METRO WEST FIRE PROTECTION DISTRICT

FINANCIAL REPORT
(Audited)

Year Ended December 31, 2018

The Metro West Fire Protection District strives to continually provide the best quality emergency response services, and the most current lifesaving information for our residents and businesses. Below you will find information on our Mission Statement, Vision, and History.

We provide the best in fire protection, rescue services, and EMS pre-hospital care. In addition, we place a heavy emphasis on fire prevention, disaster preparedness, emergency management, training, and injury prevention for all ages. Because, your life is our mission…

Mission Statement

“Your Life, Our Mission....”

Vision

The vision of the Metro West Fire Protection District is to be **The Leader** in providing public safety, protection, and education by setting the benchmark for all service delivery through international accreditation and excellence in responsiveness.

History

The Metro West Fire Protection District has been serving the community since 1934. It was organized as the Community Fire Association in 1934. In 1957, district leaders began laying the foundation of the Volunteer Association that would bring a bright future. The Volunteer Association was dissolved when the citizens voted to form the Ballwin Fire Protection District.

As more areas incorporated into cities (Ellisville, Clarkson Valley, Wildwood), we changed our name to meet the growing needs of the community and better represent our jurisdictional boundaries. On April 9, 1993, the name of the organization was changed to the Metro West Fire Protection District. Still serving the same 57 1/2 square miles, we provide services to all or portions of Ballwin, Chesterfield, Clarkson Valley, Castlewood, Ellisville, Sherman, Wildwood, Winchester, and unincorporated St. Louis County. As we continue to grow, we strive to provide the best human resources, tools, and equipment to meet the needs of the citizens.

We firmly believe that our organization’s fire suppression, paramedic/EMS, rescue, all hazards preparedness/injury prevention, emergency management, and specialty services make us standout as **The Leader**.

Contents

Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

INDEPENDENT AUDITOR'S REPORT

May 28, 2019

Board of Directors

METRO WEST FIRE PROTECTION DISTRICT
REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **METRO WEST FIRE PROTECTION DISTRICT** (the District) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental 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

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

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Hochschild, Bloom & Company LLP

CERTIFIED PUBLIC ACCOUNTANTS
Chesterfield, Missouri

This section of the Metro West Fire Protection District's (the District) financial report presents Management's Discussion and Analysis (MD&A) of the District's financial activities during the fiscal year ended December 31, 2018. The MD&A is designed to focus on current activities, resulting changes, and currently known facts for the current year. Professional standards also require the inclusion of certain comparative information be included in the MD&A. Please read it in conjunction with the District's basic financial statements and the notes to financial statements. Responsibility for the completeness and fairness of this information rests with the District.

USING THIS ANNUAL REPORT

The financial statements are reported using the reporting model under Governmental Accounting Standards Board Statement No. 34 (GASB 34), which focuses on the District as a whole. The District's basic financial statements are designed to emulate corporate presentation models whereby all District activities are consolidated into one total. The focus of the statement of net position is designed to be similar to bottom line results for the District. This statement combines and consolidates current financial resources (short-term spendable resources) with capital assets. The statement of activities focuses on both the gross costs and the net costs of the District's activities, which are supported mainly by property taxes and by other District revenues. This approach is intended to summarize and simplify the user's analysis of the costs of various District services to the public.

FINANCIAL HIGHLIGHTS

Assets and deferred outflows of resources exceeded liabilities (net position) by $28 million as of December 31, 2018. Of this amount, $15 million is invested in capital assets (net of related debt), $5 million is restricted, and $8 million is unrestricted and available to meet current and future obligations of the District.

GOVERNMENTAL ACTIVITIES

This analysis focuses on the net position and changes in net position of the District's governmental activities contained in the government-wide financial statements reported using an economic resources measurement.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As of December 31, 2018, the District's net position was $28 million, of which 52% represents investment in capital assets, 18% represents restricted (debt service 15%, dispatch 3%), and 30% represents resources that are unrestricted and were available for the operation and support of the District. The District's current assets totaled $38.9 million, of which 72% represents cash and investments and 27% represents property taxes receivable. Total liabilities and deferred inflow of resources were $36.7 million, of which 13% was current and 87% was noncurrent.

A condensed version of the statement of net position is as follows:

	December 31		2018 Change	
	2018	2017	Amount	Percent
ASSETS				
Current assets	$ 38,901,508	37,916,412	985,096	2.6 %
Capital assets, net of depreciation	18,283,500	17,366,645	916,855	5.3
Total Assets	57,185,008	55,283,057	1,901,951	3.4
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts related to pension	7,445,331	3,564,705	3,880,626	108.9
Deferred amounts related to OPEB	158,099	-	158,099	100.0
Total Deferred Outflows Of Resources	7,603,430	3,564,705	4,038,725	113.3
LIABILITIES				
Current liabilities	4,764,311	4,916,201	(151,890)	(3.1)
Noncurrent liabilities	28,215,380	20,289,527	7,925,853	39.1
Total Liabilities	32,979,691	25,205,728	7,773,963	30.8
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts related to pension	3,762,406	4,327,543	(565,137)	(13.1)
NET POSITION				
Net investment in capital assets	14,706,556	15,211,721	(505,165)	(3.3)
Restricted	5,036,219	5,658,349	(622,130)	(11.0)
Unrestricted	8,303,566	8,444,421	(140,855)	(1.7)
Total Net Position	$ 28,046,341	29,314,491	(1,268,150)	(4.3) %

A condensed version of the statement of activities is as follows:

	For The Years Ended December 31		2018 Change	
	2018	2017	Amount	Percent
REVENUES				
Program revenues:				
Charges for services	$ 1,682,336	1,751,492	(69,156)	(3.9) %
Capital and operating grants	-	33,423	(33,423)	(100.0)
General revenues:				
Taxes	22,629,184	19,593,845	3,035,339	15.5
Investment income	387,497	246,830	140,667	57.0
Miscellaneous	98,088	82,220	15,868	19.3
Gain on sale of assets	53,302	-	53,302	100.0
Total Revenues	24,850,407	21,707,810	3,142,597	14.5
EXPENSES				
Fire protection and prevention	14,107,788	13,102,342	1,005,446	7.7
Ambulance and EMS services	7,120,260	7,129,385	(9,125)	(0.1)
Dispatch services	791,113	779,017	12,096	1.6
Interest and other charges on long-term debt	30,092	107,049	(76,957)	(71.9)
Total Expenses	22,049,253	21,117,793	931,460	4.4
CHANGE IN NET POSITION	2,801,154	590,017	2,211,137	374.8
NET POSITION, JANUARY 1	29,314,491	28,724,474	590,017	2.1
RESTATEMENT - OPEB	(4,069,304)	-	(4,069,304)	(100.0)
NET POSITION, JANUARY 1, AS RESTATED	25,245,187	28,724,474	(3,479,287)	(12.1)
NET POSITION, DECEMBER 31	$ 28,046,341	29,314,491	(1,268,150)	(4.3) %

Operating revenues include activities that have the characteristics of exchange transactions, such as commercial and residential inspections and ambulance billings. Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as local property taxes and investment earnings. Operating expenses are those expenses for the purpose of providing fire protection, emergency medical services, and operational activities of the District. The District's operating expenses are funded primarily through nonoperating revenues. Total revenue, net of operating expenses, at December 31, 2018 was $2,801,154.

Total operating expenses for the year ended December 31, 2018 were $22 million. Fire protection and prevention represented 64% of the total operating expense, while ambulance and EMS services were 32%, and dispatch services and interest represented 4%.

FUND ANALYSIS

This analysis focuses on available resources for District operations during the current period.

General Fund. General Fund revenues exceeded expenditures by $1,070,707. The largest expenditure in the General Fund are related to salaries, which accounted for 72% ($6.8 million) of the total General Fund expenditures. This fund balance increased from $17.9 million to $19 million.

Ambulance Fund. Ambulance and EMS revenues exceeded expenditures by $2,992,698. Over 71% ($4.8 million) of ambulance expenditures are related to salaries. The fund balance increased from $6.4 million to $9.4 million.

Capital Projects Fund. The Capital Projects Fund accounts for capital improvement expenditures. During 2018, the fund balance decreased from $3.9 million to $1.3 million. Station house improvements, one ambulance, one truck, and various safety and rescue equipment accounted for the majority of the capital expenditures.

Total Governmental Funds. The District's fund balance in total increased by $952,498 from $33.4 million to $34.3 million. This increase resulted primarily from Prop V Ambulance revenues less the capital project expenditures.

BUDGET ANALYSIS

The District strives to conserve cash and improve operating cash by reducing and/or deferring elective expenditures until the future. Expenditures were under expected budgeted amounts for the fiscal year ended December 31, 2018 as follows: General Fund $8,014; Ambulance Fund $12,246; Dispatch Fund $188; Capital Projects Fund $10; Debt Service Fund $621, and Pension Trust Fund $292.

CAPITAL ASSETS

The District's capital assets increase is due mainly to capital projects done in response to expanded growth needs of the District and routinely scheduled replacement of District vehicles and equipment.

As of December 31, 2018, the District had invested $18 million in capital assets, net of accumulated depreciation, as shown in the following table:

	December 31	
	2018	2017
Land	$ 282,200	282,200
Construction in progress	1,550,184	2,554,019
Buildings and improvements	15,925,925	13,602,480
Vehicles	8,733,337	7,800,368
Equipment	5,518,738	5,427,648
	32,010,384	29,666,715
Less - Accumulated depreciation	13,726,884	12,300,070
Net Capital Assets	$ 18,283,500	17,366,645

LONG-TERM DEBT

The District received voter approval in 2003 to issue bonds totaling $14.9 million. The purpose of these bonds are to fund apparatus replacement and facility replacement/renovations. Initial bond proceeds of $7.3 million were received in July 2003 with the remaining bonds to be issued in the future. In June 2006, the District received additional bond proceeds of $2.5 million. During July 2009, the District issued the balance of the 2003 voter approved bond issue and received proceeds of $5 million. Proposition L was approved by the District's voters on April 3, 2012. The proposition allowed the District to issue new general obligation bonds in the amount of $19.4 million. Initial bond proceeds of $7.4 million were received in May 2013. In December 2016, the District received additional bond proceeds of $6 million. The outstanding bonds at December 31, 2018 totaled $3.52 million and repayment of principal and interest (in thousands) are as follows:

For The Years Ending December 31		Principal	Interest	Total
2019	$	2,220	68	2,288
2020		1,300	20	1,320
Total	$	3,520	88	3,608

The District continues its "AAA" bond rating for bond funding by the Standard & Poor's bond rating service. This status takes into consideration such aspects as fiscal planning, community involvement, health and wellness, assets, continuity of leadership, education, and fiscal responsibility. In the government sector it is difficult to find organizations with a "Triple A" bond rating from the Standard & Poor's rating service. The District is proud to have been awarded this status because it provides the lowest interest rates when the District's bond issues are sold in the public sector bond market making the District's bond funding more affordable.

PERSONNEL ISSUES

The District provides emergency services from five fire and emergency medical service stations strategically located through the 57.5 square mile district in west St. Louis County. The District's professional staff consists of 103 employees within Administration, Operations, and Fire Prevention divisions. Of the District's 103 employees, 95 are trained as professional providers of fire suppression services and emergency medical care. Of these employees 94 are trained as paramedics as well as firefighters. This level of training allows the District to provide paramedic/firefighters on all fire and rescue apparatus in addition to our paramedic ambulances. This staffing process assures the community that whenever they request help, fully trained paramedic/firefighters are on every call.

The District had five long-term employees leave active service in 2018. Three of these employees retired and exercised their pension benefits after long and distinguished careers with the District. They were Captains Russell Hamilton and Steve Sagehorn and Lieutenant Steve Newcomb. Firefighter/Paramedics Andrew Hildebrand and Walt Masters were released on disability.


Russell Hamilton
Captain


Steve Sagehorn
Captain


Steve Newcomb
Lieutenant


Andrew Hildebrand
Firefighter/Paramedic


Walt Masters
Firefighter/Paramedic

The vacancies created by these personnel changes provided a cascading effect of numerous promotional opportunities resulting in the following appointments: Mike Thiemann to Division Chief of External Affairs; Andy Hieken and Jim Moss to Captain; and Blake Chambers, Dave Kruse, and Jake Leseure to Lieutenant. Nine firefighter/paramedic positions were filled with hiring the following: Zach Jones, Nicholas Klemme, Brandon Myers, Michael Nies, Andrew Prinster, Jason Schenimann, AJ Siebert, Tim Sutter, and Michael Zluhan.


Mike Thiemann, Division Chief of External Affairs


Andy Hieken
Captain


Jim Moss
Captain


Blake Chambers
Lieutenant


Dave Kruse
Lieutenant


Jake Leseure
Lieutenant


Zach Jones
Firefighter/Paramedic


Nicholas Klemme
Firefighter/Paramedic


Brandon Myers
Firefighter/Paramedic


Michael Nies
Firefighter/Paramedic


Andrew Prinster
Firefighter/Paramedic


Jason Schenimann
Firefighter/Paramedic


AJ Siebert
Firefighter/Paramedic


Tim Sutter
Firefighter/Paramedic


Michael Zluhan
Firefighter/Paramedic

In 2018 the District completed the recertification review by the International Accreditation awarded by the Commission of Fire Accreditation International (CFAI). The recertification is good through December 2022. The District is only the second agency of 43 in St. Louis County to achieve this credentialing.

ECONOMIC FACTORS

The District serves over 125,000 residents and has contractual mutual aid agreements with virtually every fire district and fire department in the east central area of Missouri. While the District includes office buildings and regional and local shopping areas, it is primarily made up of growing bedroom communities and, therefore, is somewhat insulated from major changes in the economy. The District's revenues primarily come from property tax levies (real and personal properties) that are subject to market changes. Tax levies are restricted by state statutes and voter approved ceilings.

CONTACT INFORMATION

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

Chief G. Michael Krause III
Metro West Fire Protection District
17065 Manchester Road
Wildwood, MO 63040

METRO WEST FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Governmental Activities
ASSETS	
Cash and investments	$ 28,027,635
Receivables:	
Taxes, net of allowance for uncollectible amounts	10,318,644
Ambulance billings, net of allowance for uncollectible amounts	295,049
Prepaid insurance	21,238
Prepaid dispatch fees	224,787
Prepaid expenses	14,155
Capital assets:	
Land and construction in progress	1,832,384
Other capital assets, net of accumulated depreciation	16,451,116
Total Assets	57,185,008
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pension	7,445,331
Deferred amounts related to OPEB	158,099
Total Deferred Outflows of Resources	7,603,430
LIABILITIES	
Accounts payable	286,624
Accrued interest payable	32,548
Accrued wages and payroll taxes	619,441
Due to Fiduciary Fund - Pension Trust Fund	1,309,009
Noncurrent liabilities:	
Due within one year:	
Long-term debt	2,516,689
Due in more than one year:	
Long-term debt	1,452,296
Net pension liability	19,234,554
Total other post-employment benefits liability	7,528,530
Total Liabilities	32,979,691
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pension	3,762,406
NET POSITION	
Net investment in capital assets	14,706,556
Restricted for:	
Debt service	4,217,417
Dispatch	818,802
Unrestricted	8,303,566
Total Net Position	$ 28,046,341

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges For Services	Program Revenues: Capital Grants	Program Revenues: Operating Grants And Contributions	Net Revenues (Expenses) And Changes In Net Position
Governmental Activities					
Fire protection and prevention	$ 14,107,788	283,809	-	-	(13,823,979)
Ambulance and EMS services	7,120,260	1,398,527	-	-	(5,721,733)
Dispatch services	791,113	-	-	-	(791,113)
Interest and other charges on long-term debt	30,092	-	-	-	(30,092)
Total Governmental Activities	$ 22,049,253	1,682,336	-	-	(20,366,917)
General Revenues					
Taxes					22,629,184
Investment income					387,497
Miscellaneous					98,088
Gain on sale of assets					53,302
Total General Revenues					23,168,071
CHANGE IN NET POSITION					2,801,154
NET POSITION, JANUARY 1					25,245,187
NET POSITION, DECEMBER 31					$ 28,046,341

	General	Ambulance	Pension Revenue	Capital Projects	Debt Service	Dispatch	Total Governmental Funds
ASSETS							
Cash and investments	$ 19,520,383	4,225,761	-	1,517,753	2,763,738	-	28,027,635
Receivables:							
Taxes, net of allowance for uncollectible amounts	4,321,742	3,878,243	824,262	-	914,199	380,198	10,318,644
Ambulance billings, net of allowance for uncollectible amounts	-	295,049	-	-	-	-	295,049
Due from other funds	-	2,313,053	-	-	539,480	213,817	3,066,350
Prepaid expenses	17,696	17,697	-	-	-	-	35,393
Prepaid dispatch fee	-	-	-	-	-	224,787	224,787
Total Assets	$ 23,859,821	10,729,803	824,262	1,517,753	4,217,417	818,802	41,967,858
LIABILITIES							
Accounts payable	$ 52,106	17,079	-	217,439	-	-	286,624
Accrued wages and payroll taxes	337,889	281,552	-	-	-	-	619,441
Due to other funds	3,551,097	-	824,262	-	-	-	4,375,359
Total Liabilities	3,941,092	298,631	824,262	217,439	-	-	5,281,424
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue:							
Property taxes	952,639	915,622	-	-	234,826	102,130	2,205,217
Ambulance	-	129,198	-	-	-	-	129,198
Total Deferred Inflows Of Resources	952,639	1,044,820	-	-	234,826	102,130	2,334,415
FUND BALANCES							
Nonspendable:							
Prepaids	17,696	17,697	-	-	-	-	35,393
Restricted:							
Debt service	-	-	-	-	3,982,591	-	3,982,591
Dispatch	-	-	-	-	-	716,672	716,672
Capital projects	-	-	-	1,300,314	-	-	1,300,314
Committed for:							
Capital projects	-	1,000	-	-	-	-	1,000
Ambulance	-	9,367,655	-	-	-	-	9,367,655
Assigned for:							
Subsequent year tax levy	8,589,759	-	-	-	-	-	8,589,759
Projected use of reserves	378,400	-	-	-	-	-	378,400
Unassigned	9,980,235	-	-	-	-	-	9,980,235
Total Fund Balances	18,966,090	9,386,352	-	1,300,314	3,982,591	716,672	34,352,019
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	$ 23,859,821	10,729,803	824,262	1,517,753	4,217,417	818,802	41,967,858

See notes to financial statements

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2018

Total Fund Balances - Governmental Funds	$ 34,352,019
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 governmental funds. The cost of the assets is $32,010,384 and the accumulated depreciation is $13,726,884.	18,283,500
Other long-term assets (property taxes and ambulance billings receivable not collected within 60 days of year-end) are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	2,334,415
Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of:	
Net pension liability	(19,234,554)
Deferred outflows related to pensions	7,445,331
Deferred inflows related to pensions	(3,762,406)
Net other post-employment benefits obligation (OPEB) is not a use of financial resources and, therefore, is not reported in the governmental funds.	
Net OPEB liability	(7,528,530)
Deferred outflows related to OPEB	158,099
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Those liabilities at year-end consist of:	
Accrued interest payable	(32,548)
General obligation bonds	(3,520,000)
Unamortized bond premium	(56,944)
Accrued compensated absences	(392,041)
Total Net Position Of Governmental Activities	$ 28,046,341

See notes to financial statements

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2018

	General	Ambulance	Pension Revenue	Capital Projects	Debt Service	Dispatch	Total Governmental Funds
REVENUES							
Taxes	$ 9,829,943	8,228,984	1,757,789	-	2,082,851	814,039	22,713,606
Ambulance billings	-	1,361,353	-	-	-	-	1,361,353
Investment income	228,651	69,498	-	50,935	38,412	-	387,496
Building permits	283,809	-	-	-	-	-	283,809
Miscellaneous	91,945	6,143	-	-	-	-	98,088
Total Revenues	10,434,348	9,665,978	1,757,789	50,935	2,121,263	814,039	24,844,352
EXPENDITURES							
Current:							
Fire, ambulance, and EMS services:							
General operations	2,400,768	1,862,483	-	-	-	-	4,263,251
Fire prevention bureau	3,191	-	-	-	-	-	3,191
Fire investigation and public relations	35,872	-	-	-	-	-	35,872
Training	94,855	29,863	-	-	-	-	124,718
Salaries	6,756,656	4,778,184	-	-	-	-	11,534,840
Employer contributions to pension	55,000	-	1,757,789	-	-	-	1,812,789
Operating equipment	19,005	2,241	-	-	-	-	21,246
Dispatch services	-	-	-	-	-	791,112	791,112
Capital outlay	58	509	-	2,771,529	-	-	2,772,096
Debt service:							
Principal	-	-	-	-	2,465,000	-	2,465,000
Interest and fiscal charges	-	-	-	-	128,879	-	128,879
Total Expenditures	9,365,405	6,673,280	1,757,789	2,771,529	2,593,879	791,112	23,952,994
REVENUES OVER (UNDER) EXPENDITURES	1,068,943	2,992,698	-	(2,720,594)	(472,616)	22,927	891,358
OTHER FINANCING SOURCES							
Proceeds from sale of capital assets	1,764	-	-	59,376	-	-	61,140
NET CHANGES IN FUND BALANCES	1,070,707	2,992,698	-	(2,661,218)	(472,616)	22,927	952,498
FUND BALANCES, JANUARY 1	17,895,383	6,393,654	-	3,961,532	4,455,207	693,745	33,399,521
FUND BALANCES, DECEMBER 31	$ 18,966,090	9,386,352	-	1,300,314	3,982,591	716,672	34,352,019

See notes to financial statements

Net Change In Fund Balances - Governmental Funds		$ 952,498
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays $2,346,806 exceeded depreciation over the capitalization threshold ($1,428,980) in the current period.		917,826
The net effect of other transactions involving capital assets:		
Cost of disposals, net of accumulated depreciation		(971)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Decrease in deferred revenue (property taxes and ambulance billings receivable not collected within 60 days of year-end)		(55,571)
The issuance of long-term debt and accumulated accrued benefits 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, however, it has no effect on net position. This amount is the net effect of differences in the treatment of long-term debt:		
General obligation bond principal payments	2,465,000	
Amortization of premium	74,512	
Increase in accrued compensated absences	(47,713)	
Net Adjustment		2,491,799
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 the governmental funds:		
Decrease in accrued interest payable on bonds	24,274	
Increase in pension related items	(1,112,202)	
Increase in OPEB	(416,499)	
Net Adjustment		(1,504,427)
Change In Net Position Of Governmental Activities		$ 2,801,154

See notes to financial statements

STATEMENT OF FIDUCIARY NET POSITION - PENSION TRUST FUND

DECEMBER 31, 2018

ASSETS	
Cash	$ 667,924
Investments	48,755,121
Due from other funds	1,309,009
Total Assets	50,732,054
LIABILITIES	
Accounts payable	225
NET POSITION	
Restricted for pensions	$ 50,726,126

METRO WEST FIRE PROTECTION DISTRICT
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION - PENSION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

ADDITIONS	
Investment income (loss):	
Net depreciation in fair value of investments	$ (2,883,230)
Dividend and interest income	606,288
Net Investment Loss	(2,276,942)
Employer contributions - tax levy	1,757,789
Employer contributions - discretionary	45,000
Employee contributions	484,265
Total Additions	10,112
DEDUCTIONS	
Benefit payments	2,709,863
Administrative fees	242,792
Professional fees	23,485
Total Deductions	2,976,140
CHANGE IN NET POSITION	(2,966,028)
NET POSITION - RESTRICTED FOR PENSIONS, JANUARY 1	53,692,154
NET POSITION - RESTRICTED FOR PENSIONS, DECEMBER 31	$ 50,726,126

See notes to financial statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

METRO WEST FIRE PROTECTION DISTRICT (the District) is a political subdivision duly organized under the laws of the State of Missouri to supply protection to persons and property against injuries and damage from fire and to give assistance in the event of an accident or emergency of any kind. The financial statements include all accounts for the District which are controlled by the Board of Directors.

The accounting policies and financial reporting practices of the District conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the District's more significant accounting policies:

1. Reporting Entity

The financial statements of the District include the financial activities of the District and any component units, entities which are financially accountable to the District. The District does not currently have any component units.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 instead as general revenues.

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 the fund financial statements.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due (i.e., matured).

Property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Ambulance services are recorded at the time of service, net of allowances for uncollectible amounts. Inspection fees and other income are recorded as revenues when received in cash because they are generally not measurable until actually received. Interest income is recorded as earned since it is measurable and available.

The District reports the following major governmental funds:

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

Ambulance Fund -- This fund receives tax revenue and disburses funds in order to provide ambulance services and emergency medical treatment for the District.

Pension Revenue Fund -- This fund is used to account for the collection of tax revenue to fund the Pension Trust Fund.

Capital Projects Fund -- This fund is used to account for the proceeds of long-term debt and other revenues restricted for acquisition or construction of major capital assets.

Debt Service Fund -- This fund is used to account for the accumulation of resources for and the payment of principal, interest, and fiscal charges on long-term debt.

Dispatch Fund -- This fund receives tax revenue and disburses funds in order to participate with other fire protection districts in a centralized dispatching of calls for fire and ambulance services.

Additionally, the District reports the following fund type:

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fiduciary Fund Type

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 listed below:

Pension Trust Fund -- This fund is used to account for assets held in a trustee capacity for the District's eligible employees.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include charges and various other functions of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include primarily charges to customers or applicants for goods, services, or privileges provided. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes and investment income.

4. Allowance for Doubtful Accounts

Allowances for uncollectible receivable amounts by fund are as follows:

	December 31, 2018	
	Property Taxes	Ambulance Fees
General Fund	$ 50,139	-
Ambulance Fund	48,191	295,049
Pension Revenue Fund	12,827	-
Debt Service Fund	12,359	-
Dispatch Fund	5,375	-

5. Inventories

Expenditures for fuel and other operating supplies are charged to operations when purchased. Inventories on hand at December 31, 2018 are not material.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation is being computed on the straight-line method, using asset lives as follows:

Assets	Years
Buildings and improvements	15 - 50
Vehicles and equipment	5 - 25

7. Due To/From Other Funds

Interfund amounts receivable and payable are reported as "due to/from" accounts which are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and fiduciary activities are reported in the government-wide statements as "due to other funds".

8. Investments

Fixed income and equity investments are carried at fair value. Investments in guaranteed insurance contracts are carried at contract value as reported by the insurance company, if any.

State statutes authorize the District to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements. Pension Funds may also invest in mutual funds, common stock, and other types of investments.

9. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before December 31. All unpaid taxes are delinquent January 1 of the following year.

Property taxes levied for 2018 are recorded as receivables, 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 2018 and prior tax years to be remitted to the District subsequent to year-end. The portion of taxes not collected and remitted to the

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Property Taxes (Continued)

District within 60 days of year-end is recorded as deferred tax revenue. The allowance for uncollectible taxes is estimated based on past experience. Property taxes are assessed, billed, and collected by St. Louis County and remitted by the County to the District. The County's fee is 1.5% of the taxes collected. The following is a summary of the 2018 tax rates:

	2018 Tax Rates					
	General Fund	Ambulance Fund	Pension Revenue Fund	Debt Service Fund	Dispatch Fund	Total
Real property:						
Residential	0.458	0.416	0.087	0.100	0.040	1.101
Commercial	0.518	0.451	0.097	0.100	0.043	1.209
Agricultural	0.459	0.416	0.087	0.100	0.038	1.100
Personal property	0.561	0.470	0.106	0.100	0.048	1.285

Property tax rates for each of the above categories and for each fund type is levied per $100 of assessed valuation which totaled $1,987,433,473 for the District (real property $1,764,513,696 and personal property $222,919,777).

10. Compensated Absences

Vacation time unused at year-end expires, therefore, no liability exists at year-end.

Unused sick leave can be carried forward until 20 days are accumulated. The value of the days accumulated by employees is recorded as a liability in the government-wide financial statements. Employees may choose to be paid for any days unused and not accumulated at ½ of their value. This payment is usually made in January of the following year and is recorded as a liability in the fund financial statements.

11. Indirect Cost Allocation

Certain indirect costs are allocated 50% to the General Fund and 50% to the Ambulance Fund for the fiscal year ended December 31, 2018. These percentages are based on the number of personnel and District services performed.

12. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the District to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Actual results could differ from those amounts.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

14. 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently has deferred outflows of resources related to the pension and OPEB reported on the statement of net position.

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 District has deferred inflows of resources for unavailable revenues reported on the governmental funds balance sheet. The District also has deferred inflows of resources related to the pension reported on the government-wide statement of net position.

15. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's defined benefit pension plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Fund Balance Policies

The fund balance amounts are reported in the following applicable categories listed from the most restrictive to the least restrictive:

Nonspendable -- The portion of fund balance that is not in a spendable form or is required to be maintained intact.

Restricted -- The portion of fund balance that is subject to external restrictions and constrained to specific purposes imposed by agreement, through constitutional provisions, or by enabling legislation.

Committed -- The portion of fund balance with constraints or limitations by formal action (resolution) of the Board of Directors, the highest level of decision-making authority.

Assigned -- The portion of fund balance that the District intends to use for a specific purpose as determined by the applicable District officials to which the Board of Directors has designated authority.

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

When both restricted and unrestricted resources are available, the District will spend the most restricted amounts before the least restricted - committed, assigned, and then unassigned.

The fund balance of the District's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The target is to maintain an unassigned fund balance of not less than 40% of annual operating revenues for the fiscal year.

NOTE B - CASH AND INVESTMENTS

1. Bank 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 of certain securities specified at RSMo 30.270 with the District or trustee institution. The value of the securities must amount to the total of the District's cash not insured by the Federal Deposit Insurance Corporation.

As of December 31, 2018, the District's bank balances were entirely secured or collateralized with securities held by the District or its agent in the District's name.

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments

The following schedule provides a summary of the investment maturities by investment type, which helps demonstrate the current level of interest rate risk assumed by the District:

		Maturities				
Investments	Fair Value	No Maturity	Less Than One Year	1 - 5 Years	6 - 10 Years	More Than 10 Years
Primary Government						
Certificates of deposit	$11,247,997	-	11,247,997	-	-	-
Fiduciary Fund						
Equity:						
Common stock	12,842,639	12,842,639	-	-	-	-
Mutual funds	18,157,564	18,157,564	-	-	-	-
Fixed income:						
Corporate bonds	496,875	-	-	496,875	-	-
Foreign bonds	516,810	-	-	516,810	-	-
U.S. Treasury bonds	66,460	-	-	-	46,892	19,568
Taxable municipal bonds	2,133,662	-	1,394,974	738,688	-	-
Money market funds	1,823,411	1,823,411	-	-	-	-
Certificates of deposit	12,717,700	-	-	11,408,200	1,309,500	-
Total Fiduciary Fund Investments	48,755,121	32,823,614	1,394,974	13,160,573	1,356,392	19,568
Grand Total Investments	$60,003,118	32,823,614	12,642,971	13,160,573	1,356,392	19,568

The District's current level of exposure to credit risk, or the risk that an issuer or other counter-party to an investment will not fulfill its obligations, is demonstrated by the following table:

Credit Rating By Investment As Of December 31, 2018

Credit Rating Level	Equity Investments	Certificates Of Deposit	Fixed Income - Other	Government Securities	Money Market Funds
AAA	$ -	-	-	770,593	-
AA	-	-	-	1,328,271	-
A	-	-	1,013,685	101,258	-
Not rated	-	-	-	-	-
N/A	31,000,203	23,965,697	-	-	1,823,411
Total	$ 31,000,203	23,965,697	1,013,685	2,200,122	1,823,411

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

Investments Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

a) Prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the District will do business; and

b) Diversifying the portfolio so that potential losses on individual securities will be minimized.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District will minimize the risk that the fair value of securities in the portfolio will fall due to changes in general interest rates by:

a) Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and

b) Investing operating funds primarily in short-term securities.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District will minimize concentration of credit risk by:

a) Diversifying the portfolio so that potential losses on individual securities will be minimized.

Fair Value Measurements

The District classifies its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs using a matrix pricing technique; and Level 3 inputs are significant unobservable inputs. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The inputs and methodologies used for valuing investments securities are not necessarily an indication of risk associated with investing in those securities.

The District has the following recurring fair value level measurements as of December 31, 2018:

- Equity mutual funds and common stocks are valued using quoted market prices (Level 1 inputs)

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

- Corporate bonds, foreign bonds, U.S. Treasury bonds, and taxable municipal bonds are valued using other observable inputs (Level 2 inputs)

- Certificates of deposit are not subject to fair value level classification

- The District has no Level 3 inputs

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows:

	For The Year Ended December 31, 2018			
	Balance December 31 2017	Increases	Decreases	Balance December 31 2018
Capital assets not being depreciated:				
Land	$ 282,200	-	-	282,200
Construction in progress	2,554,019	1,985,185	2,989,020	1,550,184
Total Capital Assets Not Being Depreciated	2,836,219	1,985,185	2,989,020	1,832,384
Capital assets being depreciated:				
Buildings and improvements	13,602,480	2,323,445	-	15,925,925
Vehicles	7,800,368	936,106	3,137	8,733,337
Equipment	5,427,648	91,090	-	5,518,738
Total Capital Assets Being Depreciated	26,830,496	3,350,641	3,137	30,178,000
Less - Accumulated depreciation for:				
Buildings and improvements	6,365,032	496,411	-	6,861,443
Vehicles	1,816,673	508,305	2,166	2,322,812
Equipment	4,118,365	424,264	-	4,542,629
Total Accumulated Depreciation	12,300,070	1,428,980	2,166	13,726,884
Total Capital Assets Being Depreciated, Net	14,530,426	1,921,661	971	16,451,116
Total Capital Assets, Net	$ 17,366,645	3,906,846	2,989,991	18,283,500

NOTE C - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

	For The Year Ended December 31 2018
Fire protection and prevention	$ 1,278,376
Ambulance and EMS services	150,604
Total	$ 1,428,980

NOTE D - CONTRACTUAL AGREEMENTS

The District has a contractual agreement with Central County Alarm System for dispatching services. The agreement calls for the District to remit tax revenues received, currently a blended rate of 4¢ per $100 valuation. The District is in compliance with the terms of this agreement. This agreement can be terminated January 1 of next year upon notice on or before the first day of October to be effective on January 1 of next year.

The District has a contractual agreement with EMS Management and Consultants for ambulance billing, billing processing, and fee collection services. The District pays EMS Management and Consultants on a monthly basis an amount equal to 5% of "Net Collections". The agreement is effective through June 30, 2019, unless either party gives written notice of intent not to renew at least 30 days before the expiration of any term.

The District has agreed to certain employment terms with Local 2665 of the International Association of Fire Fighters with regards to a Memorandum of Understanding between the firefighters and the District. The District approved an ordinance containing a Memorandum of Understanding with Local 2665 through December 31, 2019.

In October 2018, the District entered into an agreement to purchase two ambulances for $476,676. The District expects to receive the new ambulances in 2019.

During 2018 the District entered into a contract to renovate Station 5 for $1,688,750. As of December 31, 2018, $1,102,161 of the work was completed. The District is committed to finish the project at a cost of $586,589.

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

NOTE E - SELF-INSURANCE PLAN

The District has a self-insured vision plan. This plan covers substantially all full-time employees of the District and any employees who also have family coverage. The plan had 131 participants for the year ended December 31, 2018.

The vision plan is fully self-insured and carries a limit on claims per year of $200 per person with a family cap of $800. Claims are recognized as expenditures in the financial statements when paid. Actual vision claims paid during the year were $21,147. There has not been a liability established for claims incurred but not paid as of December 31, 2018. The estimated amounts of those claims were not considered significant to the financial statements.

In addition, the District has a partially self-insured medical and dental plan. The District pays the $1,500 deductible per person per year on its employees and their family for the medical in addition to co-payment and co-insurance, and the District pays up to $500 premium per person per year for its retirees with no reimbursement for benefits. The District pays a maximum of $1,500 per person per year for the dental. There has not been a liability established for claims incurred but not paid as of December 31, 2018. The estimated amounts of those claims were not considered significant to the financial statements.

The medical and dental plans had 291 and 209 participants, respectively, for the year ended December 31, 2018. Actual medical and dental claims for the year were $261,091 and $103,660, respectively.

NOTE F - COMPENSATED ABSENCES

The District grants sick leave to all employees. A maximum of 120 hours of sick leave may be accumulated by each employee. In addition, each member of the 24 hour staff may accumulate up to 480 hours of sick leave to hold as a reserve in the event of a prolonged illness or injury. The District allows for the employee to be paid for one-half of any unused sick leave days after each calendar year. This pay is distributed to each eligible employee on the second pay period of the following year.

NOTE G - LONG-TERM DEBT

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

NOTE G - LONG-TERM DEBT (Continued)

	For The Year Ended December 31, 2018				Amounts
	Balance December 31 2017	Additions	Reductions	Balance December 31 2018	Due Within One Year
General obligation bonds:					
Series 2009 bonds	$ 385,000	-	190,000	195,000	195,000
Series 2013 bonds	1,400,000	-	850,000	550,000	550,000
Series 2016 bonds	4,200,000	-	1,425,000	2,775,000	1,475,000
Total General Obligation Bonds	5,985,000	-	2,465,000	3,520,000	2,220,000
Plus - Premium on bonds	131,456	-	74,512	56,944	-
Accrued compensated absences	344,328	296,532	248,819	392,041	296,689
Total Long-term Debt	$ 6,460,784	296,532	2,788,331	3,968,985	2,516,689

General obligation bonds consisted of the following:

	December 31 2018
$5,045,000 general obligation bonds, Series 2009 bonds, dated July 28, 2009, due in annual installments each March through March 2019, interest at 2% to 3.15%.	$ 195,000
$7,400,000 general obligation bonds, Series 2013 bonds, dated May 21, 2013, due in annual installments each March through March 2019, interest at 1% to 1.5%.	550,000
$6,000,000 general obligation bonds, Series 2016 bonds, dated December 28, 2016, due in annual installments each March through March 2020, interest at 2% to 3%.	2,775,000
Total General Obligation Bonds	$ 3,520,000

A summary of principal debt service requirements is as follows:

For The Years Ending December 31	Principal	Interest	Total
2019	$ 2,220,000	68,321	2,288,321
2020	1,300,000	19,500	1,319,500
Total	$ 3,520,000	87,821	3,607,821

The bonds are liquidated by the Debt Service Fund. Compensated absences are generally liquidated by the General and Ambulance Funds based on the employees classification.

NOTE G - LONG-TERM DEBT (Continued)

On April 3, 2012, the voters approved a $19.4 million no-tax increase bond issue. As of December 31, 2018, $13.4 million bonds were issued.

NOTE H - EMPLOYEE RETIREMENT BENEFIT PLAN

General Information and Provisions about the Plan

Plan Description and Provisions

The District maintains a single-employer, defined benefit pension plan (the Plan). Plan assets are administered by Wells Fargo in growth funds, strategic/international accounts, common stocks, and fixed income securities (bonds and certificates of deposit). All eligible full-time District employees are covered by the Plan. Effective January 2, 2017 employees are required to contribute 5.5% to the Plan.

For an employee included within the Plan, the monthly accrued benefit as of any date of determination is equal to 2.5% of a participant's average monthly earnings multiplied by the number of years of credited service (full year from hire date), but not exceeding 34 years. (Accrued benefits as of December 31, 2006 were frozen at a 3% rate.)

Additionally, employees are covered for permanent disability or occupational death protection while a member of the Plan. The benefit would be calculated as if the employee was vested at the time of disability; and the length of service would be projected to normal retirement date with the benefit being adjusted in accordance with the date of hire of the individual as a full-time employee of the District. The benefit would progress from 20% of the calculated percent for service from hire date to two full years with 100% benefit after five full years of service. Every employee included within the Plan who has accrued five years of credited service shall be fully vested.

Employees are eligible for retirement upon attaining the age of 55 with ten years of credited service.

The District is required to contribute annually an actuarially determined amount. The District's total payroll and the payroll for employees covered by the Plan for the year ended December 31, 2018 were $11,558,609 and $8,990,614, respectively. Current membership in the Plan is comprised of the following:

	December 31 2018
Retirees and beneficiaries	67
Vested terminated	11
Active employees:	
Fully vested	73
Not vested	26
Total	177

NOTE H - EMPLOYEE RETIREMENT BENEFIT PLAN (Continued)

Contributions

The District is required to contribute amounts at least equal to the actuarially determined rate. The actuarially determined rate is the estimated amount necessary to finance the cost of the benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees are required to contribute to the pension plan. The District's contribution rate is 20.05% of annual covered payroll.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018.

Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increase	3.0
Investment rate of return	7.0

Mortality rates were based on the RP-2014 Blue Collar Employee and Healthy Annuitant base mortality rates adjusted back to 2006 with generational projections using projection scale MP-2018. 100% of pre-retirement deaths are assumed to be duty related.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of January 1, 2019. The mortality assumptions were changed from MP-2017 Blue Collar generational tables to MP-2018 Blue Collar generational tables decreasing the Plan's liability by approximately $159,000.

The long-term expected rate of return on pension plan investments was determined using a building block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the Plan's target allocation as of December 31, 2018, are summarized in the following table:

NOTE H - EMPLOYEE RETIREMENT BENEFIT PLAN (Continued)

Asset Class	Target Asset Allocation	Long-term Expected Rate Of Return
Domestic equity	54.9 %	8.0 %
International equity	3.7	8.7
Fixed income	8.8	3.6
Real estate	1.6	7.5
Multi-class	26.4	5.9
Cash alternatives and Other	4.6	2.5
Total	100.0 %	

The above long-term expected rate of return represents best estimates of geometric rates of return for each major asset class included.

Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payment to determine the net pension liability.

The annual market rate of return (loss) calculated on the Plan's investments, net of the Plan's investment expenses for the year ended December 31, 2018, was (4.45)%.

NOTE H - EMPLOYEE RETIREMENT BENEFIT PLAN (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a)-(b)**
Balances at December 31, 2017	$ 67,368,743	53,692,154	13,676,589
Changes for the year			
Service cost	1,150,226	-	1,150,226
Interest	4,695,780	-	4,695,780
Difference between expected and actual experience	(385,469)	-	(385,469)
Contributions - employer	-	1,802,789	(1,802,789)
Contributions - employees	-	484,265	(484,265)
Net investment income	-	(2,519,734)	2,519,734
Benefit payments, including refunds	(2,709,863)	(2,709,863)	-
Professional fees	-	(23,485)	23,485
Change in mortality assumptions	(158,737)	-	(158,737)
Net Changes	2,591,937	(2,966,028)	5,557,965
Balances at December 31, 2018	$ 69,960,680	50,726,126	19,234,554

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

The following presents the net pension liability of the District, calculated using the discount rate determined above, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1% lower (6%) or 1% higher (8%) than the current rate:

	1% Decrease	**Current Rate**	**1% Increase**
Net pension liability	$ 28,204,356	19,234,554	11,714,041

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended December 31, 2018, the District recognized pension expense of $2,914,991. At December 31, 2018, the District reported deferred outflows of resources related to pensions from the following sources:

NOTE H - EMPLOYEE RETIREMENT BENEFIT PLAN (Continued)

	Outflows	Inflows	Net Outflows (Inflows)
Differences between expected and actual experience	$ 406,289	433,041	(26,752)
Change in assumptions	1,072,423	631,625	440,798
Net difference between projected and actual earnings on pension plan investments	5,966,619	2,697,740	3,268,879
Total	$ 7,445,331	3,762,406	3,682,925

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

For The Years Ending December 31	
2019	$ 1,396,919
2020	666,336
2021	603,071
2022	1,233,412
2023	(145,827)
Thereafter	(70,986)
Total	$ 3,682,925

NOTE I - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The District's defined benefit OPEB plan, Metro West Fire Protection District of St. Louis County Postretirement Health Insurance (MWFPDPHI), provides OPEB for all permanent full-time employees and their spouses of the District. MWFPDPHI is a single-employer defined benefit OPEB plan administered by the District. No assets are accumulated in a trust for the Plan. The Plan does not issue a stand-alone report. The OPEB liability is generally liquidated by the General and Ambulance Funds.

Benefits provided

MWFPDPHI provides medical, prescription, and death benefits to eligible retirees and their spouses until they become Medicare eligible. Eligible employees are those who retire under the Metro West Fire Protection District of St. Louis County Salaried Pension Plan. The benefit terms provide for payment of up to $500 per month

NOTE I - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

of the group premium for retiree coverage, irrespective of their coverage tier. The retiree must contribute the balance of the group premium to maintain coverage.

Employees Covered by Benefit Terms

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	-
Active employees	102
Total	124

Total OPEB Liability

The District's total OPEB liability was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3% including inflation
Discount rate	3.68%
Healthcare cost trends rates	Trend starting at 8% and gradually decreasing to an ultimate trend rate of 4.5%

The discount rate was based on S&P Municipal Bond 20-Year High Grade & Fidelity GO AA-20 Years indexes as of the measurement date. The municipal bond rate is 3.68%. The discount rate was 3.24% as of the prior measurement date.

Mortality rates were based on the RPH-2014 Adjusted to 2006 Blue Collar Headcount-weighted Mortality with Scale MP-2018 Full Generational Improvement.

The Plan has not had a formal actuarial experience study performed.

NOTE I - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2017	$ 6,953,932
Changes for the year:	
Service cost	358,373
Interest	233,816
Changes in assumptions of other inputs	173,909
Benefit payments	(191,500)
Net Changes	574,598
Balance at December 31, 2018	$ 7,528,530

Changes of assumptions and other inputs reflect a change in the discount rate from 3.24% in 2017 to 3.68% in 2018.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, calculated using the discount rate of 3.68% as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.68%) or 1% higher (4.68%) than the current discount rate:

	1% Decrease	Current Rate	1% Increase
Total OPEB liability	$ 6,945,688	7,528,530	8,160,324

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, calculated using the healthcare cost trend rates of 8% decreasing to 4.5% as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7% decreasing to 3.5%) or 1% higher (9% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease	Current Rate	1% Increase
Total OPEB liability	$ 6,897,280	7,528,530	8,265,579

NOTE I - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the District recognized OPEB expense of $416,499. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Outflows	Inflows	Net Outflows
Change in assumptions or other inputs	$ 158,099	-	158,099

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

For The Years Ending December 31	
2019	$ 15,810
2020	15,810
2021	15,810
2022	15,810
2023	15,810
Thereafter	79,049
Total	$ 158,099

NOTE J - DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. In accordance with the provisions of GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the assets and liabilities of the deferred compensation plan are not included in the District's basic financial statements.

The District offers its Board Members (elected directors) a deferred compensation plan created during 2016 in accordance with Internal Revenue Code Section 457. The Directors' Retirement Plan (the Plan) is available to all District elected directors. The retirement benefit is not available to the elected directors until completion of elected term, death, or unforeseeable emergency. The District contributed $10,000 for the year ended Decem-

NOTE J - DEFERRED COMPENSATION PLAN (Continued)

ber 31, 2018. In accordance with the provisions of GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the assets and liabilities of the deferred compensation plan are not included in the District's basic financial statements.

NOTE K - DIRECTORS' FEES

Directors' fees consist of the following:

	For The Year Ended December 31 2018
Tim Flora, Chairman	$ 9,458
Ralph Starck, Treasurer	8,000
Mark Macinski, Secretary	8,258
Total Directors' Fees	$ 25,716

NOTE L - 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 maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE M - INSURANCE COVERAGE

The following insurance policies of the District with CJ Thomas Company (the Agent) were in force:

Company	Type Of Coverage	December 31, 2018
American Alternative	Auto liability and physical damage	$1,000,000
CM105004804	Uninsured motorist	$1,000,000
	Underinsured motorist	$1,000,000
	Medical payments	$10,000
	Comprehensive	$500 deductible
	Collision	$500 deductible
American Alternative	Umbrella	$5,000,000
CU505003501		$10,000,000 aggregate

NOTE M - INSURANCE COVERAGE (Continued)

Company	Type Of Coverage	December 31, 2018
American Alternative	Package policy:	
TR205008	Building and contents	Guaranteed replacement cost
	General liability	$3,000,000/$3,000,000
	Personal and advertising injury	$1,000,000/$1,000,000
	Fire damage	$1,000,000/fire
	Medical expense	$5,000/person
American Alternative	Employee blanket	$50,000
TR2050081	Excess board members	$500,000
American Alternative	Management liability:	
VF1STR2050081	Coverage A and B (wrongful act/ injunctive relief)	Coverage A - $1,000,000 Coverage B - $50,000
	Aggregate limit	$3,000,000
Federal Insurance Company (Chubb) 81036663	Fiduciary liability	$1,000,000
MO Employers 218391	Workers' compensation	$1,000,000/$1,000,000/$1,000,000
National Union Fire	Rescue volunteer staff only	
VFP21260133C08	Accident and sickness:	
	Accidental death and specific disease:	
	Principal sum	$75,000
	Blanket medical expense maximum benefit	$5,000
	Educational benefits (annual maximum)	$20,000
Old Republic RBS0512484	Third party liability	$25,000
Old Republic	Public official bond:	
RP0541618	Flora	$5,000
RP0541618	Macinski	$5,000
RP0541618	Starck	$5,000
Travelers	Public official bond:	
1059921772	Flora	$5,000
105917860	Macinski	$5,000
Travelers Surety	Notary bond (Beirne)	$10,000
105913007	Errors and omission	$20,000
Travelers Surety	Notary bond (Boydston)	$10,000
14543181N	Errors and omission	$25,000

NOTE N - INTERFUND ASSETS/LIABILITIES

Individual interfund assets and liabilities balances are as follows:

Due to/from other funds:

The outstanding balances between funds result mainly from the time lag between the dates that interfund transactions occur and payments between funds are made. These balances are expected to be repaid during the fiscal year ending December 31, 2019.

Receivable Fund	Payable Fund	December 31 2018
Ambulance Fund	General Fund	$ 2,313,053
Debt Service	General Fund	539,480
Dispatch	General Fund	213,817
Pension Trust	General Fund	484,747
Pension Trust	Pension Revenue Fund	824,262
Total		$ 4,375,359

NOTE O - SUBSEQUENT EVENTS

Effective January 1, 2019 the District increased the amount of retirees' health insurance premium benefit from $500 to $600. Management has evaluated subsequent events through May 28, 2019, the date which the financial statements were available for issue.

NOTE P - PRIOR PERIOD ADJUSTMENT

Net position was restated as of December 31, 2017 due to implementation of GASB 75.

	Governmental Activities
Net position, December 31, 2017, as previously reported	$ 29,314,491
Restatement for GASB 75 implementation - net OPEB obligation	(4,069,304)
Net Position, December 31, 2017, As Restated	$ 25,245,187

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REQUIRED SUPPLEMENTAL INFORMATION SECTION

METRO WEST FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	$ 9,414,300	9,464,000	9,953,068	489,068
Investment income	64,000	75,600	228,651	153,051
Building permits	260,000	258,100	283,809	25,709
Miscellaneous	85,000	75,000	91,945	16,945
Total Revenues	9,823,300	9,872,700	10,557,473	684,773
EXPENDITURES				
General operations:				
Vehicle repairs and tires	161,500	235,500	235,458	(42)
Station maintenance supplies	52,500	40,700	40,223	(477)
Office supplies and contracts	27,700	37,800	35,310	(2,490)
Building up-keep	55,300	67,300	67,387	87
Repairs and maintenance	14,000	17,700	16,303	(1,397)
Utilities	221,700	230,200	231,787	1,587
Insurance	1,644,700	1,583,500	1,583,455	(45)
Miscellaneous employee expense	96,300	110,100	112,390	2,290
Professional services and contracts	110,600	104,000	102,111	(1,889)
Associations, dues, and subscriptions	10,200	11,100	10,395	(705)
Miscellaneous conferences and business trips	8,400	1,300	1,215	(85)
Miscellaneous disbursements	47,100	59,000	58,425	(575)
Total General Operations	2,450,000	2,498,200	2,494,459	(3,741)
Fire prevention bureau:				
Miscellaneous texts and fire codes	4,600	4,600	3,191	(1,409)
Fire investigation and public relations:				
Miscellaneous equipment and tools	200	400	435	35
Public relations	32,700	38,300	36,026	(2,274)
Total Fire Investigation And Public Relations	32,900	38,700	36,461	(2,239)
Training:				
Supplies	2,800	2,300	2,022	(278)
Training schools	72,500	92,800	92,377	(423)
Total Training	75,300	95,100	94,399	(701)
Salaries	6,636,100	6,784,100	6,780,425	(3,675)

(Continued)

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES (Continued)				
Employer contributions to pension	55,000	55,000	55,000	-
Operating equipment:				
Communications equipment	4,700	2,900	7,367	4,467
Miscellaneous fire equipment	2,900	3,800	3,560	(240)
Rescue and air equipment	5,000	5,000	4,538	(462)
Building in-out	700	800	722	(78)
Maintenance and shop equipment	4,200	2,600	2,664	64
Total Operating Equipment	17,500	15,100	18,851	3,751
Total Expenditures	9,271,400	9,490,800	9,482,786	(8,014)
EXCESS REVENUES	551,900	381,900	1,074,687	692,787
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	20,000	20,000	1,764	(18,236)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	571,900	401,900	1,076,451	674,551
ADJUSTMENTS TO RECONCILE TO GAAP BASIS				
Revenue accrual adjustments	(123,112)	(123,112)	(123,112)	
Expenditure accrual adjustments	117,368	117,368	117,368	
Total Adjustments To Reconcile To GAAP Basis	(5,744)	(5,744)	(5,744)	
NET CHANGE IN FUND BALANCE - GAAP BASIS	566,156	396,156	1,070,707	
FUND BALANCE, JANUARY 1	17,895,383	17,895,383	17,895,383	
FUND BALANCE, DECEMBER 31	$ 18,461,539	18,291,539	18,966,090	

REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - AMBULANCE FUND - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	$ 4,858,200	4,858,200	4,269,715	(588,485)
Ambulance billing	1,390,000	1,391,200	1,398,527	7,327
Investment income	25,900	49,000	69,498	20,498
Miscellaneous	400	400	6,143	5,743
Total Revenues	6,274,500	6,298,800	5,743,883	(554,917)
EXPENDITURES				
General operations:				
Repairs and maintenance	106,100	122,400	119,217	(3,183)
Insurance	1,644,700	1,574,800	1,574,077	(723)
Miscellaneous employee expenses	76,000	80,000	77,776	(2,224)
Professional services and contracts	191,200	168,100	165,392	(2,708)
Associations, dues, and subscriptions	2,200	11,000	9,109	(1,891)
Total General Operations	2,020,200	1,956,300	1,945,571	(10,729)
Training	48,000	31,100	29,863	(1,237)
Salaries	4,777,200	4,778,200	4,778,184	(16)
Operating equipment:				
New equipment	1,000	2,500	2,241	(259)
Capital outlay	-	500	495	(5)
Total Expenditures	6,846,400	6,768,600	6,756,354	(12,246)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	(571,900)	(469,800)	(1,012,471)	(542,671)
ADJUSTMENTS TO RECONCILE TO GAAP BASIS				
Revenue accrual adjustments	3,983,931	3,983,931	3,983,931	
Expenditure accrual adjustments	21,238	21,238	21,238	
Total Adjustments To Reconcile To GAAP Basis	4,005,169	4,005,169	4,005,169	
NET CHANGE IN FUND BALANCE - GAAP BASIS	3,433,269	3,535,369	2,992,698	
FUND BALANCE, JANUARY 1	6,393,654	6,393,654	6,393,654	
FUND BALANCE, DECEMBER 31	$ 9,826,923	9,929,023	9,386,352	

METRO WEST FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - DISPATCH FUND - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	$ 791,300	791,300	816,495	25,195
EXPENDITURES				
Dispatch services	791,300	791,300	791,112	(188)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	-	-	25,383	25,383
ADJUSTMENTS TO RECONCILE TO GAAP BASIS				
Revenue accrual adjustment	(2,456)	(2,456)	(2,456)	
NET CHANGE IN FUND BALANCE - GAAP BASIS	(2,456)	(2,456)	22,927	
FUND BALANCE, JANUARY 1	693,745	693,745	693,745	
FUND BALANCE, DECEMBER 31	$ 691,289	691,289	716,672	

Budgets and Budgetary Accounting

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

a. Formal budgetary integration is employed as a management control device during the year for the General, Ambulance, Dispatch, Capital Projects, Debt Service, and Pension Trust Funds. These budgets are adopted on the cash basis of accounting.
b. 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.
c. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.
d. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year by the Board of Directors.
e. The District's budgetary process is based upon accounting for certain transactions on a basis other than GAAP. To provide a meaningful comparison of actual results with the budget, the actual results of operations are presented in accordance with the budget basis of accounting. The differences between the budget and GAAP basis of accounting are that revenues are recorded when received in cash (budget) as opposed to when they are measurable and available (GAAP) and expenditures are recorded when paid (budget) as opposed to when the obligation is incurred (GAAP). In addition, tax revenue for budget purposes is reflected based on the prior year levy which is utilized to fund expenditures of the subsequent year and dispatch services expenditures are based on prior year's tax levy collected.

	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	$ 1,150,226	1,150,291	1,179,204	1,107,202	1,075,141
Interest	4,695,780	4,513,519	4,320,158	3,902,715	3,685,642
Changes of assumptions	(158,737)	(259,126)	(528,261)	2,352,931	-
Difference between expected and actual experience	(385,469)	(146,269)	156,838	687,760	304,794
Benefit payments, including refunds	(2,709,863)	(2,436,439)	(2,237,018)	(2,081,274)	(1,846,148)
Net Change In Total Pension Liability	2,591,937	2,821,976	2,890,921	5,969,334	3,219,429
Total Pension Liability Beginning	67,368,743	64,546,767	61,655,846	55,686,512	52,467,083
Total Pension Liability Ending (a)	$ 69,960,680	67,368,743	64,546,767	61,655,846	55,686,512
Plan Fiduciary Net Position					
Contributions - employer	$ 1,802,789	1,734,517	1,929,334	1,924,306	1,917,526
Contributions - employees	484,265	471,309	259,487	257,394	251,371
Net investment income (loss)	(2,519,734)	7,719,929	2,730,428	(577,953)	2,036,752
Benefit payments, including refunds	(2,709,863)	(2,436,439)	(2,237,018)	(2,081,274)	(1,846,148)
Professional fees	(23,485)	(27,101)	(19,105)	(21,374)	(20,416)
Net Change In Plan Fiduciary Net Position	(2,966,028)	7,462,215	2,663,126	(498,901)	2,339,085
Plan Fiduciary Net Position Beginning	53,692,154	46,229,939	43,566,813	44,065,714	41,726,629
Plan Fiduciary Net Position Ending (b)	$ 50,726,126	53,692,154	46,229,939	43,566,813	44,065,714
Net Pension Liability Ending (a)-(b)	$ 19,234,554	13,676,589	18,316,828	18,089,033	11,620,798
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.51 %	79.70	71.62	70.66	79.13
Covered Payroll	$ 8,990,614	8,852,190	8,774,356	8,635,223	8,441,913
Net Pension Liability as a Percentage of Covered Payroll	213.94 %	154.50	208.75	209.48	137.66

Note: Information is not available for fiscal years prior to 2014.

	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined pension contribution	$ 1,620,491	1,629,457	1,818,243	1,547,010	1,469,618	1,661,516	1,708,166	1,599,225	2,048,171
Contributions in relation to the actuarially determined pension contribution	1,802,789	1,734,517	1,929,334	1,924,306	1,917,526	1,901,150	1,891,013	1,870,097	1,869,596
Contribution Deficiency (Excess)	$ (182,298)	(105,060)	(111,091)	(377,296)	(447,908)	(239,634)	(182,847)	(270,872)	178,575
Covered Payroll	$ 8,990,614	8,852,190	8,774,356	8,635,223	8,441,913	8,529,702	8,400,357	8,375,787	8,241,152
Contributions as a Percentage of Covered Payroll	20.05 %	19.59	21.99	22.28	22.71	22.29	22.51	22.33	22.69

Notes to schedule:

Valuation date:
Actuarially determined contribution rates are calculated as of January 1, 2018 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Layered
Remaining amortization period	GASB 68 recognition periods
Asset valuation method	Market value
Inflation	2.5%
Salary increases	3%
Investment rate of return	7%, net of pension plan investment expenses including inflation
Retirement age	Age 55 and the completion of 5 years of participation and 10 years of credited service
Mortality	MP-2018 Blue Collar generational table

Other information:
There were no benefit changes during the year.
Mortality assumptions were changed in 2018 from MP-2017 Blue Collar generational tables to MP-2018 Blue Collar generational tables resulting in a decrease in plan liability of approximately $159,000.
Information not available prior to December 31, 2010.

REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE YEARS ENDED DECEMBER 31

	2018
Total OPEB Liability	
Service cost	$ 358,373
Interest	233,816
Changes of assumptions	173,909
Benefit payments, including refunds	(191,500)
Net Change In Total OPEB Liability	574,598
Total OPEB Liability Beginning	6,953,932
Total OPEB Liability Ending	$ 7,528,530
Covered Payroll	$ 9,448,313
Total OPEB Liability as a Percentage of Covered Payroll	79.68 %

Notes:

Information is not available for fiscal years prior to 2018. There are no assets accumulated in a trust to pay related benefits for this plan.

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2018	3.68%
2017	3.24

	2018
Actuarially determined OPEB contribution	$ 191,500
Contributions in relation to the actuarially determined OPEB contribution	191,500
Contribution Deficiency	$ -
Covered Payroll	$ 9,448,313
Contributions as a Percentage of Covered Payroll	2.03 %

Notes to schedule:

Valuation date:
Actuarially determined contribution rates are calculated as of January 1, 2018 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level Percent of Pay
Remaining amortization period	GASB 75 recognition periods
Inflation	2.5%
Salary increases	3%
Healthcare cost trend rates	8% initial, decreasing 0.5% per year to an ultimate rate of 4.5%
Retirement age	Age 55 and the completion of 10 years of service
Mortality	RPH-2014 Adjusted to 2006 Blue Collar Headcount-weighted Mortality Table with Scale MP-2018 Full Generational Improvement

Other information:
Information not available prior to December 31, 2018.

OTHER SUPPLEMENTAL INFORMATION SECTION

CAPITAL PROJECTS FUND

Capital Projects Fund -- This fund is used to account for the proceeds of long-term debt and other revenues restricted for acquisition or construction of major capital assets.

DEBT SERVICE FUND

Debt Service Fund -- This fund is used to account for the accumulation of resources for and the payment of principal, interest, and fiscal charges on long-term debt.

FIDUCIARY FUND

Pension Trust Fund -- This fund is used to account for assets held in a trustee capacity for the District's eligible employees.

METRO WEST FIRE PROTECTION DISTRICT
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Grant income	$ 1,200	1,200	-	(1,200)
Investment income	27,500	38,900	50,935	12,035
Total Revenues	28,700	40,100	50,935	10,835
EXPENDITURES				
Capital outlay	3,658,000	3,024,600	3,024,590	(10)
REVENUES UNDER EXPENDITURES	(3,629,300)	(2,984,500)	(2,973,655)	10,845
OTHER FINANCING SOURCES				
Sale of assets	10,000	25,000	59,376	34,376
NET CHANGE IN FUND BALANCE - BUDGET BASIS	(3,619,300)	(2,959,500)	(2,914,279)	45,221
ADJUSTMENTS TO RECONCILE TO GAAP BASIS				
Expenditure accrual adjustments	253,061	253,061	253,061	
NET CHANGE IN FUND BALANCE - GAAP BASIS	(3,366,239)	(2,706,439)	(2,661,218)	
FUND BALANCE, JANUARY 1	3,961,532	3,961,532	3,961,532	
FUND BALANCE, DECEMBER 31	$ 595,293	1,255,093	1,300,314	

METRO WEST FIRE PROTECTION DISTRICT

OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND - BUDGETARY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	$ 2,758,500	2,758,500	3,088,367	329,867
Investment income	7,000	21,000	38,412	17,412
Total Revenues	2,765,500	2,779,500	3,126,779	347,279
EXPENDITURES				
Debt service:				
Principal	2,465,000	2,465,000	2,465,000	-
Interest and fiscal charges	129,500	129,500	128,879	(621)
Total Expenditures	2,594,500	2,594,500	2,593,879	(621)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	171,000	185,000	532,900	347,900
ADJUSTMENTS TO RECONCILE TO GAAP BASIS				
Revenue accrual adjustments	(1,005,516)	(1,005,516)	(1,005,516)	
NET CHANGE IN FUND BALANCE - GAAP BASIS	(834,516)	(820,516)	(472,616)	
FUND BALANCE, JANUARY 1	4,455,207	4,455,207	4,455,207	
FUND BALANCE, DECEMBER 31	$ 3,620,691	3,634,691	3,982,591	

METRO WEST FIRE PROTECTION DISTRICT
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION - BUDGET AND ACTUAL - PENSION TRUST FUND - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
ADDITIONS				
Investment income:				
Dividend and interest income	$ 4,000	7,200	606,288	599,088
Net appreciation (depreciation) in fair value of investments	2,500,000	500,000	(2,883,230)	(3,383,230)
Net Investment Income	2,504,000	507,200	(2,276,942)	(2,784,142)
Employer contributions	1,776,700	1,776,700	1,884,270	107,570
Employee contributions	506,800	506,800	484,265	(22,535)
Total Additions	4,787,500	2,790,700	91,593	(2,699,107)
DEDUCTIONS				
Benefit payments	2,520,000	2,709,900	2,709,863	(37)
Administrative fees	185,000	242,600	242,792	192
Actuarial and consulting fees	27,200	24,000	23,553	(447)
Total Deductions	2,732,200	2,976,500	2,976,208	(292)
NET CHANGE IN PLAN ASSETS - BUDGET BASIS	2,055,300	(185,800)	(2,884,615)	(2,698,815)
ADJUSTMENTS TO RECONCILE TO GAAP BASIS				
Revenue accrual adjustments	(81,481)	(81,481)	(81,481)	
Expense accrual adjustments	68	68	68	
Total Adjustments To Reconcile To GAAP Basis	(81,413)	(81,413)	(81,413)	
NET CHANGE IN NET POSITION - GAAP BASIS	1,973,887	(267,213)	(2,966,028)	
NET POSITION - RESTRICTED FOR PENSIONS, JANUARY 1	53,692,154	53,692,154	53,692,154	
NET POSITION - RESTRICTED FOR PENSIONS, DECEMBER 31	$ 55,666,041	53,424,941	50,726,126	

Disclosure Report Pursuant to SEC Rule 15c2-12

Name of Issuer/Obligation Person: Metro West Fire Protection District, St. Louis County, Missouri (the District)

Fiscal Year Ended: December 31, 2018

Issue and CUSIP Numbers to which this Disclosure Report relates:

General Obligation Bonds Series 2009	General Obligation Bonds Series 2013	General Obligation Bonds Series 2016
59165B AW2	59165B BF8	59165B BM3
59165B AX0	59165B BG6	59165B BN1
59165B AY8	59165B BH4	59165B BP6
59165B AZ5	59165B BJ0	59165B BQ4
59165B BA9	59165B BK7	
59165B BB7	59165B BL5	
59165B BC5		
59165B BD3		
59165B BE1		

OPERATING DATA

Included herein is the operating data for the District for the fiscal year ended December 31, 2018, which is required to be filed pursuant to the District's continuing disclosure obligations with respect to the Bonds.

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Historic Assessed Valuation

The assessed value of all taxable property situated in the District as of January 1 (as finalized on December 31) for the following years are noted below:

(Continued)

Historic Assessed Valuation (Continued)

Calendar Year	Assessed Valuation [1]	Percentage Change
2018	$ 1,987,433,473	0.63 %
2017	1,974,972,787	8.94
2016	1,812,828,580	0.58
2015	1,802,299,038	4.42
2014	1,726,049,161	0.88
2013	1,710,978,638	(2.71)
2012	1,758,685,816	0.89
2011	1,743,140,664	(1.17)
2010	1,763,703,135	(1.04)
2009	1,782,184,936	N/A

Source: St. Louis County Department of Revenue, Collection Division

[1] Includes incremental assessed valuation in the portion of the District that is included in a tax increment financing district.

Assessed Valuation Components (2018)

The following shows the total assessed valuation and estimated actual value by category of all taxable property (excluding State assessed railroad and utility property) situated in the District as of January 1, 2018 (as finalized December 31, 2018):

(Continued)

	Assessed Valuations [1]	Assessment Ratio	Estimated Actual Valuation
Real estate: [2]			
Residential	$ 1,506,434,040	19 %	$ 7,928,600,211
Agricultural	941,430	12	7,845,250
Commercial	230,476,170	32	720,238,031
State Assessed	26,662,056	32	83,318,925
Total Real Estate	1,764,513,696		8,740,002,417
Personal property:			
Regular	217,570,020	33 1/3	652,710,060
Manufacturing	1,193,410	33 1/3	3,580,230
State assessed	4,156,347	33 1/3	12,469,041
Total Personal Property	222,919,777		668,759,331
Total	$ 1,987,433,473		$ 9,408,761,748

Source: St. Louis County Department of Revenue, Collection Division.

[1] Includes incremental assessed valuation in the portion of the District that is included in a tax increment financing district.

[2] Locally Assessed Railroad and Utility Property are included in the commercial real estate and personal property totals.

Tax Rates (Blended)

For The Years Ended December 31	General Fund	Ambulance Fund	Dispatch Fund	Pension Trust Fund	Total Levy
2018	$ 0.477	0.427	0.041	0.090	1.035
2017	0.476	0.245	0.041	0.090	0.852
2016	0.505	0.290	0.048	0.106	0.949
2015	0.504	0.269	0.046	0.099	0.918
2014	0.521	0.269	0.045	0.099	0.934
2013	0.521	0.260	0.044	0.096	0.921
2012	0.505	0.253	0.043	0.093	0.894
2011	0.503	0.253	0.043	0.093	0.892
2010	0.492	0.248	0.042	0.091	0.873

Source: District Records

(Continued)

Tax Collection Rates

For The Years Ended December 31	Assessed Valuation[1]	Levy	Tax Levy ($/100)[2]	Current Taxes Collected	Percentage Of Current Taxes Collected	Delinquent Taxes Collected	Percentage Of Delinquent And Current Taxes Collected[3]
2018	$1,987,433,473	$ 26,730,980	$ 1.135	$ 12,391,933	46.36 %	$ 7,069,455	72.80 %
2017	1,974,972,787	19,580,748	0.995	12,548,798	64.09	7,963,863	104.76
2016	1,812,828,580	18,710,711	1.037	10,771,431	57.57	8,094,771	100.83
2015	1,802,229,038	18,582,730	1.035	10,489,733	56.45	7,779,801	98.31
2014	1,726,049,161	18,510,735	1.079	10,807,298	58.38	8,352,002	103.50

Source: St. Louis County Department of Revenue, Collection Division

(1) Assessed valuation does not include incremental assessed valuation in the portion of the District that is included in a tax increment financing district. Assessed valuations include stated assessed railroad and utility property; assessed valuations shown at the time of billing by the St. Louis County Collector.

(2) Includes debt service levy.

(3) Delinquent taxes are shown in the year payment in actually received, which may cause the percentage of delinquent and current taxes collected to exceed 100%. Percentage of Delinquent and Current Taxes Collected column also includes the current year's protested taxes which have been released.

Top Ten Taxpayers

	2018			2008		
Taxpayer	Taxable Assessed Valuation	Rank	Percentage Of Total Taxable Assessment Value	Taxable Assessed Valuation	Rank	Percentage Of Total Taxable Assessment Value
St. Johns Mercy Health Care	$ 8,224,000	1	0.42 %	N/A	N/A	- %
MIMG XCIII Seven Trails LLC	8,071,920	2	0.41	$ 6,365,010	1	0.34
RAMCO-Gershenson Properties	7,225,210	3	0.37	N/A	N/A	-
Laclede Gas Company	6,591,690	4	0.33	N/A	N/A	-
Missouri American Water Co.	4,867,340	5	0.25	N/A	N/A	-
Dierbergs Wildwood LLC	4,835,200	6	0.24	3,222,400	10	0.17
Olde Towne Plaza LLC	4,632,360	7	0.23	6,097,470	3	0.32
Clarkson Clayton Center Assoc.	4,342,390	8	0.22	3,401,890	7	0.18
LCM Investment CO LLC	4,085,000	9	0.21	3,834,340	4	0.20
IP9 MF Ballwin LLC	3,615,440	10	0.18	N/A	N/A	-
Weingarten Nostat Inc.	N/A	N/A	N/A	6,208,000	2	0.33
Pace-Central Assoc. LLC	N/A	N/A	N/A	3,804,420	5	0.20
Olde Towne Plaza LLC	N/A	N/A	N/A	3,543,710	6	0.19
Village Park of Ballwin LLC	N/A	N/A	N/A	3,294,680	8	0.17
Cooper Bussmann Inc.	N/A	N/A	N/A	3,286,310	9	0.17

(Continued)

General Obligation Bonds Outstanding (as of December 31, 2018)

Description Of Indebtedness	Original Principal Amount	Date Of Issuance	Amount Outstanding
General Obligation Bonds, Series 2009	$ 5,045,000	July 28, 2009	$ 195,000
General Obligation Bonds, Series 2013	7,400,000	May 31, 2013	550,000
General Obligation Bonds, Series 2016	6,000,000	December 26, 2016	2,775,000
Total	$ 18,445,000		$ 3,520,000

For The Year Ended December 31, 2018:

Estimated Population of the District, 2010	78,000	
Assessed Valuation 2018 [1]	$ 1,987,433,473	
Estimated Actual Value 2018 [1]	$ 9,408,768,275	
Outstanding Direct General Obligation Debt [2]	$ 3,520,000	
Total General Obligation Debt [2]	$ 3,520,000	
Per Capita Direct General Obligation Debt [2]	$ 45.13	
Ratio of Direct General Obligation Debt to Assessed Valuation [1],[2]	0.18	%
Ratio of Direct General Obligation Debt to Estimated Actual Value [1],[2]	0.04	%

Source: District and St. Louis County Department of Revenue, Collection Division

Notes:
[1] Includes incremental assessed valuation in the portion of the District that is included in a tax increment financing district.
[2] Includes the Bonds.

INTERNAL CONTROL AND COMPLIANCE SECTION

Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

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

May 28, 2019

Board of Directors
METRO WEST FIRE PROTECTION DISTRICT

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 **METRO WEST FIRE PROTECTION DISTRICT** (the District) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 28, 2019.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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 District'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.

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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.

COMPLIANCE AND OTHER MATTERS

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

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hochschild, Bloom & Company LLP

CERTIFIED PUBLIC ACCOUNTANTS
Chesterfield, Missouri