

**Valley Park Fire
Protection District**

Annual Financial Statements

For The Year Ended December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Valley Park Fire Protection District
St. Louis, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Valley Park Fire Protection District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Valley Park Fire Protection 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 Valley Park Fire Protection District, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 the Valley Park Fire Protection District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the Valley Park 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 opinions. 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 control. 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 risks 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 the Valley Park 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 the Valley Park 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 and related notes, schedule of changes in net pension liability and related ratios, and schedule of contributions on pages 4A-4E and 28-33 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises budgetary comparison schedules, schedules of insurance in force and principal office holders but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2022, on our consideration of the Valley Park 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 of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Valley Park 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 Valley Park Fire Protection District’s internal control over financial reporting and compliance.



Fick, Eggemeyer & Williamson, CPAs
Saint Louis, Missouri
June 22, 2022

VALLEY PARK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

This section of Valley Park 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, 2021. 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.

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

This 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 financial statements.

Required supplementary information and additional other 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 assets 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.)

VALLEY PARK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

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 services, and dispatching services. It should be noted that the District currently has no business-type activities.

Fund Financial Statements

The fund financial statements provide a 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 a 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 Fund is not reflected in the government-wide financial statements because the resources of this fund are not available to support the District's own programs. The District's fiduciary fund is the Pension Trust Fund.

Notes to the Financial Statements

The notes to the 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 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 Budgetary Comparison Schedules for the General, Ambulance, and Dispatch Funds, and the Other Information includes Budgetary Comparison Schedules for the Debt Service and Capital Projects Funds.

VALLEY PARK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Financial Analysis of the District as a Whole

Government-Wide Financial Analysis

As mentioned earlier, net assets may serve over time as a useful indicator of a government's financial position. The condensed statement of net position as of December 31, 2021 and 2020 is as follows:

Statement of Net Position	2021	2020	Increase (Decrease)
ASSETS			
Current and other assets	\$ 15,552,358	\$ 18,197,474	\$ (2,645,116)
Noncurrent assets	11,168,069	6,224,835	4,943,234
Total assets	<u>26,720,427</u>	<u>24,422,309</u>	2,298,118
DEFERRED OUTFLOWS	<u>215,694</u>	<u>233,291</u>	(17,597)
LIABILITIES			
Current liabilities	1,646,334	736,125	910,209
Noncurrent liabilities	12,073,469	12,589,155	(515,686)
Total liabilities	<u>13,719,803</u>	<u>13,325,280</u>	394,523
DEFERRED INFLOWS	<u>1,679,677</u>	<u>1,228,275</u>	451,402
NET POSITION			
Net investment in capital assets	2,231,117	1,109,863	1,121,254
Restricted	2,425,201	3,117,820	(692,619)
Unrestricted	6,880,323	5,874,362	1,005,961
Total net position	<u>\$ 11,536,641</u>	<u>\$ 10,102,045</u>	<u>\$ 1,434,596</u>

The District's assets exceeded liabilities (net position) by \$11,536,641 as of December 31, 2021. Of this amount, \$2,231,117 is invested in capital assets; \$2,425,201 is restricted for dispatching and ambulance services, and debt service; and \$6,880,323 is unrestricted and available to provide for current and future obligations of the District.

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 increased by \$1,434,596 during the year ended December 31, 2021. The key elements of this increase are presented in the following condensed statement of activities:

VALLEY PARK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Statement of Activities

	2021	2020	Increase (Decrease)
Revenues			
Program revenues			
Charges for services	\$ 549,653	\$ 498,044	\$ 51,609
Operating grants	201,939	134,409	67,530
General revenues			
Property taxes	5,860,112	5,643,460	216,652
Investment income	5,615	85,574	(79,959)
Other income	9,392	35,897	(26,505)
Gain/(loss) on sale of asset	(705)	43,398	(44,103)
Transfers	(94,096)	(34,789)	(59,307)
Total revenues	<u>6,531,910</u>	<u>6,405,993</u>	<u>125,917</u>
Expenses			
Fire prevention and suppression	2,757,808	2,229,600	528,208
Emergency management	1,815,132	1,755,114	60,018
Dispatching services	117,103	128,237	(11,134)
Interest and fiscal charges	407,271	647,412	(240,141)
Total expenses	<u>5,097,314</u>	<u>4,760,363</u>	<u>577,092</u>
Change in net position	1,434,596	1,645,630	(211,034)
Net Position - beginning of year	10,102,045	8,456,415	1,645,630
Net Position - end of year	<u>\$ 11,536,641</u>	<u>\$ 10,102,045</u>	<u>\$ 1,434,596</u>

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

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.

The difference between the original budget, as adopted by the Board for 2021, and the final amended budget, as approved by the Board for 2021, was primarily due to the timing of tax receipt collections from St. Louis County, and expenditures related to capital outlay. Timing of tax receipt collections are impacted by: a) the economy b) tax collections received by St. Louis County or c) the timeliness of processing of said tax collections by St. Louis County.

VALLEY PARK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Capital Assets

GASB 34 requires the District to include in capital assets all real estate to house firefighters and ambulance personnel and emergency vehicles, 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 assets is presented in the notes to the financial statements.

	2021	2020	Increase (Decrease)
Land	\$ 139,106	\$ 139,106	\$ -
Construction in progress	6,040,059	2,336,931	3,703,128
Building and improvements	2,197,784	2,198,227	(443)
Vehicles	3,326,907	2,599,725	727,182
Equipment, furniture, and fixtures	1,221,693	1,234,386	(12,693)
Total	<u>12,925,549</u>	<u>8,508,375</u>	<u>4,417,174</u>
Accumulated depreciation	<u>(3,956,704)</u>	<u>(3,559,308)</u>	<u>(397,396)</u>
Net capital assets	<u>\$ 8,968,845</u>	<u>\$ 4,949,067</u>	<u>\$ 4,019,778</u>

Long-Term Debt

In 2019, the District issued \$12,000,000 in general obligation bonds. During 2021, the District made its first principal payment of \$250,000 towards the bonds. More detailed information on the District's noncurrent liabilities is presented in notes to the financial statements.

Economic Factors

The District serves over 16,000 residents and has mutual aid agreements with all Fire Protection Districts and Fire Departments in the 'Region C' area of Missouri. The District also participates in the statewide mutual aid program through the State of Missouri's Division of Fire Safety. While the District includes office buildings, regional and local shopping areas, churches, residential care, and light manufacturing facilities, it primarily consists of single and multi-family residential housing. Hence, the District is somewhat insulated from significant changes in the economy.

Contact Information

This financial report is designed to provide the reader with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Valley Park Fire Protection District at 51 Crescent Avenue, Valley Park, Missouri 63088.

Basic Financial Statements

VALLEY PARK FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 12,422,363
Taxes receivable, net of allowance	2,976,682
Grants receivable	89,689
Prepaid assets	63,624
Total current assets	15,552,358
Noncurrent assets	
Net pension asset	2,199,224
Capital assets, net of depreciation	8,968,845
Total noncurrent assets	11,168,069
Total assets	\$ 26,720,427
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of pension resources	\$ 215,694
LIABILITIES	
Current liabilities	
Accounts payable	\$ 783,614
Internal balances	22,416
Interest payable	375,304
Bonds payable, current portion	465,000
Total current liabilities	1,646,334
Noncurrent liabilities	
Compensated absences	13,195
Bonds payable, net of current portion	11,285,000
Bond premium	775,274
Total noncurrent liabilities	12,073,469
Total liabilities	\$ 13,719,803
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of pension resources	\$ 1,679,677
NET POSITION	
Net investment in capital assets	\$ 2,231,117
Restricted for:	
Ambulance services	1,229,640
Dispatching	81,782
Debt service	1,113,779
Unrestricted	6,880,323
Total net position	\$ 11,536,641

The notes to the financial statements are an integral part of this statement

VALLEY PARK FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Governmental Activities
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
Fire prevention and suppression	\$ 2,757,808	\$ 52,149	\$ -	\$ -	\$ (2,705,659)
Emergency management services operations	1,815,132	497,504	201,939	-	(1,115,689)
Dispatching services	117,103	-	-	-	(117,103)
Interest and fiscal charges	407,271	-	-	-	(407,271)
Total governmental activities	<u>\$ 5,097,314</u>	<u>\$ 549,653</u>	<u>\$ 201,939</u>	<u>\$ -</u>	<u>(4,345,722)</u>
General revenues:					
Property taxes					5,860,112
Investment income					5,615
Other income					9,392
Gain on sale of assets					(705)
Transfers					(94,096)
Total general revenues and transfers					<u>5,780,318</u>
Changes in net position					1,434,596
Net position - beginning					<u>10,102,045</u>
Net position - ending					<u>\$ 11,536,641</u>

The notes to the financial statements are an integral part of this statement

VALLEY PARK FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General Fund	Ambulance Fund	Dispatch Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 5,886,825	\$ 789,118	\$ 42,984	\$ 691,164	\$ 5,012,272	\$ 12,422,363
Taxes receivable, net of allowance	1,914,211	539,136	38,766	484,569	-	2,976,682
Grants receivable	-	89,689	-	-	-	89,689
Internal balances	-	10,645	13,244	103,199	-	127,088
Prepaid assets	31,067	24,829	-	-	7,728	63,624
Total assets	\$ 7,832,103	\$ 1,453,417	\$ 94,994	\$ 1,278,932	\$ 5,020,000	\$ 15,679,446
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 315	\$ 2,681	\$ -	\$ -	\$ 780,618	\$ 783,614
Internal balances	149,504	-	-	-	-	149,504
Total liabilities	149,819	2,681	-	-	780,618	933,118
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	652,408	221,096	13,212	165,153	-	1,051,869
FUND BALANCES						
Nonspendable	31,067	24,829	-	-	7,728	63,624
Restricted	-	1,204,811	81,782	1,113,779	4,231,654	6,632,026
Assigned	4,500,000	-	-	-	-	4,500,000
Unassigned	2,498,809	-	-	-	-	2,498,809
Total fund balances	7,029,876	1,229,640	81,782	1,113,779	4,239,382	13,694,459
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,832,103	\$ 1,453,417	\$ 94,994	\$ 1,278,932	\$ 5,020,000	\$ 15,679,446

The notes to the financial statements are an integral part of this statement

VALLEY PARK FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021

Total fund balance - governmental funds	\$ 13,694,459
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,968,845
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	1,051,869
Deferred outflows of resources related to the pension plan do not utilize current financial resources and, therefore, are not reported in the funds	215,694
Deferred inflows of resources related to the pension plan do not utilize current financial resources and, therefore, are not reported in the funds	(1,679,677)
The net pension asset related to the pension plan does not utilize current financial resources and, therefore, are not reported in the funds	2,199,224
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. All liabilities both current and long-term are reported in the statement of net position.	
Interest payable	(375,304)
Bonds payable	(11,750,000)
Bond premium	(775,274)
Compensated absences	(13,195)
	(13,195)
Net position of governmental activities	\$ 11,536,641

The notes to the financial statements are an integral part of this statement

VALLEY PARK FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Ambulance Fund	Dispatch Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
REVENUES						
Property taxes	\$ 4,272,599	\$ 861,839	\$ 86,852	\$ 1,045,520	\$ -	\$ 6,266,810
Ambulance billings	-	497,504	-	-	-	497,504
Inspection and permit fees	52,149	-	-	-	-	52,149
Investment income	2,186	205	13	185	3,026	5,615
Grant income	-	112,250	-	-	-	112,250
Other income	9,227	165	-	-	-	9,392
Total revenues	4,336,161	1,471,963	86,865	1,045,705	3,026	6,943,720
EXPENDITURES						
Current						
Salaries and payroll taxes	1,813,317	1,202,739	-	-	-	3,016,056
Employee benefits	391,309	263,396	-	-	-	654,705
Uniforms and training	58,806	39,529	-	-	-	98,335
Utilities	27,395	18,446	-	-	-	45,841
Maintenance, supplies, and repairs	93,532	87,123	-	-	-	180,655
Professional fees	27,521	78,879	-	1,836	-	108,236
Administrative	214,073	175,579	-	-	-	389,652
Dispatching services	-	-	114,635	-	-	114,635
Capital outlay	-	-	-	-	4,564,447	4,564,447
Debt service						
Principal	-	-	-	250,000	-	250,000
Interest and other fiscal charges	-	-	-	459,350	-	459,350
Total expenditures	2,625,953	1,865,691	114,635	711,186	4,564,447	9,881,912
Revenues over (under) expenditures	1,710,208	(393,728)	(27,770)	334,519	(4,561,421)	(2,938,192)
OTHER FINANCING SOURCES (USES)						
Transfers	(128,463)	-	34,367	-	-	(94,096)
Total other financing sources (uses)	(128,463)	-	34,367	-	-	(94,096)
Net changes in fund balance	1,581,745	(393,728)	6,597	334,519	(4,561,421)	(3,032,288)
Fund balances - beginning	5,448,131	1,623,368	75,185	779,260	8,800,803	16,726,747
Fund balances - ending	<u>\$ 7,029,876</u>	<u>\$ 1,229,640</u>	<u>\$ 81,782</u>	<u>\$ 1,113,779</u>	<u>\$ 4,239,382</u>	<u>\$ 13,694,459</u>

The notes to the financial statements are an integral part of this statement

VALLEY PARK FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Net change in fund balances - total governmental funds \$ (3,032,288)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	4,436,038	
Depreciation expense	<u>(415,555)</u>	4,020,483

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds

Unavailable revenue	<u>(317,009)</u>	(317,009)
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The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. These amounts are the net effect of these differences in the treatment of long-term debt and related items:

Repayments:

Bonds payable	250,000	
Amortization of premiums on debt issuance	<u>44,943</u>	294,943

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Current year change in:

Deferred outflows of pension resources	(17,597)	
Net pension asset	923,456	
Deferred inflows of pension resources	(451,402)	
Compensated absences	5,743	
Interest payable	<u>8,972</u>	<u>469,172</u>

Change in net position of governmental activities		<u>\$ 1,434,596</u>
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VALLEY PARK FIRE PROTECTION DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUND
DECEMBER 31, 2021

ASSETS

Cash and cash equivalents	\$ 1,100,142
Investments, at fair value	11,852,287
Taxes receivable, net of allowance	128,572
Internal balances	<u>22,416</u>

Total assets	<u><u>\$ 13,103,417</u></u>
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LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

LIABILITIES

Accounts payable	\$ 5,000
Obligation - 457 plan	<u>2,320,534</u>

Total liabilities	<u>2,325,534</u>
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DEFERRED INFLOWS OF RESOURCES

Unavailable revenue	<u>43,821</u>
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NET POSITION

Held in trust for pension benefits	<u>10,734,062</u>
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Total net position	<u>10,734,062</u>
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Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 13,103,417</u></u>
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The notes to the financial statements are an integral part of this statement

VALLEY PARK FIRE PROTECTION DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

ADDITIONS	
Tax revenue	\$ 287,466
Net investment activity	1,459,768
	1,747,234
DEDUCTIONS	
Administrative expenses	29,950
Benefits paid	149,395
	179,345
Change in net position	1,567,889
Transfers between funds	94,096
	1,661,985
Net position held in trust for pension benefits	
January 1, 2021	9,072,077
	10,734,062
December 31, 2021	\$ 10,734,062

The notes to the financial statements are an integral part of this statement

VALLEY PARK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and financial reporting policies of the Valley Park Fire Protection District (the District) conform to U.S. generally accepted accounting principles (GAAP) as applied to government entities. The following is a summary of the more significant policies.

Reporting Entity

The District provides fire protection, prevention, investigation, inspection, suppression, rescue, EMS, and HAZ-MAT/WMD services to the surrounding community. It operates as a political subdivision, duly organized under the laws of the State of Missouri, and is funded by real and personal property tax revenue, licenses, permits, and miscellaneous revenues. An elected board of directors, who regulates all major operations, oversees the District.

The financial statements include all operations over which the District is financially accountable. The District has not identified any entities which would be component units of the District.

Government-wide and Fund Financial Statements

The government-wide financial statements (statement of net position and statement of activities) report information on all of the non-fiduciary activities of the District. Interfund payables have been removed from these statements for governmental fund types, except interfund payables between the general and fiduciary funds. Elimination of these balances would distort the revenues and expenditures reported for the various funds.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in fund financial statements.

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

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the 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 measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

VALLEY PARK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences, pension asset, and other than pension post-employment benefits are recorded only when payment is due.

Property taxes and ambulance fees associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All charges for licenses and permits are not susceptible to accrual because they are generally not measurable until received in cash. Deferred revenue is reported on the governmental fund balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria. In a subsequent period when both criteria are met, the liability is removed, and the revenue recognized.

Fund Accounting

The District uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District has two categories of funds: governmental and fiduciary.

The government reports the following governmental funds:

General Fund - The General Fund is the operating fund of the District. All tax revenues and other receipts that are not allocated by law or contractual agreement are accounted for in this fund. The General Fund pays operating expenditures, fixed charges, and capital improvement costs not paid through other funds.

Ambulance Fund - The Ambulance Fund accounts for the portion of the tax revenue designated for ambulance services. The District also charges fees for ambulance services.

Dispatch Fund - The Dispatch Fund accounts for the portion of the tax revenue designated for emergency vehicle dispatching services. The District uses the Central County Emergency 911 Fire Alarm System for dispatching services.

Debt Service Fund - The Debt Service Fund is used to account for the fulfillment of future debt service requirements, including the repurchase of outstanding bonds issued.

Capital Projects Fund - The Capital Projects Fund accounts for the receipt and disbursement of monies for the acquisition and construction of capital facilities and other capital assets.

Additionally, the government reports the following fiduciary fund:

Pension Trust Fund - This fund is used to account for assets held by the District in a trustee capacity. The fund accumulates contributions from the District generated from a pension tax levy as well as earnings from the fund's investments. The District's Pension Trust Fund includes the assets of the defined benefit pension plan and a deferred compensation plan.

VALLEY PARK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires the District to make estimates and assumptions that affect the reported amounts in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

The District considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Investments

Investments are reported at market value. Statutes authorize the District to invest in time deposits, U.S. Treasury and federal agency securities, commercial paper, bankers' acceptances, and repurchase agreements. Statutes authorize the Pension Trust Fund to invest in corporate stocks and bonds. Certificates of deposits held at banks with an original maturity in excess of three months are reported at cost and listed in the financial statements as certificates of deposit.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenues, is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from various sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts have become available.

In the government-wide financial statements, components of pension expense that are recognized over a period of time are classified as either deferred outflows of resources (using plan assets that are applicable to a future reporting period) or deferred inflows of resources (acquiring plan assets that are applicable to a future reporting period). Employer contributions subsequent to the measurement date of the net pension asset are required to be reported as deferred outflows of resources.

Interfund Activities

Interfund transfers represent interfund activities whereby the two parties to the transaction do not receive equivalent cash, goods, or services. Transfers are reported as other financing sources and uses on the statement of revenues, expenditures, and changes in fund balances. Any resulting balances at the end of the accounting period should be reported as internal balances.

VALLEY PARK FIRE PROTECTION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allowance for Doubtful Accounts

The District calculates an allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance as of December 31, 2021, is allocated as follows:

Fund	Balance
General	\$ 151,740
Ambulance	355,939
Dispatch	3,088
Debt Service	38,422
Pension	10,181
Total	\$ 559,370

Governmental Fund Balances

Fund balance is the difference between assets and liabilities in a Governmental Fund. In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Government Fund Type Definitions, the following types of fund balances are presented in the Governmental Funds Balance Sheet:

Nonspendable - the portion of a Governmental Fund's net position that is not available to be spent, either short term or long term, in either form or through legal restrictions. The General, Ambulance, and Capital Projects Funds comprised the nonspendable fund balances which is relates to prepaid assets.

Restricted - the portion of a Governmental Fund's net position that is subject to external enforceable legal restrictions. The following account's fund balances are restricted by Tax Levy and Bond requirements: The Ambulance, Dispatch, Debt Service, and Capital Projects Funds comprised the restricted fund balances.

Assigned - the portion of a Governmental Fund's net position to denote an intended use of resources. The accounts presented with assigned fund balances are specified for future operations by the Board of Directors. The following fund comprises the assigned fund balance: The General Fund comprised the assigned fund balance.

Unassigned - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The General Fund comprised the unassigned fund balance.

The District uses restricted amounts first when both restricted and unrestricted fund balances are available, unless there are legal contracts that prohibit doing this.

VALLEY PARK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets represents the cost of capital assets, net of accumulated depreciation, cash and cash equivalents held in the Capital Projects Fund, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

Capital Assets

General capital assets are associated with and generally arise from governmental activities. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are recorded at cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$2,500 for building and improvements, vehicles, and equipment. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets are depreciated, except for land. Management estimates useful lives of assets by examining historical records of necessary improvements and replacements. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives: Buildings and improvements 10 to 30 years and fire equipment and vehicles 5 to 15 years.

Compensated Absences

Sick pay will be awarded at 24 hours per month. The sick leave can be carried over from year to year. The maximum that can be carried over is 1,440 hours. Upon the end of employment, employees are not entitled to any unused sick leave. Accordingly, sick leave has not been accrued as of December 31, 2021.

Vacation pay can be accumulated after 60 months of service up to 2 shifts per calendar year, for 24-hour personnel, and up to 10 days for 8-hour personnel. Accumulated vacation time may not exceed 2 shifts or 10 working days per year. Accumulated vacation leave liability as of December 31, 2021, was \$13,195.

Accrued vacation is considered a long-term liability. It is reported as a long-term liability in the government-wide statement of net position rather than reported as a liability in the governmental funds.

Tax Abatement

Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures, defines tax abatement, for financial reporting purposes, as a reduction in tax revenue resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take specific action after the agreement has been entered into that contributes to economic development or other benefits the governments or the citizens of those governments.

VALLEY PARK FIRE PROTECTION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 2 - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The county collects the property tax and remits it to the District. The county's fee for this service is 1.5% of the taxes collected.

Property taxes levied for 2021 are recorded as receivable, net of estimated uncollectibles, as are prior year levies, which are reevaluated annually. Taxes receivable represent estimated amounts to be collected by the County Collector of Revenue for 2021 and prior tax years, to be remitted to the District subsequent to December 31. The portion of taxes considered collectible, but not collected and remitted to the District within 60 days of year-end, is recorded as deferred tax revenue.

The assessed valuation of the tangible real, personal taxable, and state assessed railroad and utilities property for the calendar year 2021 for purposes of local taxation was \$336,067,716.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2021 for purposes of local taxation was:

	Residential	Agricultural	Commercial	Personal	Total Blended Rate
General Fund	\$ 1.1297	\$ 1.3300	\$ 1.2350	\$ 1.3300	\$ 1.1844
Ambulance Fund	0.2240	0.3000	0.2360	0.3000	0.2383
Dispatch Fund	0.0240	0.0300	0.0200	0.0300	0.0241
Debt Service Fund	0.3000	0.3000	0.3000	0.3000	0.3000
Pension Trust Fund	0.0750	0.1000	0.0780	0.1000	0.0830
Total	\$ 1.7527	\$ 2.0600	\$ 1.8690	\$ 2.0600	\$ 1.8298

NOTE 3 - LEGAL DEBT MARGIN

Assessed valuation - 2021 levy	\$ 336,067,716
Statutory debt limitation	\$ 16,803,386
5% of assessed valuation	
Less: General obligation bonds	11,750,000
Legal debt margin	\$ 5,053,386

VALLEY PARK FIRE PROTECTION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 4 - CONTRACTUAL AGREEMENTS

During 2018 the District signed a contractual agreement with Central County Emergency 911 for dispatching services for the years 2019 through 2023. Terms of the agreement state that monies allocated for dispatching services from tax collections due (ranging from per levy 3.5 cents per \$100 assessed valuation to 3.75 cents) must be remitted to Central County Emergency 911 in two annual installments.

NOTE 5 - FAIR VALUE MEASUREMENTS - PENSION TRUST FUND

The Financial Accounting Standards Board establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described below:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Pension Trust Fund has the ability to access.
- Level 2 - Inputs to the valuation methodology include:
 - Quoted prices to similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2021.

Mutual Funds: Valued at the net asset value of shares held by the Pension Trust Fund at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the District believes its valuation methods are appropriate and consistent, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Pension Trust Fund's assets at fair value as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 11,852,287	\$ -	\$ -	\$ 11,852,287
Total at fair value	<u>\$ 11,852,287</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,852,287</u>

VALLEY PARK FIRE PROTECTION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 5 - FAIR VALUE MEASUREMENTS - PENSION TRUST FUND (continued)

Concentration of Credit Risk

Individual investments which exceeded 5% or more of the net assets available for benefits on December 31, 2021 were as follows:

Western Asset Core Bond IS	\$	1,489,361
Putnam Growth Opportunities		2,517,427
DFA US Large Cap Value I		948,968
Vanguard Balanced Index		1,764,425
Vanguard 500 Index		939,153
Munder MidCap Core Growth		659,968

NOTE 6 - INTERNAL BALANCES AND TRANSFERS

The composition of internal balances as of December 31, 2021 is as follows:

Receivable Fund	Payable Fund	Amount
Ambulance Fund	General Fund	\$ 10,645
Dispatch Fund	General Fund	13,244
Debt Service Fund	General Fund	103,199
Pension Fund	General Fund	22,416

The internal balances relate to costs incurred for operating activities. The balances are expected to be repaid within one year.

During 2021, the General Fund transferred \$34,367 and \$94,096 to the Dispatch and Pension Funds for operating purposes.

NOTE 7 - TAX ABATEMENTS

Saint Louis County has granted tax abatements through the Advance Industrials Manufacturing Zones Act Program, Industrial Development Bonds Program, Enhanced Enterprise Zone Initiative Program, and the Urban Development Corporations Program. These programs are under Chapters 68, 100, 135, and 353 of the Local Code in the tax jurisdiction of the District. Chapter 68 encourages industrial development through the issuance of bonds by the Port Authority. Chapter 100 encourages industrial development through the issuance of bonds by the County or Municipality. Chapter 135 encourages the expansion or development of new businesses in an Enhanced Enterprise Zone (EEZ), and Chapter 353 encourages the redevelopment of blighted areas by way of a Redevelopment Corporation. For calendar year 2021, the total amount of property tax abated was \$8,550.

VALLEY PARK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 - CAPITAL ASSETS

The following is a summary of changes in capital assets - governmental activities:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Land	\$ 139,106	\$ -	\$ -	\$ 139,106
Construction in progress	2,336,931	3,703,128	-	6,040,059
Total capital assets not being depreciated	<u>2,476,037</u>	<u>3,703,128</u>	<u>-</u>	<u>6,179,165</u>
<i>Capital assets being depreciated:</i>				
Buildings and other improvements	2,198,227	-	443	2,197,784
Vehicles	2,599,725	727,182	-	3,326,907
Equipment, furniture, and fixtures	1,234,386	5,728	18,421	1,221,693
Total capital assets being depreciated	<u>6,032,338</u>	<u>732,910</u>	<u>18,864</u>	<u>6,746,384</u>
<i>Less accumulated depreciation for:</i>				
Buildings and other improvements	1,425,491	69,111	347	1,494,255
Vehicles	1,317,912	249,571	-	1,567,483
Equipment, furniture, and fixtures	815,905	96,873	17,812	894,966
Total accumulated depreciation	<u>3,559,308</u>	<u>415,555</u>	<u>18,159</u>	<u>3,956,704</u>
Total net capital assets being depreciated	<u>2,473,030</u>	<u>317,355</u>	<u>705</u>	<u>2,789,680</u>
Governmental activity capital assets, net	<u>\$4,949,067</u>	<u>\$4,020,483</u>	<u>\$ 705</u>	<u>\$ 8,968,845</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Fire prevention and suppression	\$ 256,556
Emergency management services operations	156,531
Dispatching	2,468
Total	<u>\$ 415,555</u>

VALLEY PARK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 - LONG-TERM LIABILITIES

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

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Due Within One Year
Bonds payable	\$12,000,000	\$ -	\$ 250,000	\$11,750,000	\$ 465,000
Unamortized bond premium	820,217	-	44,943	775,274	-
Accrued compensated absences *	18,938	-	5,743	13,195	-
Total	<u>\$ 12,839,155</u>	<u>\$ -</u>	<u>\$ 300,686</u>	<u>\$ 12,538,469</u>	<u>\$ 465,000</u>

* Due to limitations, gross amounts for additions and reductions are not readily available. Net changes are shown above.

Bonds payable

During 2019 the District issued \$12,000,000 in general obligation bonds for the purpose of constructing and equipping fire stations. The District utilized portions of the proceeds to purchase new equipment, vehicles, and furnishings, construct and update firehouses, and repay debt. General obligation bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the District. They require the District to compute, at the times taxes are levied, the rate required to provide a fund to pay interest and principal at maturity. The outstanding bonds carry interest rates of 3.00% to 4.00% and mature from March 1, 2021 to 2039.

All of the bond principal and interest payments are funded by a dedicated tax accounted for in the Debt Service Fund. Annual debt service payments on the bonds payable are as follows:

Year Ending December 31,	Principal	Interest	Payment
2022	\$ 465,000	\$ 448,625	\$ 913,625
2023	480,000	434,450	914,450
2024	495,000	419,825	914,825
2025	510,000	402,200	912,200
2026	535,000	381,300	916,300
2027-2031	3,005,000	1,562,100	4,567,100
2032-2036	2,880,000	777,200	3,657,200
2037-2040	3,380,000	277,000	3,657,000
Total	<u>\$ 11,750,000</u>	<u>\$ 4,702,700</u>	<u>\$ 16,452,700</u>

VALLEY PARK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 - DEFINED BENEFIT PLAN

Plan Description

The District maintains a single-employer, defined-benefit pension plan. The Plan provides retirement, death, and disability benefits to plan members and beneficiaries in accordance with the resolution establishing the Plan and may be amended. The plan initially became effective on February 1, 1993. The plan was amended and restated effective January 1, 1998. The following is a summary of the major provisions included in the plan, upon which this valuation is based.

Eligibility

The Fire District provides a pension plan for all full-time employees including duty staff, clerical, and administrative employees. The plan is funded with various mutual and bond funds placed with ING Life Insurance Company. It is accounted for as a Pension Trust Fund. It covers all Fire District employees who meet the eligibility requirements. The Eligibility requirements under the plan are that each employee will be included in the plan on the first day of the next plan year, following the attainment of the age of 20 and the completion of six months of service.

Benefits Provided

A member may retire at the normal retirement date which is the first day of the month coinciding with or following the attainment of age 55. The normal retirement benefit is the average annual compensation for the three consecutive plan years that produce the highest average.

Credited service is the total years in which the participant completes 1,000 or more hours of service measured from the date of hire. No early retirement provision is provided under the plan. A late benefit is provided. A late benefit equals the normal retirement benefit based on average compensation and years of service as of the late retirement date. The employee is vested 0% with less than (5) five years of service and 100% vested with (5) five years or more of service.

The pre-retirement death benefit, payable under the plan, is a lump sum amount equal to the present value of the participant's accrued benefit.

As of December 31, 2021, the following employees were covered by the plan:

Covered members:	
Active employees	28
Inactive employees entitled to but not yet receiving benefits	13
Inactive employees or beneficiaries currently receiving benefits	7
Total covered members	<u>48</u>

Contributions

The District must annually contribute an actuarially determined amount. The District authorized a \$231,178 contribution in 2021, or 8.71% of the \$2,654,719 in covered payroll.

VALLEY PARK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 - DEFINED BENEFIT PLAN (continued)

Basis of Accounting

The Defined Benefit Plan's financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan. Investment income is recognized when earned. Gains and losses on the sale and exchange of securities are recognized on the transaction date.

Asset Valuations

Investments are reported at market value based on quoted prices at month/year-end. Securities traded on a national or international exchange are valued at the last reported sale price using current exchange rates.

Actuarial Assumptions

The total pension liability (asset) in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	7.00%
Investment rate of return	7.00%
Salary increases, including inflation	4.00%
Inflation	n/a

The actuarial assumptions used for the December 31, 2021 valuation were based on the results of the actuarial experience study for the period January 1, 2021, to December 31, 2021. In addition, mortality rates for post-retirement participants are based on the 1983 Group Annuity Table, and active participants are based on the RP-2000 mortality table.

The long-term expected rate of return on plan investments was determined based upon a review of the existing portfolio structure, actual recent experience, and reasonable future long-term expectations of rates of return. As of December 31, 2021, the money-weighted rate of return was 16.33%.

Discount Rate

The discount rate used to measure the total pension liability (asset) was 7.0%. The projection of cash flows used to determine the discount rate assumed that the sponsor contribution will be made at the actuarially determined contribution rate. Based on that assumption, 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 the total pension liability (asset).

VALLEY PARK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 - DEFINED BENEFIT PLAN (continued)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a)-(b)
Balance, December 31, 2020	\$ 7,650,101	\$ 8,925,869	\$ (1,275,768)
Changes for the year			
Service cost	319,315	-	319,315
Interest	546,891	-	546,891
Effect of plan changes	253,385	-	253,385
Effect of economic gains or losses	(158,971)	-	(158,971)
Experience changes	12,017	-	12,017
Benefit payments	(318,773)	(318,773)	-
Contribution - Employer	-	231,178	(231,178)
Service purchase payments	-	202,380	(202,380)
Net investment income	-	1,463,060	(1,463,060)
Administrative expenses	-	(525)	525
Changes in net pension liability (asset)	653,864	1,577,320	(923,456)
Balance, December 31, 2021	<u>\$ 8,303,965</u>	<u>\$ 10,503,189</u>	<u>\$ (2,199,224)</u>

The District's net pension asset was measured as of December 31, 2021, and the total pension liability (asset) used to calculate the net pension asset was determined by an actuarial valuation as of that date.

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset calculated using the discount rate of 7.00%, as well as 1% higher and 1% lower than the current rate.

	Discount Rate		
	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Net pension asset	\$ (1,180,257)	\$ (2,199,224)	\$ (3,055,103)

Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

For the year ended December 31, 2021, the District recognized pension expense of (\$223,279). On December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

VALLEY PARK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 - DEFINED BENEFIT PLAN (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 276,253
Net difference between projected and actual earnings on pension investment	-	1,403,424
Changes of assumptions	215,694	-
Total	\$ 215,694	\$ 1,679,677

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2022	\$ (416,158)
2023	(535,883)
2024	(340,670)
2025	(177,305)
2026	(1,841)
Thereafter	7,874
Total	\$ (1,463,983)

NOTE 11- DEPOSITS

Missouri Statutes require that all non-fiduciary deposits be protected by insurance, surety bond, or collateral. The market value of the collateral pledged must equal 100% of the deposits not covered by insurance or corporate surety bonds.

Deposits - At year-end, the carrying amount of the District's deposits totaled \$13,522,505 (this total includes \$1,100,142 of fiduciary cash) and bank balances totaled \$13,554,312.

Custodial Credit Risk - Custodial credit risk is the risk, that in the event of a bank failure, the District's deposits may not be returned to it. The District has a deposit policy for custodial credit risk that follows Missouri Statutes for deposits. Of the bank balances, \$5,219,631 was insured by the Federal Deposit Insurance Corporation (FDIC), and \$7,363,244 was covered by pledged collateral, which was held in the District's name. The remaining balance of \$971,437 (comprised entirely of fiduciary cash) was unsecured as of December 31, 2021, and is not required to be secured by Missouri Statute.

VALLEY PARK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 12 - 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 carries workmen's compensation insurance with Missouri Fire and Ambulance District's Insurance Trust (MoFAD) for all bodily injury and disease for the required amount. The District carries commercial insurance for all other risks of loss. All buildings and contents are covered for guaranteed replacement cost. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 13 - DEFERRED COMPENSATION PLAN

All employees of the District may choose to participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or an unforeseeable emergency.

NOTE 14 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 22, 2022, the date which the financial statements were available for issue, and noted no reportable events.

Required Supplementary Information
(Other than Management's Discussion and Analysis)

VALLEY PARK FIRE PROTECTION DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
REVENUES				
Property taxes	\$ 3,950,735	\$ 4,272,599	\$ 4,272,599	\$ -
Inspection and permit fees	30,000	52,149	52,149	-
Investment income	24,750	2,186	2,186	-
Other income	10,000	9,227	9,227	-
Total revenues	<u>4,015,485</u>	<u>4,336,161</u>	<u>4,336,161</u>	<u>-</u>
EXPENDITURES				
Current				
Salaries and payroll taxes	1,890,770	1,998,029	1,813,317	184,712
Employee benefits	441,480	441,480	391,309	50,171
Uniforms and training	73,320	73,772	58,806	14,966
Utilities	26,250	27,395	27,395	-
Maintenance, supplies, and repairs	91,120	107,440	93,532	13,908
Community relations	13,200	13,200	-	13,200
Professional fees	59,700	59,700	27,521	32,179
Administrative	242,037	242,037	214,073	27,964
Total expenditures	<u>2,837,877</u>	<u>2,963,053</u>	<u>2,625,953</u>	<u>337,100</u>
Revenues over (under) expenditures	<u>1,177,608</u>	<u>1,373,108</u>	<u>1,710,208</u>	<u>337,100</u>
OTHER FINANCING SOURCES (USES)				
Transfers	(740,556)	(128,463)	(128,463)	-
Total other financing sources (uses)	<u>(740,556)</u>	<u>(128,463)</u>	<u>(128,463)</u>	<u>-</u>
Net change in fund balance	<u>\$ 437,052</u>	<u>\$ 1,244,645</u>	1,581,745	<u>\$ 337,100</u>
Fund balance - beginning of year			<u>5,448,131</u>	
Fund balance - end of year			<u>\$ 7,029,876</u>	

VALLEY PARK FIRE PROTECTION DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 AMBULANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 789,430	\$ 861,839	\$ 861,839	\$ -
Ambulance billings	420,000	497,504	497,504	-
Investment income	20,250	205	205	-
Grant income	25,000	112,250	112,250	-
Other income	-	165	165	-
Total revenues	<u>1,254,680</u>	<u>1,471,963</u>	<u>1,471,963</u>	<u>-</u>
EXPENDITURES				
Current				
Salaries and payroll taxes	1,260,513	1,202,739	1,202,739	-
Employee benefits	294,320	263,396	263,396	-
Uniforms and training	48,880	39,529	39,529	-
Utilities	18,668	18,446	18,446	-
Maintenance, supplies, and repairs	94,080	87,123	87,123	-
Community relations	8,800	-	-	-
Professional fees	74,250	78,879	78,879	-
Administrative	161,358	175,579	175,579	-
Total expenditures	<u>1,960,869</u>	<u>1,865,691</u>	<u>1,865,691</u>	<u>-</u>
Revenues over (under expenditures)	<u>(706,189)</u>	<u>(393,728)</u>	<u>(393,728)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers	<u>(706,189)</u>	<u>(393,728)</u>	<u>-</u>	<u>(393,728)</u>
Total other financing sources	<u>(706,189)</u>	<u>(393,728)</u>	<u>-</u>	<u>(393,728)</u>
Net change in fund balance	<u>\$ (1,412,378)</u>	<u>\$ (787,456)</u>	<u>(393,728)</u>	<u>\$ 393,728</u>
Fund balance - beginning of year			<u>1,623,368</u>	
Fund balance - end of year			<u>\$ 1,229,640</u>	

VALLEY PARK FIRE PROTECTION DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DISPATCH FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 80,132	\$ 86,852	\$ 86,852	\$ -
Investment income	100	13	13	-
Total revenues	<u>80,232</u>	<u>86,865</u>	<u>86,865</u>	<u>-</u>
EXPENDITURES				
Current				
Dispatching services	114,599	114,635	114,635	-
Total expenditures	<u>114,599</u>	<u>114,635</u>	<u>114,635</u>	<u>-</u>
Revenues over (under) expenditures	<u>(34,367)</u>	<u>(27,770)</u>	<u>(27,770)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers	32,305	34,367	34,367	-
Total other financing sources (uses)	<u>32,305</u>	<u>34,367</u>	<u>34,367</u>	<u>-</u>
Net change in fund balance	<u>\$ (2,062)</u>	<u>\$ 6,597</u>	6,597	<u>\$ -</u>
Fund balance - beginning of year			<u>75,185</u>	
Fund balance - end of year			<u>\$ 81,782</u>	

VALLEY PARK FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on a basis consistent with generally accepted accounting principles using fund accounting and the accrual basis of accounting. Annual budgets are adopted for all governmental funds.

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

1. 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.
2. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.
3. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year by the Board of Directors.
4. Budgets are adopted on a basis consistent with the accrual basis of accounting.
5. All annual appropriations lapse at year-end.

VALLEY PARK FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Calendar Years

Fiscal year ending December 31,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total pension liability										
Service cost	\$ 319,315	\$ 267,744	\$ 258,557	\$ 186,649	\$ 169,418	\$ 150,362	\$ 139,091			
Interest on the total pension liability	546,891	505,522	453,016	431,227	419,530	400,915	342,677			
Difference between expected and actual experience	253,385	-	-	-	-	-	555,000			
Actuarial losses/(gains)	(158,971)	(1,691)	(82,733)	-	(110,918)	(166,640)	(25,400)			
Assumption changes	12,017	11,887	276,657	-	-	-	83,000			
Benefit payments and refunds	(318,773)	(171,817)	(157,627)	(592,057)	(73,033)	(200,344)	(344,556)			
Net change in total pension liability	653,864	611,645	747,870	25,819	404,997	184,293	749,812			
Total pension liability - beginning	7,650,101	7,038,456	6,290,586	6,264,767	5,859,770	5,675,477	4,925,665			
Total pension liability - ending (a)	\$ 8,303,965	\$ 7,650,101	\$ 7,038,456	\$ 6,290,586	\$ 6,264,767	\$ 5,859,770	\$ 5,675,477			
Plan Fiduciary Net Position										
Contributions - employer	\$ 231,178	\$ 275,000	\$ 321,710	\$ 208,500	\$ 230,000	\$ 230,000	\$ 230,000			
Contributions - member	202,380	-	-	-	-	-	-			
Pension plan net investment income	1,463,060	1,348,435	1,384,744	(257,748)	879,270	433,547	(52,964)			
Benefit payments and refunds	(318,773)	(171,817)	(157,627)	(592,057)	(73,033)	(200,344)	(344,556)			
Other	(525)	-	-	-	-	-	-			
Net change in plan fiduciary net position	1,577,320	1,451,618	1,548,827	(641,305)	1,036,237	463,203	(167,520)			
Plan fiduciary net position - beginning	8,925,869	7,474,251	5,925,424	6,566,729	5,530,492	5,067,289	5,234,809			
Plan fiduciary net position - ending (b)	\$ 10,503,189	\$ 8,925,869	\$ 7,474,251	\$ 5,925,424	\$ 6,566,729	\$ 5,530,492	\$ 5,067,289			
Net pension liability (asset) - ending (a) - (b)	\$ (2,199,224)	\$ (1,275,768)	\$ (435,795)	\$ 365,162	\$ (301,962)	\$ 329,278	\$ 608,188			
Net position as a percentage of pension liability (asset)	126.48%	116.68%	106.19%	94.20%	104.82%	94.38%	89.28%			
Covered-employee payroll	\$ 2,654,719	\$ 2,198,508	\$ 1,999,553	\$ 2,019,674	\$ 1,716,006	\$ 1,610,669	\$ 1,479,272			
Net pension liability (asset) as a percentage of payroll	-82.84%	-58.03%	-21.79%	18.08%	-17.60%	20.44%	41.11%			

Notes to schedule:

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Other Information

VALLEY PARK FIRE PROTECTION DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 795,689	\$ 1,045,520	\$ 1,045,520	\$ -
Investment income	1,000	185	185	-
Total revenues	<u>796,689</u>	<u>1,045,705</u>	<u>1,045,705</u>	<u>-</u>
EXPENDITURES				
Current				
Professional fees	1,500	1,836	1,836	-
Debt service				
Principal	250,000	250,000	250,000	-
Interest and other fiscal charges	459,350	459,350	459,350	-
Total expenditures	<u>710,850</u>	<u>711,186</u>	<u>711,186</u>	<u>-</u>
Net change in fund balance	<u>\$ 85,839</u>	<u>\$ 334,519</u>	334,519	<u>\$ -</u>
Fund balance - beginning of year			<u>779,260</u>	
Fund balance - end of year			<u>\$ 1,113,779</u>	

VALLEY PARK FIRE PROTECTION DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment income	\$ 10,000	\$ 3,026	\$ 3,026	\$ -
Total revenues	10,000	3,026	3,026	-
EXPENDITURES				
Current				
Capital outlay	6,000,000	4,564,447	4,564,447	-
Total expenditures	6,000,000	4,564,447	4,564,447	-
Net change in fund balance	<u>\$ (5,990,000)</u>	<u>\$ (4,561,421)</u>	(4,561,421)	<u>\$ -</u>
Fund balance - beginning of year			<u>8,800,803</u>	
Fund balance - end of year			<u>\$ 4,239,382</u>	

VALLEY PARK FIRE PROTECTION DISTRICT
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2021

INSURANCE IN FORCE	INSURANCE COMPANY	COVERAGE
Commercial automobile policy		
Liability	Selective Insurance Company of America	\$1,000,000 Liability
Auto medical payments		\$5,000/Person
Uninsured motorists		\$1,000,000 Combined Single Limit
Comprehensive coverage		Agreed Value or ACV
Collision		Agreed Value or ACV
Commercial excess liability	Selective Insurance Company of America	\$2,000,000/Occurrence \$4,000,000 General Aggregate \$0 Retained Limit
Commercial general liability	Selective Insurance Company of America	\$1,000,000/Occurrence \$10,000,000/Products Completed Operations Aggregate \$10,000,000 General Aggregate \$1,000,000 Personal and Advertising Injury \$1,000,000/Damage to Premises \$5,000 Medical Expense
Commercial property		
House 1 - 840 St. Louis Ave.	Selective Insurance Company of America	Building Limit - \$2,000,000 - Guaranteed Replacement Cost Contents Limit - \$136,729 - Guaranteed Replacement Cost
House 1 contents		
House 2 - 55 Crescent Ave		Building Limit - \$1,705,663 - Guaranteed Replacement Cost Contents Limit - \$202,612 - Guaranteed Replacement Cost
House 2 contents		
Storage - 825 Benton St.		Building Limit - \$124,834 - Guaranteed Replacement Cost Contents Limit - \$5,624 - Guaranteed Replacement Cost
Business income		24 Months Actual Loss Sustained
Flood & EQ		\$2,000,000 Occurrence; \$2,000,000 Aggregate \$6,000,000 Catastrophe
Commercial crime policy (employee theft)	The Ohio Casualty Insurance Company	\$300,000 Blanket Employee Dishonesty Included
Faithful Performance		\$300,000
Forgery or Alteration		\$300,000
Computers Fraud		\$300,000
Funds Transfer Fraud		\$250,000
Fraudulently Induced Transfers		\$2,500 Deductible Per Occurrence
Portable equipment	Selective Insurance Company of America	Guaranteed Replacement Cost
Fiduciary Liability	Travelers	\$1,000,000 For All Claims \$1,000 deductible
Worker's compensation	Missouri Employers Mutual	\$1,000,000 Bodily Injury by Accident - Each Accident \$1,000,000 Bodily Injury by Disease - Policy Limit \$1,000,000 Bodily Injury by Disease - Each Employee
Emergency Services Management Liability (Claims-Made)	Selective Insurance Company of America	\$1,000,000 Aggregate/\$1,000,000 Occurrence \$0 Retained Limit
FLSA/Wage and Hour Defense	Selective Insurance Company of America	\$100,000 \$2,500 Retained Limit
Cyber Liability	Selective Insurance Company of America	\$2,000,000 Policy Aggregate \$2,000,000 Information Security and Privacy Liability Aggregate
Public Employees Position		The Crime policy includes coverage similar to what Position Bonds provide.
Public Officials Bonds (3)		We have no Public Officials Bonds through our agency at this time.
Notary bonds (2)	N/A	N/A

VALLEY PARK FIRE PROTECTION DISTRICT
SCHEDULE OF PRINCIPAL OFFICE HOLDERS
DECEMBER 31, 2021

<u>OFFICE HOLDER</u>	<u>TITLE</u>	<u>ANNUAL COMPENSATION</u>
Christopher Webster	Chairman	\$ 6,500
Daniel Wilburn	Treasurer	\$ 6,317
Sheri Schmitt	Secretary	\$ 6,317

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

To the Board of Directors
Valley Park Fire Protection District
Valley Park, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Valley Park Fire Protection District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Valley Park Fire Protection District's basic financial statements, and have issued our report thereon dated June 22, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Valley Park Fire Protection District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Valley Park Fire Protection District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Valley Park 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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



Fick, Eggemeyer, & Williamson, CPAs
Saint Louis, Missouri
June 22, 2022

VALLEY PARK FIRE PROTECTION DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified _____ Yes X No

Reportable conditions identified that are not considered to be material weaknesses _____ Yes X No

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards – N/A

Internal control over major programs:

Material weaknesses identified? _____ Yes _____ No

Reportable conditions identified that are not considered to be material weaknesses _____ Yes _____ No

Type of auditors' report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance _____ Yes _____ No

Identification of major program:

CFDA Numbers Name of Federal Program or Cluster

None

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low risk auditee? _____ Yes _____ No

VALLEY PARK FIRE PROTECTION DISTRICT
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

Summary Schedule of Prior Audit Findings

<u>Prior finding number</u>	<u>Condition</u>	<u>Current Status</u>
None		