

***WINFIELD-FOLEY FIRE PROTECTION DISTRICT
OF LINCOLN COUNTY, MISSOURI***

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

**WINFIELD-FOLEY FIRE PROTECTION DISTRICT
OF LINCOLN COUNTY, MISSOURI**

WINFIELD, MISSOURI

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INDEPENDENT AUDITORS' REPORT



The Board of Directors
***WINFIELD-FOLEY FIRE PROTECTION DISTRICT
OF LINCOLN COUNTY, MISSOURI***

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities and General Fund of the Winfield-Foley Fire Protection District of Lincoln County, Missouri, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, and the General Fund of Winfield-Foley Fire Protection District of Lincoln County, Missouri, as of December 31, 2017, and the respective changes in cash basis financial position for the year then ended in accordance with the cash basis of accounting described in Note 1.

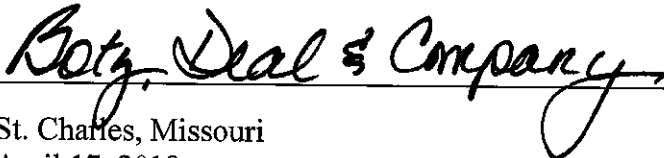
Basis of Accounting

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 3 through 6 and 16 and 17, be presented to supplement the basic financial statements. Such information, although not a required 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 inquires 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.


St. Charles, Missouri
April 17, 2018

**WINFIELD-FOLEY FIRE PROTECTION DISTRICT
OF LINCOLN COUNTY, MISSOURI**
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

FINANCIAL HIGHLIGHTS

- Unrestricted net position for the General Fund was \$20,149 at December 31, 2017.
- Revenue exceeded expenses by \$1,733 for the year ended December 31, 2017.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information.

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. Individual funds are not displayed but the statements distinguish governmental activities, which normally are supported by taxes and District general revenues.

The Statement of Net Position-cash basis presents information on the District's cash and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities-cash basis presents information showing how the District's net position changed during the most recent fiscal year.

The District has elected to utilize a cash basis of accounting as explained in Note 1 of the notes to the financial statements.

In the Statement of Net Position-cash basis and the Statement of Activities-cash basis, the District has the following activity:

- **Governmental Activities** - The District's basic services are reported here. Property taxes and permit fees finance most of these activities.

Fund Financial Statements

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Per the cash basis of accounting, neither the government-wide financial statements nor the governmental fund financial statements report long-term assets or liabilities.

The District maintains one governmental fund, the General Fund.

The District adopts an annual budget for the General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate legal compliance with the respective adopted budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Supplementary Information

In addition to the financial statements and accompanying notes, certain required supplementary information has been provided.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District presents its financial statements under the reporting model pursuant to Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

A condensed version of the statement of net position-cash basis for the years December 31, 2017 follows:

	Governmental Activities	
	<u>2017</u>	<u>2016 (Unaudited)</u>
ASSETS		
Cash and investments	\$ <u>20,149</u>	\$ <u>18,416</u>
NET POSITION		
Unrestricted	\$ <u>20,149</u>	\$ <u>18,416</u>

As illustrated below, governmental activities increased the District's net position. The key elements of the increases for each year are as follows:

Governmental Activities

	<u>2017</u>	<u>2016 (Unaudited)</u>
REVENUES		
Program revenues:		
Charges for services	\$ 63,953	36,073
Operating grants	43,815	91,995
General revenues:		
Property tax	252,652	262,868
Investment income	156	115
Miscellaneous	4,436	11,813
Total Revenues	<u>365,012</u>	<u>402,864</u>
EXPENSES		
General government	<u>363,279</u>	<u>411,946</u>
CHANGE IN NET POSITION	1,733	(9,082)
NET POSITION - BEGINNING	<u>18,416</u>	<u>27,498</u>
NET POSITION - ENDING	\$ <u>20,149</u>	\$ <u>18,416</u>

Program revenues decreased mostly due to the changes in grant income received which can vary from year to year. The decrease was offset by an increase in charges for services due to the growth in the area and additional need for services.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District maintains a General Fund. Revenue and expenses/expenditures were the same for the General Fund and the government-wide presentation.

ANALYSIS OF SIGNIFICANT BUDGET VARIATIONS

Total actual expenditures were \$91,215 more than budgeted expenditures. This was mostly due to the District receiving a grant to purchase Turnout Gear and unforeseen Apparatus Maintenance and Repairs during the year ended December 31, 2017.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Anticipated revenues for 2018 are \$291,279. Operating expenses are budgeted at \$288,733. The District expects operations to remain relatively consistent in the next year.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with and interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Lydia Van Cleve, Office Manager
Winfield-Foley Fire Protection District
P.O. Box 118
Winfield, MO 63389

WINFIELD-FOLEY FIRE PROTECTION DISTRICT
OF LINCOLN COUNTY, MISSOURI
STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash	<u>\$ 20,149</u>
 NET POSITION	
Unrestricted	<u>\$ 20,149</u>

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

**WINFIELD-FOLEY FIRE PROTECTION DISTRICT
OF LINCOLN COUNTY, MISSOURI**

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Change in Net Position
		Charges for Service	Operating Grants	
Governmental Activities				
Public Safety	\$ 263,719	\$ 63,953	\$ 43,815	\$ (155,951)
Principal, interest and fiscal charges	99,560	-	-	(99,560)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 363,279</u>	<u>\$ 63,953</u>	<u>\$ 43,815</u>	<u>\$ (255,511)</u>
General revenues:				
Taxes				252,652
Interest income				156
Other miscellaneous revenue				4,436
TOTAL GENERAL REVENUES				<u>257,244</u>
CHANGE IN NET POSITION				1,733
NET POSITION - BEGINNING OF YEAR				<u>18,416</u>
NET POSITION - END OF YEAR				<u>\$ 20,149</u>

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

WINFIELD-FOLEY FIRE PROTECTION DISTRICT
OF LINCOLN COUNTY, MISSOURI
BALANCE SHEET - CASH BASIS - GOVERNMENTAL FUND
December 31, 2017

	<u>General Fund</u>
ASSETS	
Cash	<u>\$ 20,149</u>
FUND BALANCES	
Unassigned	<u>\$ 20,149</u>

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

WINFIELD-FOLEY FIRE PROTECTION DISTRICT
OF LINCOLN COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - CASH BASIS - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund
REVENUES	
Taxes	\$ 252,652
Inspections and permits	63,953
Grant	43,815
Donations	977
Investment income	156
Miscellaneous	3,459
TOTAL REVENUES	365,012
EXPENDITURES	
Public Safety:	
Personnel	58,988
Fire services	57,168
General and administrative	16,616
Insurance	46,224
Membership dues	1,000
Office expense	3,172
Professional fees	3,488
Repairs and maintenance	38,342
Training and education	4,887
Utilities	33,834
Debt Service:	
Principal, interest and fiscal charges	99,560
TOTAL EXPENDITURES	363,279
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,733
FUND BALANCES - BEGINNING OF YEAR	18,416
FUND BALANCES - END OF YEAR	\$ 20,149

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

**WINFIELD-FOLEY FIRE PROTECTION DISTRICT
OF LINCOLN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Winfield-Foley Fire Protection District of Lincoln County, Missouri, (the District) provides fire protection, prevention, and emergency ambulance service to residents of Winfield, Foley and the surrounding area, located in Lincoln County, Missouri.

The District defines its financial reporting entity in accordance with Governmental Accounting Standards Board Statement 61, *The Financial Reporting Entity* (GASB 61) and Statement 39, *Determining Whether Certain Organizations are Component Units* (GASB 39). Based on the criteria identified in GASB 61 and GASB 39 there are no significant component units required to be included as part of the reporting entity.

A. GOVERNMENT-WIDE AND FINANCIAL STATEMENTS

Government-wide Financial Statements - the government-wide financial statements include the statement of net position - cash basis and the statement of activities - cash basis. These statements report information on all of the nonfiduciary activities of the primary government. Individual funds are not displayed but the statements distinguish governmental activities, which normally are supported by taxes and District general revenues, from business-type activities, which rely on a significant extent on fees and charges to external customers for support. The District does not have business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements - Separate financials statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

In the government-wide statement of net position - cash basis and the statement of activities - cash basis, governmental activities are presented using the economic resources measurement focus, within the limitations of the cash basis of accounting.

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

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

In the fund financial statements, fund balances are used as measures of available spendable financial resources at the end of the period in each fund. The District reports activity in the governmental funds using the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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 fund:

General Fund - is the primary operating fund of the District. It is used to account for all financial resources.

C. **DEPOSITS AND INVESTMENTS**

The District is authorized to invest funds not immediately needed for the purposes to which the funds are applicable, in obligations of the United States Treasury, United States Government Agencies, and Repurchase Agreements, Certificates of Deposit, Banker's Acceptance and Commercial Paper. Investments are carried at cost or fair value.

D. **PROPERTY TAXES**

Property tax revenues are recorded when received. The District's property taxes are levied based on the assessed value at January 1 for all real property located in the District. The assessed value at January 1, 2017 was \$109,089,613. The District's property tax rate for 2017 was \$.2362 per \$100 of assessed valuation on real property. Taxes are due upon receipt of billing and become delinquent after December 31.

All property tax assessment, billing, and collection function are handled by the Lincoln County Collector.

E. **FUND BALANCE**

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The spendable portion of the fund balance comprises the remaining four classifications:

Nonspendable fund balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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

E. **FUND BALANCE** - continued

Restricted - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Directors, the government's highest level of decision making authority (ordinance). Those committed amounts cannot be used for any other purpose unless the Board of Directors removes the commitment by taking the same type of action imposing the commitment.

Assigned - This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The District's Board of Directors has the authority to assign amounts to be used for specific purposes.

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

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

2. **BUDGET POLICY AND PRACTICE**

The Board of Directors adopts an annual budget for all funds in accordance with the cash basis of accounting. All budget appropriations lapse at year-end.

3. **DEPOSITS AND INVESTMENTS**

Deposits - Custodial Credit Risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's bank deposits are required by state law to be secured by the deposit for certain securities within 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. At December 31, 2017, all deposits were fully insured.

4. **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 purchases commercial insurance for all risks of loss.

5. RELATED PARTY TRANSACTIONS

The daughter of the Board President is the Office Manager of the District. The wages paid for employment were \$26,215 for the year ended December 31, 2017.

6. LEASE AGREEMENT

The District has a lease agreement for its copier. The lease term is for 5 years beginning April 2013 and calls for payments of \$102 per month. Future payments for 2018 under this lease are \$306. Total rental expense was \$1,333 for the year ended December 31, 2017.

7. LONG TERM DEBT

The District has a lease purchase agreement with Providence Bank dated October 18, 2007 in order to provide funds for Fire Station No. 4 construction, Fire Station No. 3 addition and other equipment. There is an option to extend for up to 24 consecutive one-year renewal terms with the last renewal term ending February 15, 2032. The interest rate is 4.95% and the amount outstanding at December 31, 2017 is \$304,269. Estimated maturities for the years ending December 31 are as follows:

2018	\$	14,173
2019		14,874
2020		15,610
2021		16,348
2022		17,192
Thereafter		<u>226,072</u>
TOTAL	\$	<u>304,269</u>

The District has a lease purchase agreement with Providence Bank dated October 16, 2009 in order to provide funds for timely payoff and satisfaction of all existing indebtedness for Fire Station No. 1. There is an option to extend for up to 19 consecutive one-year renewal terms with the last renewal term ending February 15, 2029. The interest rate is 4.25% and the amount outstanding at December 31, 2017 is \$244,815. Estimated maturities for the years ending December 31 are as follows:

2018	\$	16,108
2019		16,793
2020		17,506
2021		18,228
2022		19,025
Thereafter		<u>157,155</u>
TOTAL	\$	<u>244,815</u>

7. LONG TERM DEBT - continued

The District has a vehicle lease agreement with People's Bank dated July 24, 2012. The original term was 4 months plus 16 days with nine renewal terms of 1 year each and a final renewal term of 6 months plus 15 days. The interest rate is 5.0% and the amount outstanding at December 31, 2017 is \$137,246. Estimated maturities for the years ending December 31 are as follows:

2018	\$	24,838
2019		26,080
2020		27,384
2021		28,753
2022		30,191
TOTAL	\$	<u>137,246</u>

8. PENDING GOVERNMENTAL ACCOUNTING STANDARDS

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

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

9. EXPENDITURES IN EXCESS OF APPROPRIATIONS

During the year ended December 31, 2017, expenditures of \$363,279 in the General Fund exceeded appropriations of \$272,064.

10. CONTINGENCIES

The District discovered an error in the calculation of a building permit fee. As a result, the affected business will receive a refund of \$10,495 in 2018.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 17, 2018, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**WINFIELD-FOLEY FIRE PROTECTION DISTRICT
OF LINCOLN COUNTY, MISSOURI**

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
OPERATING REVENUE				
Taxes	\$ 260,000	\$ 260,000	\$ 252,652	\$ (7,348)
Inspections and permits	1,485	1,485	63,953	62,468
Grant	-	-	43,815	43,815
Donations	5,348	5,348	977	(4,371)
Investment income	114	114	156	42
Miscellaneous	6,465	6,465	3,459	(3,006)
TOTAL OPERATING REVENUE	<u>273,412</u>	<u>273,412</u>	<u>365,012</u>	<u>91,600</u>
EXPENDITURES				
Public Safety:				
Personnel	57,052	57,052	58,988	(1,936)
Fire services	27,374	27,374	57,168	(29,794)
General and administrative	11,234	11,234	16,616	(5,382)
Insurance	43,791	43,791	46,224	(2,433)
Membership dues	1,350	1,350	1,000	350
Office expense	5,574	5,574	3,172	2,402
Professional fees	2,360	2,360	3,488	(1,128)
Repairs and maintenance	1,500	1,500	38,342	(36,842)
Training and education	2,500	2,500	4,887	(2,387)
Utilities	30,269	30,269	33,834	(3,565)
Capital outlay	1,500	1,500	-	1,500
Debt service:				
Principal, interest and fiscal charges	87,560	87,560	99,560	(12,000)
TOTAL EXPENDITURES	<u>272,064</u>	<u>272,064</u>	<u>363,279</u>	<u>(91,215)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,348	1,348	1,733	<u>\$ 385</u>
FUND BALANCES - BEGINNING OF YEAR	<u>18,416</u>	<u>18,416</u>	<u>18,416</u>	
FUND BALANCE - END OF YEAR	<u>\$ 19,764</u>	<u>\$ 19,764</u>	<u>\$ 20,149</u>	

***WINFIELD-FOLEY FIRE PROTECTION DISTRICT
OF LINCOLN COUNTY, MISSOURI***

**REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

1. BUDGETARY INFORMATION

The District prepares its budget on a cash basis. The budgetary process is detailed in Note 2 of the notes to financial statements.