary comparison schedule, schedule of insurance in force and schedule of directors' fees are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023, on our consideration of Eureka Fire Protection District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Eureka Fire Protection District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Eureka Fire Protection District's internal control over financial reporting and compliance.


St. Charles, Missouri

June 29, 2023

EUREKA FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

This section of Eureka Fire Protection District's (the District) annual financial report presents management's discussion and analysis of the District's financial activity for the year ended December 31, 2022. In order to have a comprehensive understanding of the Management Discussion and Analysis, we recommend that the attached financial statements, including all notes to the financial statements, be read in their entirety.

Financial Highlights

- In the government-wide financial statements, the District's assets and deferred outflows exceed its liabilities and deferred inflows at December 31, 2022 by \$3,036,559. Of this amount \$1,656,986 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's net position decreased by \$910,802 from current year operations.
- At December 31, 2022, total ending fund balance for the General Fund was \$3,809,240.
- For the year ended December 31, 2022, total fund balances increased \$1,893,499 to \$10,445,618 from operations.

Using this Annual Report

The District's financial statements are prepared using the reporting model prescribed by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments*. The District's basic financial statements are designed to emulate corporate presentation models whereby all District activities are consolidated. This approach is intended to summarize and simplify the analysis of the costs associated with various emergency services provided by the District for the benefit of its residents.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components:

- 1) Government-wide financial statements,
- 2) Fund financial statements, and
- 3) Notes to the basic financial statements.

Required supplementary information and additional supplementary information are also included in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The government-wide financial statements include the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* presents all of the District's assets and liabilities which measures the District's overall financial health. The increases and decreases in net position can be monitored to determine whether the District's financial position is improving or deteriorating.

The *Statement of Activities* presents information reflecting how the District's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused compensation, etc.).

The government-wide financial statements report functions of the District that are principally supported by taxes and charges for services. The governmental activities for the District include fire protection, ambulance and EMS services, dispatching services and debt services. It should be noted that the District currently has no business-type activities.

Fund Financial Statements

The fund financial statements provide grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure compliance with finance-related legal requirements.

Governmental Funds

The District's basic services are included in the governmental funds. These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. These fund statements measure current financial resources, or near-term inflows and outflows of expendable resources, as well as the balances of expendable resources available at the end of the year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Reconciliations are provided to facilitate this comparison between governmental funds and governmental activities.

Fiduciary Funds

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

Internal Service Fund

Internal Service Funds are established to account for any activity that provides goods or services to other funds or departments of the primary government on a cost-reimbursement basis.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a complete understanding of the information reported in the government-wide and fund financial statements.

Required and Other Supplementary Information

In addition to the basic financial statements and accompanying notes to the basic financial statements, this financial report also contains certain required supplementary information. Required Supplementary Information includes a Budgetary Comparison Schedule for the General Fund and Ambulance Fund, as well as the Schedules of Changes in Net Pension Liability and Related Ratios, Employer Contributions-Pension, and Changes in OPEB Liability and Related Ratios, and Employer Contributions-OPEB.

Government-Wide Financial Analysis

As mentioned earlier, net position may serve over time as a useful indicator of a government's financial position. The condensed statement of net position as of December 31, is as follows:

Statement of Net Position

	<u>2022</u>	<u>2021</u>	<u>Variance</u>
Assets:			
Current and other assets	\$ 11,712,605	\$ 11,270,721	\$ 441,884
Capital assets, net of depreciation	4,769,769	4,738,884	30,885
Total Assets	<u>16,482,374</u>	<u>16,009,605</u>	<u>472,769</u>
Deferred outflows	<u>1,546,946</u>	<u>1,357,646</u>	<u>189,300</u>
Liabilities:			
Current and other liabilities	436,213	241,366	194,847
Long-term liabilities	<u>13,401,213</u>	<u>10,604,682</u>	<u>2,796,531</u>
Total Liabilities	<u>13,837,426</u>	<u>10,846,048</u>	<u>2,991,378</u>
Deferred inflows	<u>1,155,335</u>	<u>2,960,966</u>	<u>(1,805,631)</u>
Net Position:			
Net investment in capital assets	(2,146,029)	(2,947,693)	801,664
Restricted	3,525,602	5,168,043	(1,642,441)
Unrestricted	<u>1,656,986</u>	<u>1,339,887</u>	<u>317,099</u>
Total Net Position	<u>\$ 3,036,559</u>	<u>\$ 3,560,237</u>	<u>\$ (523,678)</u>

The District's assets and deferred outflows exceeded liabilities and deferred inflows (net position) by \$3,036,559 as of December 31, 2022. Of this amount, a negative \$2,146,029 is net investment in capital assets; \$3,525,602 is restricted by the enabling legislation; and \$1,656,986 is unrestricted and available to provide for current and future obligations of the District. Unrestricted net position increased \$317,099.

This schedule is prepared from the District's Statement of Net Position, which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

The District's net position decreased by \$910,802 during the year ended December 31, 2022 from operations. The key elements of this increase are presented in the following condensed statement of activities:

Statement of Activities			
	2022	2021	Variance
Revenues:			
Program revenues:			
Charges for service	\$ 818,650	\$ 918,610	\$ (99,960)
Capital and operating grants	2,455	451,347	(448,892)
General revenues:			
Taxes and contract fees	7,146,799	6,870,551	276,248
Interest income	19,995	8,561	11,434
Miscellaneous	28,095	23,292	4,803
Total Revenues	<u>8,015,994</u>	<u>8,272,361</u>	<u>(256,367)</u>
Expenses:			
Public safety	8,400,181	7,272,718	1,127,463
Interest and fiscal charges	526,615	278,070	248,545
Total Expenses	<u>8,926,796</u>	<u>7,550,788</u>	<u>1,376,008</u>
Increase (decrease) in net position	(910,802)	721,573	(1,632,375)
Net position, beginning of year, as restated	<u>3,947,361</u>	<u>2,838,664</u>	<u>1,108,697</u>
Net position, end of year	<u>\$ 3,036,559</u>	<u>\$ 3,560,237</u>	<u>\$ (523,678)</u>

Program revenue includes activities that have the characteristics of exchange transactions, such as ambulance billing and commercial and residential inspections. General revenues include activities that have the characteristics of non-exchange transactions, such as property taxes. Public safety expenses are those expenses for the purpose of providing fire protection, emergency medical services, and operational activities of the District.

Total revenues decreased by \$256,367 (3.1%), when comparing 2022 to 2021. The decrease was attributable to a decrease in capital and operating grants of approximately \$448,892 compared to the prior year as the District closed out the SAFER grant. The District revenues also increased as a result of an increase in tax collections of \$276,248. This was a result of an increase in assessed values, off-set by a decrease in tax rates, combined with timing of collections.

Total expenses increased \$1,376,008 (18.2%) in 2022 compared to 2021. The increase was as a result of personnel costs and benefits increasing due to annual raises, step increases, and changes in the pension and other post-employment benefits valuations. Other operating supplies and equipment increased as a result of availability of capital improvement funds.

Governmental Funds Analysis

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

	<u>2022</u>	<u>2021</u>	<u>Variance</u>
Property taxes	\$ 7,126,961	\$ 6,536,929	\$ 590,032
Contract fees	12,065	11,334	731
Intergovernmental grants	2,455	451,347	(448,892)
Service fees	853,435	900,652	(47,217)
Interest	19,995	8,561	11,434
Permits and reports	13,504	6,624	6,880
Miscellaneous income	5,619	25,457	(19,838)
Total	<u>\$ 8,034,034</u>	<u>\$ 7,940,904</u>	<u>\$ 93,130</u>

General Fund

General Fund revenues exceeded expenditures by \$1,119,896, prior to consideration of transfers and other financing sources. The fund balance in the General Fund increased \$107,011 after consideration of transfers and other financing sources.

Ambulance Fund

Ambulance Fund expenditures exceeded revenues by \$1,133,128 prior to consideration of transfers and prior period adjustments. This is due to expenditures exceeding the tax revenue and service fee revenue collected in this fund. The General Fund covers shortfalls in the Ambulance Fund from time to time. A transfer of \$952,000 was made in 2022. A prior period adjustment of (\$371,950) was made to correct ambulance billing receivables from 2021 by reducing beginning fund balance.

Debt Service Fund

The fund balance in the Debt Service Fund increased by \$285,472 due to tax and contract revenues exceeding the scheduled principal and interest payments on debt.

Capital Projects Fund

The fund balance in the Capital Projects Fund increased by \$1,715,164 as a result of the issuance of bonds in 2022 and spending down of proceeds received from the issuance of bonds in 2018. During 2022, the District purchased a vehicle, video and communication equipment, and fire station/ambulance equipment in addition to making required building repairs.

Budget Analysis

The District adopts an annual budget for each of its governmental funds, pursuant to Missouri State Statutes.

Annually, as allowed by Missouri State Statutes, the District amends the budgets of each fund to reflect approved changes in spending requirements and unforeseen events that occurred during the most recent year. Increases were made to budgeted expenditures to take into account new developments identified during the year.

Capital Assets

GASB 34 requires the District to include in capital assets all real estate to house firefighters and ambulance personnel and emergency vehicles, the District's administrative building and all emergency and administrative equipment and vehicles owned by the District. The District has adopted a capitalization policy with specific useful lives by capital asset category. More detailed information on the District's capital asset assets is presented in the notes to the financial statements.

	2022	2021	Increase (Decrease)
Land	\$ 177,440	\$ 177,440	\$ -
Construction in progress	692,042	611,741	80,301
Buildings and improvements	5,243,016	5,125,974	117,042
Equipment and vehicles	8,652,846	8,581,764	71,082
Net capital assets	<u>\$ 14,765,344</u>	<u>\$ 14,496,919</u>	<u>\$ 268,425</u>

Long-Term Debt

The District has outstanding bonds payable at year-end totaling \$9,108,449, with interest rates ranging from 2% to 5%. During the year ended December 31, 2022, the District issued general obligation bonds in the amount of \$2,100,000 and made principal payments totaling \$270,000. More detailed information on the District's long-term liabilities is presented in the notes to the financial statements.

Economic Factors

The District covers 82 square miles in Southwest St. Louis County and Northern Jefferson County and provides EMS, Fire, and Rescue services to an urban and rural community. The service area covers a commercial and residential population that includes an Interstate Highway, back roads with one-lane bridges, a major amusement park, a Midwestern ski resort, the 5th largest Boy Scout camp in the United States, thirty-seven (37) miles of rivers, a state medium security prison, two major railroad lines, numerous state and county parks, and six golf courses.

Contact Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. This financial report hereby demonstrates the District's spirit of full disclosure to provide readers of this report with an overview of the District's financial operations. For questions or requests for additional information, please direct requests to the Chief of the Fire Protection District at 4849 Highway 109, Eureka, Missouri 63025.

EUREKA FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION

DECEMBER 31, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and investment	\$ 5,060,950
Taxes receivable:	
Property taxes receivable	3,362,570
Accounts receivable, net	289,266
Prepaid expenses	398,454
Restricted cash and investments	2,519,842
Due from internal service fund	81,523
Capital assets - net:	
Nondepreciable	869,482
Depreciable	3,900,287
TOTAL ASSETS	<u>16,482,374</u>
DEFERRED OUTFLOWS OF RESOURCES	
Amounts from refunding of debt	161,878
Related to pension	1,150,779
Related to OPEB	234,289
TOTAL DEFERRED OUTFLOWS	<u>1,546,946</u>
LIABILITIES	
Accounts payable	67,932
Accrued wages and payroll taxes	200,750
Accrued interest payable	167,531
Noncurrent liabilities:	
Due in one year - bonds and compensated absences	439,300
Due in more than one year:	
Bonds and compensated absences	9,302,712
Net OPEB liability	2,958,440
Net pension liability	700,761
TOTAL LIABILITIES	<u>13,837,426</u>
DEFERRED INFLOWS OF RESOURCES	
Related to pension	465,363
Related to OPEB	689,972
TOTAL DEFERRED INFLOW	<u>1,155,335</u>
NET POSITION	
Net investment in capital assets	(2,146,029)
Restricted for:	
Ambulance services	1,682,487
Dispatch services	205,855
Bond retirement	1,300,630
Pension benefits	336,630
Unrestricted	1,656,986
TOTAL NET POSITION	<u>\$ 3,036,559</u>

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

EUREKA FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Change in Net Position
		Charges for Service	Operating Grants	Governmental Activities
Governmental Activities:				
Public safety	\$ 8,400,181	\$ 818,650	\$ 2,455	\$ (7,579,076)
Interest and fiscal charges	526,615	-	-	(526,615)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 8,926,796	\$ 818,650	\$ 2,455	(8,105,691)
				7,134,734
Taxes				12,065
Contract revenues				19,995
Interest income				28,095
Other miscellaneous revenue				7,194,889
TOTAL GENERAL REVENUES				
				(910,802)
				3,560,237
NET POSITION - BEGINNING OF YEAR, AS PREVIOUSLY STATED				387,124
Prior period adjustments				
NET POSITION - BEGINNING OF YEAR, AS RESTATED				3,947,361
				\$ 3,036,559
NET POSITION - END OF YEAR				\$ 3,036,559

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

EUREKA FIRE PROTECTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General Fund	Ambulance Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Funds	Total
ASSETS						
Cash and investments	\$ 1,767,838	\$1,029,290	\$ 906,760	\$1,077,945	\$ 279,117	\$ 5,060,950
Property taxes receivable	2,099,033	606,299	393,870	-	263,368	3,362,570
Accounts receivable, net	4,700	284,566	-	-	-	289,266
Prepaid items	199,227	199,227	-	-	-	398,454
Restricted cash and investments	-	-	-	2,519,842	-	2,519,842
Due from other funds	395,437	-	-	-	-	395,437
TOTAL ASSETS	\$ 4,466,235	\$2,119,382	\$ 1,300,630	\$ 3,597,787	\$ 542,485	\$ 12,026,519
LIABILITIES						
Accounts payable	\$ 49,394	\$ 15,348	\$ -	\$ 3,190	\$ -	\$ 67,932
Accrued wages and payroll taxes	93,117	107,633	-	-	-	200,750
Due to other funds	-	313,914	-	-	-	313,914
TOTAL LIABILITIES	142,511	436,895	-	3,190	-	582,596
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue:						
Property taxes	514,484	148,623	96,550	-	64,561	824,218
Other	-	174,087	-	-	-	174,087
TOTAL DEFERRED INFLOWS OF RESOURCES	514,484	322,710	96,550	-	64,561	998,305
FUND BALANCES						
Nonspendable:						
Prepaid items	199,227	199,227	-	-	-	398,454
Restricted:						
Dispatching	-	-	-	-	191,050	191,050
Capital projects	-	-	-	2,516,652	-	2,516,652
Post retirement benefits	-	-	-	-	286,874	286,874
Debt service	-	-	1,204,080	-	-	1,204,080
Ambulance services	-	1,160,550	-	-	-	1,160,550
Assigned:						
Capital projects	-	-	-	1,077,945	-	1,077,945
Unassigned	3,610,013	-	-	-	-	3,610,013
TOTAL FUND BALANCES	3,809,240	1,359,777	1,204,080	3,594,597	477,924	10,445,618
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,466,235	\$2,119,382	\$ 1,300,630	\$ 3,597,787	\$ 542,485	\$ 12,026,519

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

EUREKA FIRE PROTECTION DISTRICT
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022

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

Total fund balance per balance sheet	\$ 10,445,618
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,769,769
Certain deferred inflows and deferred outflows of resources represent a consumption or acquisition of net position in a future period therefore, are not reported in the fund statements:	
Deferred outflows	1,546,946
Deferred inflows	(1,155,335)
Receivables not collected in the current period are not available to pay current expenditures and, therefore, are deferred in the funds.	998,305
Interest payable recorded in the statement of net position does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.	(167,531)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Other post employment benefits liability	(2,958,440)
Net pension liability	(700,761)
Compensated absences	(129,500)
Bonds payable and related issuance premiums	(9,612,512)
Net position of governmental activities	\$ 3,036,559

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

EUREKA FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	Ambulance Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Funds	Total
REVENUES						
Property taxes	\$ 4,573,745	\$ 1,218,646	\$ 805,257	\$ -	\$ 529,313	\$ 7,126,961
Contract fees	7,664	2,182	1,271	-	948	12,065
Intergovernmental - grants	2,455	-	-	-	-	2,455
Service fees	-	853,435	-	-	-	853,435
Interest	4,031	736	1,725	9,517	3,986	19,995
Permits and reports	13,504	-	-	-	-	13,504
Miscellaneous income	5,222	397	-	-	-	5,619
TOTAL REVENUES	<u>4,606,621</u>	<u>2,075,396</u>	<u>808,253</u>	<u>9,517</u>	<u>534,247</u>	<u>8,034,034</u>
EXPENDITURES						
Public Safety:						
Personnel	1,873,849	2,227,485	-	-	-	4,101,334
Employee benefits	671,166	812,485	-	-	447,000	1,930,651
Supplies	24,921	52,070	-	-	-	76,991
Utilities	53,683	-	-	-	-	53,683
Buildings, vehicles and equipment	591,018	59,781	-	-	-	650,799
Miscellaneous	105,609	1,641	-	-	-	107,250
Professional fees	134,464	55,062	-	-	-	189,526
Dispatching	-	-	-	-	204,904	204,904
Capital outlay	32,015	-	-	485,530	-	517,545
Debt service:						
Principal, interest and fiscal charges	-	-	522,781	65,162	-	587,943
TOTAL EXPENDITURES	<u>3,486,725</u>	<u>3,208,524</u>	<u>522,781</u>	<u>550,692</u>	<u>651,904</u>	<u>8,420,626</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,119,896</u>	<u>(1,133,128)</u>	<u>285,472</u>	<u>(541,175)</u>	<u>(117,657)</u>	<u>(386,592)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from the issuance of debt	-	-	-	2,100,000	-	2,100,000
Premium on bonds	-	-	-	156,339	-	156,339
Transfers in (out)	(1,036,637)	952,000	-	-	84,637	-
Sale of capital assets	23,752	-	-	-	-	23,752
TOTAL FINANCING SOURCES (USES)	<u>(1,012,885)</u>	<u>952,000</u>	<u>-</u>	<u>2,256,339</u>	<u>84,637</u>	<u>2,280,091</u>
NET CHANGE IN FUND BALANCES	<u>107,011</u>	<u>(181,128)</u>	<u>285,472</u>	<u>1,715,164</u>	<u>(33,020)</u>	<u>1,893,499</u>
FUND BALANCES - BEGINNING OF YEAR, AS PREVIOUSLY STATED	3,702,229	1,912,855	918,608	1,879,433	189,611	8,602,736
Prior period adjustment	-	(371,950)	-	-	321,333	(50,617)
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED	<u>3,702,229</u>	<u>1,540,905</u>	<u>918,608</u>	<u>1,879,433</u>	<u>510,944</u>	<u>8,552,119</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,809,240</u>	<u>\$ 1,359,777</u>	<u>\$ 1,204,080</u>	<u>\$ 3,594,597</u>	<u>\$ 477,924</u>	<u>\$ 10,445,618</u>

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

EUREKA FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Change in fund balance-total governmental funds	\$	1,893,499
The acquisition of capital assets requires the use of current financial resources but has no effect on net position.		346,248
The net effect of other miscellaneous transactions involving capital assets (i.e. sales or trade-ins) that decrease net position		(1,276)
The cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense in the statement of activities.		(529,452)
Revenues that do not provide current financial resources are not included in the fund financial statements.		(40,516)
The payment of certain liabilities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Compensated absences		(129,500)
Net pension liability		363,932
OPEB liability		(618,726)
Proceeds from the issuance of bonds, including premium of \$156,339 is reflected as other financing sources in the fund financial statements, however it is an increase in liabilities in the statement of net position		(2,256,339)
The premiums and discounts on the issuance of debt and deferred amounts on refunding are reported as other financing sources or uses in the fund statements. Premiums and discounts and deferred amounts on refunding are amortized over the life of the debt in the statement of activities.		(53,441)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		270,000
Interest payable does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.		(155,231)
Change in net position of governmental activities	<u>\$</u>	<u>(910,802)</u>

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

EUREKA FIRE PROTECTION DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

	<u>Pension Trust Fund</u>	<u>Custodial Fund</u>
ASSETS		
Cash	\$ -	\$ 5,864
Investments:		
Pooled separate accounts	14,783,594	-
Real estate investment trust	685,675	-
Negotiable certificate of deposit	992,800	-
TOTAL ASSETS	<u>16,462,069</u>	<u>5,864</u>
 LIABILITIES		
Accounts payable	-	109
Due to other funds	-	540
TOTAL LIABILITIES	<u>-</u>	<u>649</u>
 NET POSITION		
Restricted for pension benefits	<u>\$ 16,462,069</u>	<u>\$ 5,215</u>

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

EUREKA FIRE PROTECTION DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Pension Fund	Custodial Fund
ADDITIONS		
Employer contributions	\$ 447,000	\$ -
Net change in fair value of investments	(1,798,967)	-
Contributions	-	4,696
TOTAL ADDITIONS	(1,351,967)	4,696
 DEDUCTIONS		
Administrative expenses	643,234	-
Explorer activities	-	1,808
TOTAL DEDUCTIONS	643,234	1,808
 CHANGE IN NET POSITION	 (1,995,201)	 2,888
 NET POSITION - BEGINNING OF YEAR, AS PREVIOUSLY STATED	 18,778,603	 -
Prior period adjustment	(321,333)	(2,327)
NET POSITION - BEGINNING OF YEAR, AS RESTATED	18,457,270	2,327
 NET POSITION - END OF YEAR	 \$ 16,462,069	 \$ 5,215

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

EUREKA FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND - INTERNAL SERVICE FUND
DECEMBER 31, 2022

ASSETS

Cash	\$ 200,958
Due from other funds	313,914
TOTAL ASSETS	<u>514,872</u>

LIABILITIES

Accounts payable	119,975
Due to other funds	394,897
TOTAL LIABILITIES	<u>514,872</u>

NET POSITION

Unrestricted	<u><u>\$ -</u></u>
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EUREKA FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND - INTERNAL SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

OPERATING REVENUE	
Charges for service	\$ 867,680
OPERATING EXPENSES	
Medical, dental and vision benefits	<u>867,846</u>
Operating income (loss)	(166)
NONOPERATING REVENUE (EXPENSES)	
Investment income	<u>166</u>
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING OF THE YEAR	<u>-</u>
NET POSITION - END OF THE YEAR	<u><u>\$ -</u></u>

EUREKA FIRE PROTECTION DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - INTERNAL SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from interfund charges for medical, dental and vision benefits	\$ 948,454
Payments for medical, dental and vision benefits	<u>(775,142)</u>
NET CASH PROVIDED (USED) FROM OPERATING ACTIVITIES	<u><u>173,312</u></u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income	<u>166</u>
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NET INCREASE IN CASH 173,478

CASH - BEGINNING OF YEAR 27,480

CASH - END OF YEAR \$ 200,958

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH
PROVIDED (USED) FROM OPERATING ACTIVITIES**

Operating income (loss)	<u>\$ (166)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) from operating activities:	
(Increase) decrease in due from other funds	(313,914)
Increase (decrease) in accounts payable	92,704
Increase (decrease) in due to other funds	<u>394,688</u>
Total adjustments	<u><u>173,478</u></u>
NET CASH PROVIDED (USED) FROM OPERATING ACTIVITIES	<u><u>\$ 173,312</u></u>

EUREKA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Eureka Fire Protection District was formed for the purpose of providing fire protection, fire prevention and ambulance services to the citizens of the District.

A. REPORTING ENTITY

GASB has established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the District a reporting entity, management has addressed all potential component units which may or may not fall within the District's accountability. The criteria used to evaluate component units for possible inclusion as part of the District's reporting entity are financial accountability and the nature and significance of the relationship. The District is considered to be an independent reporting entity and presently has no component units included within its reporting entity.

B. BASIC FINANCIAL STATEMENTS

Basic financial statements consist of the following:

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

Government-Wide Financial Statements - The reporting model includes financial statements prepared using full accrual accounting for all the District's nonfiduciary activities. This approach includes not just current assets, deferred outflows, liabilities, and deferred inflows, but also capital and other long-term assets as well as long-term liabilities. Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter. Government-wide financial statements include the following:

Statement of Net Position - The statement of net position is designed to display the financial position of the Primary Government (governmental and business-type activities). The District reports capital assets in the government-wide statement of net position and reports depreciation expense in the statement of activities. The net position of the District are broken down into three categories 1) net investment in capital assets; 2) restricted; and 3) unrestricted. The District has no business-type activities.

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

B. **BASIC FINANCIAL STATEMENTS** - continued

Statement of Activities - The statement of activities reports expenses and revenues in a format that focuses on the cost of each of the District's functions. The expense of individual functions is compared to the revenue generated directly by the function. Accordingly, the District has recorded capital assets and certain other long-term assets and liabilities in the statement of net position and has reported all revenues and the cost of providing services under the accrual basis of accounting in the statement of activities. The District has elected to implement the requirements of GASB 34 related to infrastructure assets from January 1, 2004 forward.

The government-wide financial statements consist of the statement of net position and the statement of activities and report information on all of the nonfiduciary activities of the Primary Government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net position have been eliminated.

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified-accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District in general considers revenues available if they are collected within 60 days after year-end, ambulance billings and other revenue sources are considered available if they are collected within 120 days. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due.

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

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

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

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

The District reports the following major governmental funds:

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

Ambulance Fund - The District uses this fund to account for revenue collected to provide EMS services within the District.

Capital Projects Fund - The District uses this fund to account for bond proceeds restricted for capital asset purchases, as well as funds set aside for future capital asset purchase.

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

The Dispatch Fund and Pension Tax Fund of the District are considered nonmajor. These are special revenue funds, which account for property tax revenue collected for dispatch and pension funding purposes.

Additionally, the District reports the following fund types:

Fiduciary Funds - The District uses this fund to account for assets held by the District in a trustee capacity. The Pension Trust Fund accounts for the assets of the District's retirement plan. The Custodial Fund accounts for the EFPD Explorers activity.

Internal Service Fund - The District uses this fund to account for health, dental and vision insurance coverage provided to District employees on a cost-reimbursement basis.

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

D. **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.

E. **CAPITAL ASSETS**

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

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

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

F. **ESTIMATES**

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

G. **INTERFUND TRANSACTIONS**

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

H. **COMPENSATED ABSENCES**

The District has adopted a formal personnel policy with policies in effect that relate to vacation and sick pay. Vacation days not used within the same calendar year are forfeited. Sick leave may be accumulated up to 30 days for twenty-four hour shift employees and 65 days for administrative personnel. On December 1 of each year, the unused sick leave over the maximum is paid at 30% of the normal rate of pay. Upon retirement or death, unused sick days are paid out at \$100 per day. A liability for accrued sick leave has been recorded in the government-wide financial statements.

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

I. **LONG-TERM LIABILITIES**

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

J. **NET POSITION AND FUND EQUITY**

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

When both restricted and unrestricted sources are available for use, it is the District's policy to use restricted first, then unrestricted resources as they are needed. The government-wide statement of net position reports \$3,525,602 of restricted net position, which is restricted by enabling legislation.

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

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

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

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

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

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

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

J. **NET POSITION AND FUND EQUITY**

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

K. **CONCENTRATION OF LABOR**

Approximately 87% of the labor force was subject to a collective bargaining agreement that expires December 31, 2022.

L. **DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND UNEARNED REVENUE**

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports Deferred Outflows/Inflows of Resources as follows:

Unavailable Revenues - Unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Gain/Loss on Refunding - In the government-wide financial statements, deferred inflows of resources on refunding represent the difference between the reacquisition price of a refunded bond and its net carrying amount, which is amortized and recognized as a component of interest expense over the remaining life of the old refunded bonds or the new refunding bonds, whichever is shorter.

Pension and Other Post-Employment Benefit Related Items - Deferred outflows and inflows of resources related to pensions and other post-employment benefits represents the net difference between projected and actual earnings on pension plan investments, changes in assumptions, and the difference between expected and actual plan experience.

M. **PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

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

N. **PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS**

For purposes of measuring the net pension and net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pension and OPEB, pension expense and OPEB expense, information about the fiduciary net position of the Eureka Fire Protection District Pension Plan and the Eureka Fire Protection District Retiree Medical Benefits Program and additions to/deductions from the Eureka Fire Protection District Pension Plan fiduciary net position and the Eureka Fire Protection District Retiree Medical Benefits Program fiduciary net position have been determined on the same basis as they are reported by the Eureka Fire Protection District Pension Plan and the Eureka Fire Protection District Retiree Medical Benefits Program. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Contributions to the Pension and Other Post-employment Benefit Trust are made by the Pension Tax Fund. Benefits are paid out of the Trust.

2. **BUDGETS AND BUDGETARY ACCOUNTING**

Budgetary Process - Prior to January 1, the budget is legally enacted. Projected expenditures cannot exceed estimated revenues plus any unencumbered balance estimated for the beginning of the budget year. The budget is prepared on a cash basis of accounting.

3. **INTERFUND TRANSACTIONS**

All revenue and expenditures are recorded through the General Fund cash receipts and disbursements records. This method results in the necessity of maintaining interfund accounts receivable and payable to provide fund accountability. The interfund balances at December 31, 2022 are as follows:

	<u>DUE FROM</u>	<u>DUE TO</u>
Major Governmental Funds:		
General	\$ 395,437	\$ -
Ambulance	-	313,914
Fiduciary Fund - Custodial	-	540
Internal Service	313,914	394,897

4. **CASH**

The District's bank deposits are required by state law to be secured by the deposit of certain securities with the District or trustee institution. The value of the securities must amount to the total of the District's cash not insured by the Federal Deposit Insurance Corporation. As of December 31, 2022, the carrying amount of the District's bank deposits totaled \$7,580,792 with bank balances of \$8,032,899 in the governmental funds. The carrying amount of bank deposits in the Internal Service Fund totaled \$200,958 with bank balances of \$200,960. The carrying amount of bank deposits as well as bank balances in the Custodial Fund totaled \$5,864. At December 31, 2022, all balances were covered by federal depository insurance or collateralized by securities held by the pledging financial institution in the District's name.

5. INVESTMENTS

State statutes authorize Missouri local governments to invest funds not immediately needed for the purposes to which the funds are applicable, in obligations of the United States Treasury, United States Government Agencies, Repurchase Agreements, Certificates of Deposit, and Banker's Acceptance and Commercial Paper. Investments are carried at fair value. Pension Trust Fund investments may invest in obligations of the U.S. Treasury, U.S. agencies, common and preferred stock, and other securities approved by applicable sections of the Missouri Revised Statutes and Missouri Constitution.

Investment Credit Risk

The District does not have policies in place to minimize credit risk, the risk of loss due to the failure of the security issuer. GASB 40 requires governments to disclose the credit risk associated with the following investments:

- Debt securities (excluding U.S. government obligations and obligations guaranteed by the full faith and credit of the U.S. government)
- External investment pools
- Money market mutual funds
- Bond mutual funds
- Other pooled investments of fixed-income securities

The disclosures include the credit quality rating, as established by nationally recognized statistical rating organizations (NRSROs).

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counter-party, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of December 31, 2022, none of the investments listed in the following chart are subject to custodial credit risk disclosures described by GASB 40. The District does not have a policy for custodial credit risk relating to investments.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). At December 31, 2022, the District had an investment in a negotiable certificate of deposit that represented 6% of total investments.

5. **INVESTMENTS** - continued

The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments subject to investment interest rate risk, held at December 31, 2022, are provided in the schedule below:

Investment Type	Fair Value	Matures 0 to 1 years	Matures 1 to 5 years	No Maturity
Pension Trust Fund:				
Pooled separate accounts				
Unrated	\$ 14,783,566	\$ -	\$ -	\$ 14,783,566
Real Estate Investment Trust				
Unrated	685,675	-	-	685,675
Certificates of deposit				
Unrated	992,800	992,800	-	-
Total	\$ 16,462,041	\$ 992,800	\$ -	\$ 15,469,241

6. **FAIR VALUE MEASUREMENTS**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of December 31, 2022:

	Total	Fair Value Measurements Using:		
		Quoted Prices In Active Markets For Identical Assets (Level 1)	Quoted Prices In Active Markets For Identical Assets (Level 2)	Quoted Prices In Active Markets For Identical Assets (Level 3)
Pooled separate accounts	\$ 14,783,566	\$ -	\$ -	\$ -
Real Estate Investment Trust	685,675	-	-	685,675
Negotiable certificate of deposit	992,800	-	992,800	-
Total	\$ 16,462,041	\$ -	\$ 992,800	\$ 685,675

7. **PROPERTY TAX**

The District's property tax is levied each year on the assessed value listed as of the prior January 1 for all real and personal property located in the District. Taxes are levied on September 1 and payable by December 31. A lien is placed on the property on January 1 and is then subject to interest and penalties. The assessed value at January 1, 2022, upon which the 2022 levy was based on an assessed value as follows:

7. **PROPERTY TAX** - continued

Assessed Valuation and Tax Rate:	
Real estate - residential	\$ 395,944,250
Real estate - commercial	69,571,620
Real estate - agricultural	1,143,150
Personal property	108,099,361
State Assessed Railroad Utility:	
Real	21,441,634
Property	4,328,797
Total Assessed Valuation	<u>\$ 600,528,812</u>

The District's tax rate was levied per \$100 of assessed value as follows:

Fund	Rate
General Fund	\$ 0.7993
Ambulance Fund	0.2309
Dispatch Fund	0.0230
Debt Service Fund	0.1500
Pension Fund	0.0773

8. **CAPITAL ASSETS**

Capital asset activity for the primary government for the year ended December 31, 2022 is as follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 177,440	\$ -	\$ -	\$ 177,440
Construction in progress	611,741	80,301	-	692,042
Total capital assets, not being depreciated	<u>789,181</u>	<u>80,301</u>	<u>-</u>	<u>869,482</u>
Capital assets, being depreciated				
Buildings and improvements	5,125,974	117,042	-	5,243,016
Equipment and vehicles	8,581,764	148,905	(77,823)	8,652,846
Total capital assets, being depreciated	<u>13,707,738</u>	<u>265,947</u>	<u>(77,823)</u>	<u>13,895,862</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,557,272)	(127,114)	-	(2,684,386)
Equipment and vehicles	(6,985,398)	(402,338)	76,547	(7,311,189)
Total accumulated depreciation	<u>(9,542,670)</u>	<u>(529,452)</u>	<u>76,547</u>	<u>(9,995,575)</u>
Total capital assets, being depreciated, net	<u>4,165,068</u>	<u>(263,505)</u>	<u>(1,276)</u>	<u>3,900,287</u>
Total governmental activities	<u>\$ 4,954,249</u>	<u>\$ (183,204)</u>	<u>\$ (1,276)</u>	<u>\$ 4,769,769</u>

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

9. **LONG-TERM DEBT**

General Obligation Bonds Payable - The bonds were issued for the purpose of constructing, purchasing, equipping and maintaining fire stations, and purchasing fire-fighting apparatus and auxiliary equipment for the District. These bonds are being serviced through a separate property tax, collected and paid out of the Debt Service Fund.

2016 Refunding Bonds with annual installments of \$173,400 to \$202,000 through March 2029 Interest at 2% to 4%	\$ 1,130,000
2017 Refunding Bonds with annual installments of \$185,350 to \$466,900 through March 2033 Interest at 2% to 3%	\$ 2,653,449
2018 Bonds with annual installments of \$129,000 to \$700,000 through March 2038 Interest at 4%	3,225,000
2022 Bonds with annual installments of \$77,000 to \$425,625 through March 2042 Interest at 4% to 5%	2,100,000
Total	\$ <u>9,108,449</u>

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

	<u>BALANCE, BEGINNING OF YEAR</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE, END OF YEAR</u>	<u>DUE WITHIN ONE YEAR</u>
Governmental activities:					
General Obligation Bonds:					
Series 2016 refunding	\$ 1,280,000	\$	\$ (150,000)	\$ 1,130,000	\$ 160,000
Series 2017 refunding	2,592,829	180,620	(120,000)	2,653,449	115,000
Series 2018	3,225,000		-	3,225,000	-
Series 2022		2,100,000		2,100,000	160,000
Issuance premiums/discounts	395,828	156,339	(48,104)	504,063	-
Compensated absences	-	129,500	-	129,500	4,300
Total governmental activities	\$ <u>7,493,657</u>	\$ <u>2,566,459</u>	\$ <u>(318,104)</u>	\$ <u>9,742,012</u>	\$ <u>439,300</u>

Funds are provided by a dedicated tax to retire outstanding bonds. Compensated absences and other past employment benefits have historically been paid by the General Fund.

9. **LONG-TERM DEBT** - continued

Annual debt service payments are as follows:

<u>YEAR</u>		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2023	\$	435,000	363,781	798,781
2024		480,000	323,500	803,500
2025		443,449	355,951	799,400
2026		300,000	296,875	596,875
2027		310,000	286,025	596,025
2028-2032		2,140,000	1,245,350	3,385,350
2033-2037		3,025,000	783,000	3,808,000
2038-2042		1,975,000	244,700	2,219,700
Total	\$	<u>9,108,449</u>	<u>3,899,182</u>	<u>13,007,631</u>

10. **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 worker compensation claims. The District pays an annual premium to the pool for its insurance coverage. The agreement provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. Total premiums paid for the year ended December 31, 2022 was \$376,677.

The pooling agreement allows for the pool to use 5% of assessment to make the pool self-sustaining for supplemental aggregate reinsurance coverage. This coverage will be funded until the cumulative balance reaches \$1,000,000. The Missouri Fire and Ambulance Districts' Insurance Trust (MoFAD) has published its own financial report for the year ended December 31, 2022 that can be obtained from MoFAD.

The District self-insures for employee medical claims up to predetermined maximums. In addition, the internal service fund provides coverage for up to an annual maximum of \$40,000 per covered person. The District purchases commercial insurance for claims in excess of coverage provide by the internal service fund. The claims liability, reflected in the internal service fund as accounts payable in the amount of \$119,975 is based on the requirements of GASB 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.

11. PENSION PLAN

Defined Benefit Plan

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. All eligible full-time District employees hired prior to January 1, 2018 are covered by the Plan. The Plan provides retirement and death benefits to plan members and beneficiaries. 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. The Plan does not issue a stand-alone financial report.

The Plan covers each participant whose employment commencement date is before January 1, 2020 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 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.

Current membership in the pension plan as of the last actuarial valuation date consisted of the following:

Retirees and beneficiaries currently receiving benefits	23
Terminated/disabled plan members entitled to but not yet receiving benefits	15
Active plan members	<u>26</u>
Total	<u><u>64</u></u>

Contributions Required and Funding Policy

The District is obligated by state statute to make contributions to the Plan from collections on the District's pension tax levy. Plan members do not contribute to the plan. For the year ended December 31, 2022 the District contributed \$447,000 to the Plan.

Annual contributions are computed using the entry age normal actuarial cost method, assuming 7.0% rate of return on Plan assets and salary increases of 4.5% per annum, which includes a 1.75% merit component.

Method Used to Value Investments

Investments are reported at fair value. The market value for exchange traded securities is the price at which the security is traded. For non-exchange traded securities, the market value is the estimated value of the assets. Prices are obtained from various pricing vendors are generally based on current market quotes, but when such quotes are not available the pricing vendors use a variety of techniques to estimate value.

11. PENSION PLAN - continued

Investment Policy

The District has no formal investment policy in the Pension Trust Fund. However, the District's Defined Contribution Committee works with the Investment Manager to maintain an investment strategy of 60% investment in stocks and 40% investment in bonds.

Rate of Return

For the year ended December 31, 2022, the annual dollar-weighted rate of return on pension plan investments, net of pension plan investment and administrative expenses, was negative 9.80%. The dollar-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Actuarial Assumptions for Total Pension Liability

The most recent actuarial valuation completed was dated January 1, 2023, for the plan year ended December 31, 2022.

Actuarial Cost Method: Entry Age Normal Cost Method

Significant Valuation Assumptions for Total Pension Liability:

- a. Valuation of Assets - all assets are valued at market value.
- b. Interest rates:
 - Discount Rate: 7.0%
 - Expected Long Term Rate of Return: 7.0%
- c. Inflation - 2.75%
- d. Annual Pay increases - 4.5% per annum, which includes a 1.75% merit component
- e. Mortality rates - Pre-retirement: PRI-2012 Employee Tables for either males or females, with projected mortality improvement based on Scale MP 2021.
- f. Mortality rates - Post-retirement: PRI-2012 Annuitant Table for males or females, with projected mortality improvement based on Scale MP 2021.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date.

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed no new entrants as the plan is closed and District contributions will be made at rates equal to or greater than the difference between actuarially determined contribution rates and the member employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

11. **PENSION PLAN - continued**

Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of December 31, 2021	<u>\$ 16,471,147</u>	<u>\$ 18,457,999</u>	<u>\$ (1,986,852)</u>
Changes for the year:			
Service cost	299,912	-	299,912
Interest	1,130,467	-	1,130,467
Assumption changes	-	-	-
Actuarial losses/(gains)	(95,464)	-	(95,464)
Contributions - employer	-	447,000	(447,000)
Net investment gain/(loss)	-	(1,799,698)	1,799,698
Administrative expenses	-	-	-
Benefit payments including refunds of member contributions	(643,234)	(643,234)	-
Net changes	<u>691,681</u>	<u>(1,995,932)</u>	<u>2,687,613</u>
Balances as of December 31, 2022	<u>\$ 17,162,828</u>	<u>\$ 16,462,067</u>	<u>\$ 700,761</u>

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the discount rate of 7.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.0%)	Current Rate (7.0%)	1% Increase (8.0%)
Net pension liability \$	2,984,989	\$ 700,761	\$ (1,200,770)

Pension Expense and Deferred Outflows and Inflows of Resources Related to the Pension

For the year-ended December 31, 2022, the District recognized pension expense of \$83,068.

At December 31, 2022, the District reported deferred outflow of resources and deferred inflows of resources related to the Pension Plan from the following:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 325,838	\$ 243,710
Changes in assumptions	13,746	221,653
Net differences between projected and actual earnings on pension plan investments	811,195	-
Total	<u>\$ 1,150,779</u>	<u>\$ 465,363</u>

11. **PENSION PLAN** - continued

The deferred outflows (inflows) of resources related to the Plan will be recognized in pension expense as follows:

Year ended December 31:		
2023	\$	(323,961)
2024		61,081
2025		274,227
2026		620,033
2027		7,094
Thereafter		46,942

Assumed Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates of projected arithmetic average rates of return were developed for each class assuming a 30-year time horizon. The expected arithmetic average rates of return are weighted by the target asset allocation percentages and adjusted by the annual variance of the portfolio divided by two to arrive at the geometric average rate of return of the portfolio over a 30-year horizon.

Asset Class	Projected Arithmetic Return	Target Allocation
US Equity - Large Cap	8.04 %	70.0 %
Non-US Equity - Developed	8.87	2.0
US Corporate Bonds - Core	3.94	7.0
US Corporate Bonds - Long Duration	4.33	12.0
US Treasuries (Cash Equivalents)	2.17	4.0
Real Estate	7.49	5.0
Inflation	2.44	N/A

Defined Contribution Plan

During 2018, the District implemented the Eureka Fire Protection District 401(a) Plan. The Plan qualifies as a defined contribution pension plan and covers all employees hired after December 31, 2017. Employees contribute 7% of their gross salary to the Plan and direct the investment of these funds. District contributions to the Plan are discretionary. Contributions will be made with funds derived from the tax established pursuant to Section 321.610 RSMo or, at the discretion of the District, from other available revenues of the District. Contributions are allocated to participant's accounts in a manner determined by the District. All qualified employees at the end of a plan year who have completed 1500 hours of service during that plan year are eligible to participate in the Plan. Participants become vested in District contributions after ten (10) years of service. The District made contributions to the Plan in the amount of \$-0- for 2022.

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

Plan Description and Provisions - The District has a single-employer other post employment plan called Eureka Fire Protection District Retiree Medical Benefits that provides medical, dental and vision to active employees who retire at age 55 with 20 years of service. Optional coverage is available to eligible spouses for an additional fee. The District finances these benefits on a pay-as-you-go basis, therefore no assets have been accumulated to pay benefits.

At January 1, 2023, the date of the last actuarial valuation, the Plan covered the following number of participants for medical coverage:

Active participants	46
Disabled	-
Retirees and beneficiaries currently receiving benefits	<u>2</u>
Total Plan Participants	<u><u>48</u></u>

Valuations are performed using the Entry Age Normal Funding Method. Under the Entry Age Normal Funding Method the projected benefits of each active participant is allocated on a level basis over the earnings of the individual over the participant’s period of service.

Actuarial Assumptions

The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality rates – Pre-retirement:	PRI-2012 Employee Tables for either males or females, with projected mortality improvement based on Scale MP 2021.
Mortality rates – Post-retirement:	PRI-2012 Annuitant Table for males or females, with projected mortality improvement based on Scale MP 2021.
Healthcare Inflation Rate	5.0%
Projected Salary Increases	NA - Benefit not based on salary
Inflation	2.75%

Discount Rate

The discount rate used to measure the total OPEB liability was 4.46%, which is an increase from the prior year. The change was made to reflect 20-year municipal bond rates since the plan is unfunded. The discount rate is based on the expected rate of return on Plan assets.

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

Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of December 31, 2021	\$ 2,918,105	\$ -	\$ 2,918,105
Changes for the year:			
Service cost	269,317	-	269,317
Interest	65,360	-	65,360
Plan amendments	341,177	-	341,177
Assumption changes	(585,857)	-	(585,857)
Actuarial losses/(gains)	(23,306)	-	(23,306)
Contributions - employer	-	26,356	(26,356)
Net investment gain/(loss)	-	-	-
Benefit payments including refunds of member contributions	(26,356)	(26,356)	-
Net changes	40,335	-	40,335
Balances as of December 31, 2022	\$ 2,958,440	\$ -	\$ 2,958,440

Sensitivity Of The OPEB Liability

Discount Rate Sensitivity - The following presents the OPEB liability of the District, calculated using the discount rate of 4.46%, as well as what the District's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.46%) or 1 percentage point higher (5.46%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Discount Rate Sensitivity of the OPEB liability	\$ 3,394,138	\$ 2,958,440	\$ 2,582,775

Healthcare Trend Rate Sensitivity - The following presents the OPEB liability of the District calculated using the healthcare trend rate of 5.0% as well as what the District's OPEB liability would be if it were calculated using a trend rate that is 1 percentage point lower (4.0%) or 1 percentage point higher (6.0%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Healthcare Trend Rate of the OPEB liability	\$ 2,662,149	\$ 2,958,440	\$ 3,295,413

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

Other Post Employment Benefit Expense And Deferred Outflows of Resources and Deferred Inflows Of Resources Related to the Pension

For the year-ended December 31, 2022, the District recognized negative OPEB expense of \$645,082. At December 31, 2022, the District reported deferred outflow of resources and deferred inflows of resources related to the OPEB Plan from the following:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ -	\$ 29,443
Changes in assumptions	234,289	660,529
Net differences between projected and actual earnings on pension plan investments	-	-
Total	<u>\$ 234,289</u>	<u>\$ 689,972</u>

The deferred outflows (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2023	\$ (30,772)
2024	(30,772)
2025	(30,772)
2026	(30,772)
2027	(30,772)
Thereafter	(301,823)

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectation and new estimates are made about the future. The schedule of funding progress presented immediately following the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

13. **DEFERRED COMPENSATION PLAN**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The District makes no contribution to the Plan.

14. **CONTRACTUAL AGREEMENTS**

The District has a contractual agreement with Central County Emergency 911 Dispatching Center for dispatching services through December 31, 2023. The agreement automatically renews unless either party provides written notice 180 days prior to January 1 of each year. The agreement requires that the District pay fees equal to the amount which would be collected from a tax levy per one hundred dollars of assessed valuation of all taxable, tangible property within the District’s boundaries. The agreement calls for the payment to be calculated on the as following tax levies:

Year ended December 31:	
2022	\$ 0.0370
2023	0.0375

15. **COMMITMENTS AND CONTINGENCIES**

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

16. **TAX ABATEMENT**

As of December 31, 2022, the District is subject to the property tax abatement program initiated by the City of Eureka, Missouri and St. Louis County, Missouri under Chapter 353 RSMo. The effect of the tax abatement program to the District was \$876 for the year ended December 31, 2022.

The District is subject to tax abatements it would have collected under section 139.600 of the Missouri Revised Statutes. These taxes are pooled and redistributed to the affected taxing authorizes and result from numerous tax abatement agreements throughout the area. For the year ended December 31, 2022 the District’s taxes were reduced \$22,221.

17. **BUDGET APPROPRIATIONS**

Actual expenditures of \$3,201,833 exceeded budgeted expenditures of \$3,116,262 in the Ambulance Fund for the year ended December 31, 2022.

18. **PRIOR PERIOD ADJUSTMENTS**

During the year ended December 31, 2022, the District identified several corrections to amounts reported in prior periods.

An ambulance purchased in 2021 was not properly included in depreciable capital assets at December 31, 2021. An adjustment was made to the beginning government-wide net position of \$215,365.

The District determined an amount for a deferred inflow related to a GEMT receivable was not recorded in the government-wide Statement of Net Position in 2021 in the amount of \$222,376.

18. **PRIOR PERIOD ADJUSTMENTS** - continued

An adjustment was made to correct the EMS billing receivable as of December 31, 2021 totaling \$371,950. This amount was removed from the beginning fund balance in the Ambulance Fund.

A pension tax is collected to fund the pension contributions and should be reported as a special revenue fund. As of December 31, 2021, the activity for this fund was included in the Fiduciary Fund for the Pension Fund. An adjustment of \$321,333 was added to the fund balance in the Pension Tax Fund to properly reflect beginning balances in this fund, and the same amount removed from the Fiduciary Pension Fund.

Adjustments were made to properly record the activity in the Custodial Fund and remove accounts payable from the prior year. An adjustment of \$2,327 was made to the beginning fund balance in this fund.

19. **SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through the date of the Independent Auditors' Report, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

EUREKA FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Property taxes	\$ 4,455,096	\$ 4,425,752	\$ 4,528,086	\$ 102,334
Intergovernmental	-	10,000	2,455	(7,545)
Contract fees	7,147	7,147	7,664	517
Interest	15,000	15,000	4,031	(10,969)
Permits and reports	23,000	9,000	13,504	4,504
Miscellaneous income	25,853	26,853	5,222	(21,631)
TOTAL REVENUES	<u>4,526,096</u>	<u>4,493,752</u>	<u>4,560,962</u>	<u>67,210</u>
EXPENDITURES				
Public safety:				
Personnel	1,827,900	1,772,900	1,863,580	(90,680)
Employee benefits	719,000	1,079,619	675,866	403,753
Supplies	20,600	20,600	24,921	(4,321)
Utilities	48,010	51,760	53,683	(1,923)
Buildings, vehicles and equipment	413,369	513,869	604,190	(90,321)
Miscellaneous	177,642	167,298	105,609	61,689
Professional fees	63,000	87,000	134,464	(47,464)
TOTAL EXPENDITURES	<u>3,269,521</u>	<u>3,693,046</u>	<u>3,462,313</u>	<u>230,733</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,256,575</u>	<u>800,706</u>	<u>1,098,649</u>	<u>297,943</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	50,000	50,000	23,752	(26,248)
Transfers in (out)	(1,306,575)	(850,706)	(1,036,637)	(185,931)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,256,575)</u>	<u>(800,706)</u>	<u>(1,012,885)</u>	<u>(212,179)</u>
NET CHANGE IN FUND BALANCES	-	-	85,764	<u>\$ 85,764</u>
FUND BALANCES - BEGINNING OF YEAR	<u>2,077,511</u>	<u>2,077,511</u>	<u>2,077,511</u>	
FUND BALANCES - END OF YEAR	<u>\$ 2,077,511</u>	<u>\$ 2,077,511</u>	<u>\$ 2,163,275</u>	
FUND BALANCE - END OF YEAR - BUDGET BASIS			\$ 2,163,275	
Accrual adjustments:				
Revenues			1,584,549	
Expenditures			61,416	
FUND BALANCE - END OF YEAR - GAAP BASIS			<u>\$ 3,809,240</u>	

EUREKA FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
AMBULANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Property taxes	\$ 1,279,756	\$ 1,279,756	\$ 1,199,197	\$ (80,559)
Contract fees	2,052	2,052	2,182	130
Service fees	765,000	980,000	1,178,353	198,353
Interest	2,500	2,500	736	(1,764)
Miscellaneous income	848	1,248	397	(851)
TOTAL REVENUES	<u>2,050,156</u>	<u>2,265,556</u>	<u>2,380,865</u>	<u>115,309</u>
EXPENDITURES				
Public safety:				
Personnel	2,357,800	2,357,800	2,218,321	139,479
Employee benefits	860,000	460,000	812,485	(352,485)
Supplies	39,000	39,000	52,070	(13,070)
Buildings, vehicles and equipment	55,500	63,500	62,254	1,246
Miscellaneous	14,212	14,212	1,641	12,571
Professional fees	30,000	181,750	55,062	126,688
TOTAL EXPENDITURES	<u>3,356,512</u>	<u>3,116,262</u>	<u>3,201,833</u>	<u>(85,571)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,306,356)</u>	<u>(850,706)</u>	<u>(820,968)</u>	<u>29,738</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>1,306,356</u>	<u>850,706</u>	<u>952,000</u>	<u>101,294</u>
NET CHANGE IN FUND BALANCES	-	-	131,032	<u>\$ 131,032</u>
FUND BALANCES - BEGINNING OF YEAR	<u>956,294</u>	<u>956,294</u>	<u>956,294</u>	
FUND BALANCES - END OF YEAR	<u>\$ 956,294</u>	<u>\$ 956,294</u>	<u>\$ 1,087,326</u>	
FUND BALANCE - END OF YEAR- BUDGET BASIS, AS RESTATED			\$ 715,376	
Accrual adjustments:				
Revenues			568,155	
Expenditures			<u>76,246</u>	
FUND BALANCE - END OF YEAR - GAAP BASIS			<u>\$ 1,359,777</u>	

EUREKA FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

Budgets and Budgetary Accounting

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

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

EUREKA FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31,

	2022	2021	2020	2019	2018	2017	2016	2015
<u>Total Pension Liability</u>								
Service cost	\$ 299,912	\$ 315,584	\$ 302,678	\$ 323,334	\$ 317,080	\$ 273,629	\$ 288,584	\$ 250,269
Interest	1,130,467	1,096,240	1,022,039	983,701	941,161	854,859	805,011	735,186
Changes in benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(95,464)	(304,212)	317,993	105,020	(197,344)	299,217	(68,522)	255,463
Change in assumptions	-	-	-	(339,712)	-	189,443	-	-
Benefit payments, including refunds	(643,234)	(594,729)	(571,956)	(475,405)	(430,976)	(337,542)	(288,377)	(198,446)
Net change in total pension liability	691,681	512,883	1,070,754	596,938	629,921	1,279,606	736,696	1,042,472
Total pension liability - beginning of year	16,471,147	15,958,264	14,887,510	14,290,572	13,660,651	12,381,045	11,644,349	10,601,877
Total pension liability - end of year	<u>\$ 17,162,828</u>	<u>\$ 16,471,147</u>	<u>\$ 15,958,264</u>	<u>\$ 14,887,510</u>	<u>\$ 14,290,572</u>	<u>\$ 13,660,651</u>	<u>\$ 12,381,045</u>	<u>\$ 11,644,349</u>
<u>Plan Fiduciary Net Position</u>								
Contributions - employer	\$ 447,000	\$ 375,000	\$ 515,000	\$ 445,000	\$ 344,853	\$ 412,300	\$ 405,000	\$ 331,000
Contributions - employee	-	-	-	-	-	-	-	-
Net investment income	(1,799,698)	2,761,584	1,806,146	2,578,642	(327,949)	1,465,942	692,116	(108,747)
Benefit payments, including refunds	(643,234)	(594,729)	(571,956)	(475,405)	(430,976)	(337,542)	(288,377)	(198,446)
Administrative expenses	-	(660)	(1,947)	(5,277)	(3,079)	(505)	(470)	(405)
Net change in plan fiduciary net position	(1,995,932)	2,541,195	1,747,243	2,542,960	(417,151)	1,540,195	808,269	23,402
Plan fiduciary net position - beginning of year	18,457,999	15,916,804	14,169,561	11,626,601	12,043,752	10,503,557	9,695,288	9,671,886
Plan fiduciary net position - end of year	<u>\$ 16,462,067</u>	<u>\$ 18,457,999</u>	<u>\$ 15,916,804</u>	<u>\$ 14,169,561</u>	<u>\$ 11,626,601</u>	<u>\$ 12,043,752</u>	<u>\$ 10,503,557</u>	<u>\$ 9,695,288</u>
Net pension liability - end of year	<u>\$ 700,761</u>	<u>\$ (1,986,852)</u>	<u>\$ 41,460</u>	<u>\$ 717,949</u>	<u>\$ 2,663,971</u>	<u>\$ 1,616,899</u>	<u>\$ 1,877,488</u>	<u>\$ 1,949,061</u>
Plan fiduciary net position as a percentage of total pension liability	<u>95.9 %</u>	<u>112.1 %</u>	<u>99.7 %</u>	<u>95.2 %</u>	<u>81.4 %</u>	<u>88.2 %</u>	<u>84.8 %</u>	<u>83.3 %</u>
Covered payroll	<u>\$ 2,419,354</u>	<u>\$ 2,459,811</u>	<u>\$ 2,581,116</u>	<u>\$ 2,624,618</u>	<u>\$ 2,520,413</u>	<u>\$ 2,318,610</u>	<u>\$ 2,204,253</u>	<u>\$ 2,326,692</u>
Net pension liability as a percentage of covered payroll	<u>29.0 %</u>	<u>(80.8) %</u>	<u>1.6 %</u>	<u>27.4 %</u>	<u>105.7 %</u>	<u>69.7 %</u>	<u>85.2 %</u>	<u>83.8 %</u>
Annual money weighted average rate of return	<u>(9.80) %</u>	<u>17.47 %</u>	<u>12.77 %</u>	<u>22.09 %</u>	<u>(2.71) %</u>	<u>13.81 %</u>	<u>7.01 %</u>	<u>(1.10) %</u>

Note: The above information is not available for years prior to the implementation of GASB 67.

EUREKA FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

<u>Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Employer Actual Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered Payroll</u>	<u>Contributions As A Percentage of Covered Payroll</u>
2022	\$ 285,733	\$ 447,000	\$ 161,267	\$ 2,419,354	18.48 %
2021	462,470	375,000	(87,470)	2,459,881	15.24
2020	493,502	515,000	21,498	2,581,116	19.95
2019	563,090	445,000	(118,090)	2,520,413	17.66
2018	533,381	344,853	(188,528)	2,520,413	13.68
2017	430,985	412,300	(18,685)	2,318,610	17.78
2016	433,239	405,000	(28,239)	2,204,253	18.37
2015	367,014	331,000	(36,014)	2,326,692	14.23

Notes to Schedule

Valuation Date: January 1, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level dollar closed
Asset valuation method	Market value
Inflation	2.75%
Salary increases	4.5% per annum; compounded annually (includes 1.75% merit)
Investment return	7.00%
Retirement age	Age 55 and the completion of 30 yeayers of service, but no later than 65
Mortality - Pre-Retirement	PRI-2012 Employee Table for males or females, with projected improvements based on Scale MP 2021
Mortality - Post.-Retirement	PRI-2012 Annuitant Table for males or females, with projected improvements based on Scale MP 2021

SUPPLEMENTARY INFORMATION

MID-COUNTY FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ 25	\$ 2,373	\$ 348	\$ (2,025)
EXPENDITURES				
Current:				
Equipment purchases and replacement	70,000	168,624	132,431	36,193
Bond issuance costs	-	-	36,000	(36,000)
Miscellaneous	-	-	193	(193)
TOTAL EXPENDITURES	70,000	168,624	168,624	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	(69,975)	(166,251)	(168,276)	\$ (2,025)
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of bonds	-	1,850,000	1,850,000	-
TOTAL OTHER FINANCING SOURCES AND USES	-	1,850,000	1,850,000	-
CHANGE IN FUND BALANCE	(69,975)	1,683,749	1,681,724	\$ (2,025)
FUND BALANCE - BEGINNING OF YEAR	99,939	99,939	99,939	
FUND BALANCE - END OF YEAR	\$ 29,964	\$ 1,783,688	\$ 1,781,663	
FUND BALANCE - END OF YEAR - BUDGET BASIS			\$ 1,781,663	
Accrual adjustments:				
Revenues			2,025	
Expenditures			(65,618)	
FUND BALANCE - END OF YEAR - GAAP BASIS			\$ 1,718,070	

EUREKA FIRE PROTECTION DISTRICT
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2022

	Special Revenue Funds		
	Pension Tax Fund	Dispatch Fund	Total
ASSETS			
Cash and investments	\$ 133,656	\$ 145,461	\$ 279,117
Property taxes receivable	202,974	60,394	263,368
TOTAL ASSETS	\$ 336,630	\$ 205,855	\$ 542,485
 DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue:			
Property taxes	49,756	14,805	64,561
 FUND BALANCES			
Restricted	286,874	191,050	477,924
TOTAL DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 336,630	\$ 205,855	\$ 542,485

EUREKA FIRE PROTECTION DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Special Revenue Funds</u>		
	<u>Pension Tax</u> <u>Fund</u>	<u>Dispatch</u> <u>Fund</u>	<u>Total</u>
REVENUES			
Taxes	\$ 407,904	\$ 121,409	\$ 529,313
Contract fees	731	217	948
Investment income	3,906	80	3,986
TOTAL REVENUES	<u>412,541</u>	<u>121,706</u>	<u>534,247</u>
EXPENDITURES			
Public safety:			
Employee benefits	447,000	-	447,000
Dispatching	-	204,904	204,904
TOTAL EXPENDITURES	<u>447,000</u>	<u>204,904</u>	<u>651,904</u>
EXCESS OF REVENUES OVER			
(UNDER) EXPENDITURES	(34,459)	(83,198)	(117,657)
OTHER FINANCING SOURCES (USES)			
Operating transfer in (out)	-	84,637	84,637
NET CHANGE IN FUND BALANCE	(34,459)	1,439	(33,020)
FUND BALANCES - BEGINNING OF YEAR,			
AS PREVIOUSLY STATED	-	189,611	189,611
Prior period adjustment	321,333	-	321,333
FUND BALANCES - BEGINNING OF YEAR,			
AS RESTATED	<u>321,333</u>	<u>189,611</u>	<u>510,944</u>
FUND BALANCES - END OF YEAR	<u>\$ 286,874</u>	<u>\$ 191,050</u>	<u>\$ 477,924</u>

EUREKA FIRE PROTECTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Property taxes	\$ 831,370	\$ 775,130	\$ 776,130	\$ 1,000
Contract fees	1,185	800	1,271	471
Interest	7,165	1,185	1,725	540
TOTAL REVENUES	<u>839,720</u>	<u>777,115</u>	<u>779,126</u>	<u>2,011</u>
EXPENDITURES				
Debt services:				
Principal, interest and fiscal charges	1,060,720	1,004,115	522,781	481,334
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(221,000)	(227,000)	256,345	<u>\$ 483,345</u>
FUND BALANCES - BEGINNING OF YEAR	<u>650,415</u>	<u>650,415</u>	<u>650,415</u>	
FUND BALANCES - END OF YEAR	<u>\$ 429,415</u>	<u>\$ 423,415</u>	<u>\$ 906,760</u>	
FUND BALANCE - END OF YEAR - BUDGET BASIS			\$ 906,760	
Accrual adjustments:				
Revenues			297,320	
Expenditures			-	
FUND BALANCE - END OF YEAR - GAAP BASIS			<u>\$ 1,204,080</u>	

EUREKA FIRE PROTECTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ 6,000	\$ 6,000	\$ 9,517	\$ 3,517
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>6,000</u>	<u>6,000</u>	<u>9,517</u>	<u>3,517</u>
EXPENDITURES				
Capital outlay	1,808,614	4,059,374	488,520	3,570,854
Debt service	-	-	65,162	(65,162)
TOTAL EXPENSES	<u>1,808,614</u>	<u>4,059,374</u>	<u>553,682</u>	<u>3,505,692</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,802,614)</u>	<u>(4,053,374)</u>	<u>(544,165)</u>	<u>3,574,371</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of debt	-	2,229,427	2,100,000	129,427
Premium on bonds	-	-	156,339	(156,339)
Transfers in (out)	(166,251)	(165,000)	-	(165,000)
TOTAL FINANCING SOURCES (USES)	<u>(166,251)</u>	<u>2,064,427</u>	<u>2,256,339</u>	<u>(191,912)</u>
NET CHANGE IN FUND BALANCES	(1,968,865)	(1,988,947)	1,712,174	<u>\$ 3,382,459</u>
FUND BALANCES - BEGINNING OF YEAR	<u>1,885,613</u>	<u>1,885,613</u>	<u>1,885,613</u>	
FUND BALANCES - END OF YEAR	<u>\$ 82,999</u>	<u>\$ (2,167,761)</u>	<u>\$ 3,597,787</u>	
FUND BALANCE - END OF YEAR - BUDGET BASIS			\$ 3,597,787	
Accrual adjustments:				
Revenues			-	
Expenditures			(3,190)	
FUND BALANCE - END OF YEAR - GAAP BASIS			<u>\$ 3,594,597</u>	

EUREKA FIRE PROTECTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
DISPATCH FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Property taxes	\$ 127,476	\$ 127,476	\$ 119,446	\$ (8,030)
Contract fees	205	205	217	12
Interest	625	625	80	(545)
TOTAL REVENUES	<u>128,306</u>	<u>128,306</u>	<u>119,743</u>	<u>(8,563)</u>
EXPENDITURES				
Public safety:				
Dispatching	194,776	207,900	204,904	2,996
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(66,470)	(79,594)	(85,161)	(5,567)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	66,470	79,594	84,637	(5,043)
NET CHANGE IN FUND BALANCES	-	-	(524)	<u>\$ (10,610)</u>
FUND BALANCES - BEGINNING OF YEAR	<u>145,985</u>	<u>145,985</u>	<u>145,985</u>	
FUND BALANCES - END OF YEAR	<u>\$ 145,985</u>	<u>\$ 145,985</u>	<u>\$ 145,461</u>	
FUND BALANCE - END OF YEAR - BUDGET BASIS			\$ 145,461	
Accrual adjustments:				
Revenues			45,589	
Expenditures			-	
FUND BALANCE - END OF YEAR - GAAP BASIS			<u>\$ 191,050</u>	

EUREKA FIRE PROTECTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
PENSION TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Property taxes	\$ 428,432	\$ 418,666	\$ 254,686	\$ (163,980)
Contract fees	717	717	731	14
Interest	1,083	1,083	3,906	2,823
TOTAL REVENUES	<u>430,232</u>	<u>420,466</u>	<u>259,323</u>	<u>(161,143)</u>
EXPENDITURES				
Public safety:				
Employee benefits	<u>530,232</u>	<u>456,426</u>	<u>447,000</u>	<u>9,426</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(100,000)	(35,960)	(187,677)	<u>\$ (151,717)</u>
FUND BALANCES - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	
FUND BALANCES - END OF YEAR	<u>\$ (100,000)</u>	<u>\$ (35,960)</u>	<u>\$ (187,677)</u>	
FUND BALANCE - END OF YEAR- BUDGET BASIS, AS RESTATED			\$ 133,656	
Accrual adjustments:				
Revenues			153,218	
Expenditures			-	
FUND BALANCE - END OF YEAR - GAAP BASIS			<u>\$ 286,874</u>	

EUREKA FIRE PROTECTION DISTRICT
SCHEDULE OF PRINCIPAL OFFICE HOLDERS
DECEMBER 31, 2022

<u>OFFICE HOLDER</u>	<u>OFFICE</u>	<u>ANNUAL COMPENSATION</u>
Patrick D. Feder	Chairman	\$ 5,350
Charles L. Brown	Treasurer	4,000
Gregory L. Mathison, Jr.	Secretary	3,500

EUREKA FIRE PROTECTION DISTRICT
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2022

<u>INSURANCE IN FORCE</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
Commercial Automobile Liability	National Union Fire Insurance Company	\$ 1,000,000
Commercial Umbrella	National Union Fire Insurance Company	2,000,000/Occurrence 4,000,000/Aggregate
Commercial General Liability	National Union Fire Insurance Company	1,000,000/Occurrence 3,000,000/Aggregate
Commercial Property Real Property Personal Property	National Union Fire Insurance Company	10,181,956 1,088,688
Commercial Crime and Fidelity	National Union Fire Insurance Company	20,000
Management Liability	National Union Fire Insurance Company	1,000,000/Occurrence 3,000,000/Aggregate
Portable Equipment	National Union Fire Insurance Company	49,800
Workers compensation	MoFAD	2,500,000

COMPLIANCE AND INTERNAL CONTROL SECTION

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



Board of Directors
EUREKA FIRE PROTECTION DISTRICT

We have audited, 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, the financial statements of the government activities, each major fund, and the aggregate remaining fund information of (the District), as of and for the year ended December 31, 2022, and related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated June 29, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Eureka Fire Protection District’s internal control over financial reporting (internal control) as a basis for designing 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 Eureka Fire Protection District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Eureka Fire Protection District’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control that we consider to be material weaknesses described in this report.

We consider the following deficiency in the District's internal control to be a material weakness:

Review of the year end accruals - The District's contract accountant should review the year-end accruals to ensure that all prior year accruals are reversed and the current year accruals are accurate.

Pension Accounting - The District collects property taxes designated for pension benefits. With the creation of the Pension Tax Fund, these taxes should be recorded as revenue in the Pension Tax Fund and an employee benefit expense recorded when a contribution is made to the Plan. A corresponding employer contribution would then be recorded as an addition in the Pension Trust Fund. All activity related to the Pension Trust Fund cash and investments, including investment income and expenses, should be recorded on a regular basis and reconciled to investment statements.

Audit Adjustments - Audit adjustments are evaluated to determine if they are an indication of a control deficiency and a material weakness. We proposed the following adjustments to management:

- General Fund - the District did not reverse prior year accrual for taxes receivable and record the current year accrual.
- General Fund - adjust employee benefits for activity in the Internal Service Fund.
- Ambulance Fund - record GEMT receivable and related deferred inflow.
- Ambulance Fund - correct ambulance service receivable and deferred revenues.
- Ambulance Fund - adjust employee benefits for activity in the Internal Service Fund.
- Capital Projects Fund - reverse accounts payable for radios returned and replacements not received prior to year-end.
- Capital Projects Fund - properly record the bond premiums from the bond issue.
- Adjustments were made to correct current year accrual for taxes receivable and related deferred revenue for the Ambulance Fund, Dispatch Fund, Debt Service Fund, and Pension Tax Fund.
- Adjustments were made to reconcile the due to/from other funds and transfers in/out in the General Fund, Ambulance Fund, Capital Projects Fund, Dispatch Fund, Debt Service Fund, Pension Tax Fund and Custodial Fund.
- Adjustments were made to correctly report activity in the Pension Trust Fund and the Pension Tax Fund.
- Adjustments were made to remove capitalization of assets and depreciation in the General Fund and Capital Projects Fund as this activity is only recorded in the government-wide financial information.
- Adjustments were made to remove accrual of sick leave in the General Fund and Ambulance Fund as this activity is only recorded in the government-wide financial information.

Management's Response: Management agrees and will correct the recording of these items in the future.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eureka Fire Protection District of St. Louis County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the financial statement. 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*.

Eureka Fire Protection District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Eureka Fire Protection District's response to the findings identified in our audit and describe in this report. Eureka Fire Protection District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 result 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.

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

St. Charles, Missouri

June 29, 2023