



**MONARCH FIRE
PROTECTION DISTRICT**

FINANCIAL REPORT
(Audited)

Year Ended December 31, 2020

MONARCH FIRE PROTECTION DISTRICT
DISTRICT'S MISSION STATEMENT

The mission of the Monarch Fire Protection District is to provide the highest quality emergency services to the community through fire rescue and emergency medical services, fire prevention, and education.

We will maintain the highest standard through experience, education, and planning.

Our Commitment extends beyond the traditional role of the fire service to improve the safety and quality of life for all.

MONARCH FIRE PROTECTION DISTRICT

FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
MONARCH 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 **MONARCH FIRE PROTECTION DISTRICT** (the District), as of and for the year ended December 31, 2020, 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, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The District adopted GASB Statement No. 84, *Fiduciary Activities*, which changed the reporting of the VEBA fiduciary fund. Our opinion is not modified with respect to this matter.

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, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental 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. The additional disclo-

asures required by SEC Rule 15c2-12, as listed in the table of contents, has not been audited, nor do we express any other form of assurance regarding that information.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2021 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.

Sikich LLP

Chesterfield, Missouri

June 25, 2021

MONARCH FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020

The Management's Discussion and Analysis (MD&A) of the Monarch Fire Protection District's (the District) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2020. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this MD&A in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

1. The District's total net position increased by \$3,702,205 or 9.3% as a result of this year's operations.
2. In the government-wide financial statements, the assets of the District exceeded its liabilities at December 31, 2020 by \$43,696,357 (net position). Of this amount, \$10,303,842 represents the District's net investment in capital assets; restricted \$4,186,809; and the balance of \$29,205,706 will be used to meet the District's ongoing obligations to citizens and creditors.
3. As of December 31, 2020, the District's governmental funds reported combined ending fund balances of \$43,982,675, an increase of \$16,996,259 in comparison with the prior year. A portion of this amount, \$10,608,195, represents collections of the 2020 tax levy which are assigned to fund the District's 2021 General Fund operations. An additional portion of the fund balances represents General Obligation Bond proceeds in the amount of \$12,194,761.
4. Unassigned fund balance for the General Fund at December 31, 2020 was \$8,976,984 or 80.84% of General Fund expenditures. This fund balance resulted from prior years District surpluses and is available for contingencies.
5. At December 31, 2020, the fund balance committed for public safety of the Ambulance Fund was \$7,025,234 or 83.86% of Ambulance Fund expenditures. This fund balance and future charges for services will be used to finance 2021 and future emergency medical services (EMS) operations.
6. The District issued General Obligation Bonds in November 2020 in the amount of \$12,000,000 to fund construction of two new fire houses and for other future capital projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains required supplemental information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements provide the reader with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

MONARCH FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2020

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

The government-wide financial statements present activities of the District that are principally supported by taxes and charges for services. The District provides services for fire protection, emergency medical, fire prevention, safety, rescue, and hazardous materials response services.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate their comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Ambulance Fund, Dispatch Fund, and Pension Revenue Fund, which are all considered to be major funds.

The District adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements have been provided for the governmental funds to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary funds are used to account for the resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

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

Required supplemental information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information.

MONARCH FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$43,696,357 at December 31, 2020. The condensed statements of net position was as follows:

	<u>December 31</u>		<u>2020 Change</u>	
	<u>2020</u>	<u>2019</u>	<u>Amount</u>	<u>Percent</u>
ASSETS				
Current and other assets	\$ 49,492,137	31,937,007	17,555,130	55.0 %
Capital assets, net	11,915,407	11,860,303	55,104	0.5
Total Assets	<u>61,407,544</u>	<u>43,797,310</u>	<u>17,610,234</u>	40.2
LIABILITIES				
Current liabilities	1,591,612	1,416,286	175,326	12.4
Noncurrent liabilities	16,119,575	2,386,872	13,732,703	575.3
Total Liabilities	<u>17,711,187</u>	<u>3,803,158</u>	<u>13,908,029</u>	365.7
NET POSITION				
Net investment in capital assets	10,303,842	11,141,648	(837,806)	(7.5)
Restricted	4,186,809	2,250,913	1,935,896	86.0
Unrestricted	29,205,706	26,601,591	2,604,115	9.8
Total Net Position	<u>\$ 43,696,357</u>	<u>39,994,152</u>	<u>3,702,205</u>	9.3 %

The portion of the District's net position reflected in its investment in capital assets (e.g., land, buildings, fire and rescue equipment), less any related debt used to acquire those assets that is still outstanding was \$10,303,842. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The remaining assets consist mainly of cash, investments, and property taxes receivable which are used to meet the District's ongoing obligations to its citizens.

Governmental activities. This analysis focuses on the net position and change in net position of the District's governmental activities. Governmental activities increased the District's net position in the current year by \$3,702,205. The condensed statements of activities was as follows:

MONARCH FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	For The Years		2020 Change	
	2020	2019	Amount	Percent
REVENUES				
Program revenues:				
Charges for services	\$ 1,852,070	1,853,309	(1,239)	(0.1) %
Operating grants	94,073	-	94,073	100.0
Capital contributions	-	102,000	(102,000)	(100.0)
General revenues:				
Property taxes	26,148,606	23,376,434	2,772,172	11.9
Investment income	117,268	215,241	(97,973)	(45.5)
Other	62,677	193,713	(131,036)	(67.6)
Gain on sale of capital assets	7,312	103,163	(95,851)	(92.9)
Total Revenues	<u>28,282,006</u>	<u>25,843,860</u>	<u>2,438,146</u>	9.4
EXPENSES				
Public safety	23,091,087	21,475,957	1,615,130	7.5
Dispatch services	1,196,933	1,196,360	573	-
Interest and fiscal charges	291,781	51,779	240,002	463.5
Total Expenses	<u>24,579,801</u>	<u>22,724,096</u>	<u>1,855,705</u>	8.2
CHANGE IN NET POSITION	3,702,205	3,119,764	582,441	18.7
NET POSITION, JANUARY 1	39,994,152	36,848,288	3,145,864	8.5
RESTATEMENT OF NET POSITION	<u>-</u>	<u>26,100</u>	<u>(26,100)</u>	(100.0)
NET POSITION, DECEMBER 31	<u>\$ 43,696,357</u>	<u>39,994,152</u>	<u>3,702,205</u>	9.3 %

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

MONARCH FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2020

At December 31, 2020, the District's governmental funds reported combined ending fund balances of \$43,982,675, an increase of \$16,996,259 in comparison with the prior year. A major contributor to this increase was the issuance of General Obligation Bonds in November 2020 in the amount of \$12,194,761. This represents about 28% of the combined fund balances. Another 25% of the fund balances constitutes amounts assigned and committed for fire/safety and EMS 2021 operations, which is available for spending at the District's discretion. The remainder of fund balance is unassigned, restricted for pension and debt service, or nonspendable for deposits, prepaid items, and inventory.

General Fund. The General Fund is the chief operating fund of the District. As of December 31, 2020, unassigned fund balance of the General Fund was \$8,976,984, while total fund balance reached \$20,587,401. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 80.84% of total General Fund expenditures and total fund balance represents 186.0% of that same amount.

The fund balance of the District's General Fund increased by \$2,285,100, or 12.5%, during the current fiscal year. Revenues increased by \$171,791 from prior year mainly due to increased permit fees.

Ambulance Fund. The Ambulance Fund has a total fund balance of \$7,675,615. \$7,025,234 which is committed for public safety and \$650,381 is nonspendable for prepaid items and inventory. As a measure of the Ambulance Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 91.6% of total Ambulance Fund expenditures.

The fund balance of the District's Ambulance Fund increased by \$936,401, or 13.9%, during the current fiscal year. Revenues decreased by \$147,831 from the prior year mainly due to a decrease in EMS revenues.

The fund balances of the District's Dispatch Fund was unchanged for the year, and the fund balance of the Pension Revenue Fund decreased by \$18,689 for the year.

The District reported activity for two new funds during the year; the Debt Service Fund and the Capital Projects Fund. Each had increased fund balances of \$1,598,686 and \$12,194,761, respectively.

BUDGETARY HIGHLIGHTS

Final budgeted expenditures in the General Fund were exceeded by actual expenditures in the amount of \$78,796 during the year. Final budgeted expenditures in the Ambulance Fund were exceeded by actual expenditures in the amount of \$179,426 during the year. The most significant increases to expenditures were for additional salaries and benefits due to the COVID-19 pandemic.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets includes land, buildings and improvements, fire apparatus and equipment, and office furniture and equipment. As of December 31, 2020, the District had invested \$11,915,407 in capital assets, net of depreciation, as shown in the following table:

MONARCH FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	December 31	
	2020	2019
Land	\$ 2,921,167	2,571,167
Construction in progress	511,883	-
Buildings and improvements	3,960,286	4,167,214
Vehicles and equipment	4,522,071	5,121,922
Total Capital Assets, Net	\$ 11,915,407	11,860,303

During the year, the District's investment in capital assets increased by \$55,104, which is net of depreciation expense of \$1,341,683.

Additional information of the District's capital assets can be found in Note F.

Long-term debt. During the current year, the District's total debt increased by \$13,732,703 due mainly to issuance of \$12,000,000 General Obligation Bonds along with the net effect of scheduled principal payments and increased compensated absences. Additional information of the District's long-term debt can be found in Note G.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The District is subject to the Missouri State Hancock Amendment. This restricts the amount of growth the District may have in revenue in any given year to the rate of inflation certified by the State of Missouri plus new construction. The revenue, aside from new construction, may grow at a maximum of 5%, with other restrictions within the law. Actual allowable revenue growth has been less than 5%.
- The continuing rise in the cost of providing medical coverage to employees has caused the District to begin looking at the plan design in order to mitigate the ongoing increases.

In 2021, the District expects to maintain and improve its services through several primary means as follows:

- Continued hiring and retention of highly qualified personnel.
- Training of existing personnel in the latest breakthroughs in fire suppression, emergency medicine, and other related topics.
- Fire prevention programs and educational events for the community.
- Ongoing updates and replacement of equipment and research of the latest technology related to fire suppression and emergency medicine.
- The overall economic conditions of the St. Louis metro area appear reflective of the nation as a whole; consumer spending is up, inflation is on the rise, interest rates increased slightly in 2020, and are projected to increase marginally in 2021.
- The market for fuel continues to be unstable, with many price fluctuations.

**MONARCH FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

- 2021 is likely to be somewhat volatile nationwide. The District has unreserved, undesignated funds in place for such uncertain times and is monitoring revenues and expenditures on a regular basis in order to track any pressure from overall economic trends.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information about the District, please direct the request to:

Controller's Office
Monarch Fire Protection District
13725 Olive Blvd.
Chesterfield, MO 63017

MONARCH FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities
ASSETS	
Cash	\$ 16,639,155
Investments	15,847,348
Receivables:	
Taxes, net	14,806,194
EMS fees, net	235,236
Inventory	136,828
Prepaid items	1,526,417
Deposits	300,959
Capital assets:	
Land	3,433,050
Other capital assets, net of accumulated depreciation	8,482,357
Total Assets	61,407,544
LIABILITIES	
Accounts payable	911,933
Accrued interest payable	38,241
Accrued payroll	641,438
Noncurrent liabilities:	
Due within one year	872,026
Due in more than one year	15,247,549
Total Liabilities	17,711,187
NET POSITION	
Net investment in capital assets	10,303,842
Restricted for:	
Pension	2,265,246
Debt service	1,921,563
Unrestricted	29,205,706
Total Net Position	\$ 43,696,357

MONARCH FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues (Expenses) And Changes In Net Position
Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	In Net Position
Governmental Activities				
Public safety	\$ 23,091,087	1,852,070	94,073	-
Dispatch services	1,196,933	-	-	-
Interest and fiscal charges on long-term debt	291,781	-	-	-
Total Governmental Activities	\$ 24,579,801	1,852,070	94,073	-
General Revenues				
Property taxes				26,148,606
Investment income				117,268
Other				62,677
Gain on sale of capital assets				7,312
Total General Revenues				26,335,863
CHANGE IN NET POSITION				3,702,205
NET POSITION, JANUARY 1				39,994,152
NET POSITION, DECEMBER 31				\$ 43,696,357

See notes to financial statements

MONARCH FIRE PROTECTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	<u>General</u>	<u>Ambulance</u>	<u>Dispatch</u>	<u>Pension Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash	\$ 10,038,461	3,378,894	144,896	1,343,243	582,322	1,151,339	16,639,155
Investments	3,724,720	522,628	-	-	-	11,600,000	15,847,348
Receivables:							
Taxes, net of allowance for uncollectible amounts	7,274,433	4,403,521	680,029	1,330,415	1,117,796	-	14,806,194
EMS fees, net of allowance for uncollectible amounts	-	235,236	-	-	-	-	235,236
Inventory	-	136,828	-	-	-	-	136,828
Prepaid items	922,966	513,553	-	89,898	-	-	1,526,417
Deposits	300,959	-	-	-	-	-	300,959
Due from other funds	801,082	-	-	-	221,445	-	1,022,527
	<u>20,587,401</u>	<u>7,675,615</u>	<u>-</u>	<u>1,926,212</u>	<u>1,598,686</u>	<u>12,194,761</u>	<u>43,982,675</u>
Total Assets	<u>\$ 23,062,621</u>	<u>9,190,660</u>	<u>824,925</u>	<u>2,763,556</u>	<u>1,921,563</u>	<u>12,751,339</u>	<u>50,514,664</u>
LIABILITIES							
Accounts payable	\$ 183,807	29,670	377,593	3,730	-	317,133	911,933
Accrued payroll	386,560	254,878	-	-	-	-	641,438
Due to other funds	-	20,426	268,076	494,580	-	239,445	1,022,527
Total Liabilities	<u>570,367</u>	<u>304,974</u>	<u>645,669</u>	<u>498,310</u>	<u>-</u>	<u>556,578</u>	<u>2,575,898</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue:							
Property taxes	1,904,853	1,148,449	179,256	339,034	322,877	-	3,894,469
EMS fees	-	61,622	-	-	-	-	61,622
Total Deferred Inflows Of Resources	<u>1,904,853</u>	<u>1,210,071</u>	<u>179,256</u>	<u>339,034</u>	<u>322,877</u>	<u>-</u>	<u>3,956,091</u>
FUND BALANCES							
Nonspendable:							
Inventory	-	136,828	-	-	-	-	136,828
Prepaid items	922,966	513,553	-	89,898	-	-	1,526,417
Deposits	300,959	-	-	-	-	-	300,959
Restricted:							
Pension	-	-	-	1,836,314	-	-	1,836,314
Debt service	-	-	-	-	1,598,686	-	1,598,686
Capital projects	-	-	-	-	-	12,194,761	12,194,761
Committed - EMS services	-	7,025,234	-	-	-	-	7,025,234
Assigned for - subsequent year tax levy	10,608,195	-	-	-	-	-	10,608,195
Unassigned	8,755,281	-	-	-	-	-	8,755,281
Total Fund Balances	<u>20,587,401</u>	<u>7,675,615</u>	<u>-</u>	<u>1,926,212</u>	<u>1,598,686</u>	<u>12,194,761</u>	<u>43,982,675</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 23,062,621</u>	<u>9,190,660</u>	<u>824,925</u>	<u>2,763,556</u>	<u>1,921,563</u>	<u>12,751,339</u>	<u>50,514,664</u>

MONARCH FIRE PROTECTION DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020

Total Fund Balances - Governmental Funds \$ 43,982,675

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 \$29,061,144 and the accumulated depreciation is \$17,145,737. 11,915,407

Other long-term assets (property taxes and EMS fees receivable not collected within 60 days of year-end) are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds. 3,956,091

Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Accrued interest payable	(38,241)
Capital leases	(580,890)
Bonds payable	(12,000,000)
Unamortized bond premium	(1,225,288)
Compensated absences	(2,313,397)
	<u> </u>

Total Net Position Of Governmental Activities \$ 43,696,357

MONARCH FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General</u>	<u>Ambulance</u>	<u>Dispatch</u>	<u>Pension Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES							
Taxes	\$ 12,795,795	7,742,226	1,196,014	2,357,556	1,598,684	-	25,690,275
Charges for services	442,859	1,445,756	-	-	-	-	1,888,615
Intergovernmental	-	94,073	-	-	-	-	94,073
Investment income	84,220	29,366	919	2,613	2	148	117,268
Other	32,637	3,206	-	-	-	-	35,843
Total Revenues	<u>13,355,511</u>	<u>9,314,627</u>	<u>1,196,933</u>	<u>2,360,169</u>	<u>1,598,686</u>	<u>148</u>	<u>27,826,074</u>
EXPENDITURES							
Current:							
Public safety	10,399,488	8,247,687	-	2,378,858	-	-	21,026,033
Dispatch services	-	-	1,196,933	-	-	-	1,196,933
Capital outlay	552,069	130,539	-	-	-	792,370	1,474,978
Debt service:							
Principal	137,765	-	-	-	-	-	137,765
Interest	15,235	-	-	-	-	-	15,235
Bond issue costs	-	-	-	-	-	238,305	238,305
Total Expenditures	<u>11,104,557</u>	<u>8,378,226</u>	<u>1,196,933</u>	<u>2,378,858</u>	<u>-</u>	<u>1,030,675</u>	<u>24,089,249</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,250,954</u>	<u>936,401</u>	<u>-</u>	<u>(18,689)</u>	<u>1,598,686</u>	<u>(1,030,527)</u>	<u>3,736,825</u>
OTHER FINANCING SOURCES							
Sale of capital assets	7,312	-	-	-	-	-	7,312
Insurance recoveries	26,834	-	-	-	-	-	26,834
Bond proceeds	-	-	-	-	-	12,000,000	12,000,000
Bond premium	-	-	-	-	-	1,225,288	1,225,288
Total Other Financing Sources	<u>34,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,225,288</u>	<u>13,259,434</u>
NET CHANGE IN FUND BALANCES	2,285,100	936,401	-	(18,689)	1,598,686	12,194,761	16,996,259
FUND BALANCES, JANUARY 1	<u>18,302,301</u>	<u>6,739,214</u>	<u>-</u>	<u>1,944,901</u>	<u>-</u>	<u>-</u>	<u>26,986,416</u>
FUND BALANCES, DECEMBER 31	<u>\$ 20,587,401</u>	<u>7,675,615</u>	<u>-</u>	<u>1,926,212</u>	<u>1,598,686</u>	<u>12,194,761</u>	<u>43,982,675</u>

**MONARCH FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Net Change In Fund Balances - Governmental Funds \$ 16,996,259

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 is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay over the threshold \$1,396,787 exceeded depreciation (\$1,341,683) in the current period. 55,104

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.
Increase in unavailable revenue 421,786

The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds, however, it has no effect on net position. This amount is the net effect of these differences in the treatment of long-term debt:

Change in accrued interest payable	(38,241)
Capital lease principal payments	137,765
Bond proceeds received	(12,000,000)
Bond premium received	(1,225,288)
Compensated absences earned	(925,428)
Compensated absences payments	280,248
	<u>280,248</u>

Change In Net Position Of Governmental Activities \$ 3,702,205

MONARCH FIRE PROTECTION DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
WELFARE BENEFIT PLAN TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

NET POSITION - RESTRICTED FOR WELFARE BENEFITS, JANUARY 1, 2020	\$ 5,255,878
CHANGE IN ACCOUNTING PRINCIPLE	<u>(5,255,878)</u>
NET POSITION - RESTRICTED FOR WELFARE BENEFITS, JANUARY 1, 2020, AS RESTATED	<u><u>\$ -</u></u>

MONARCH FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

MONARCH 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 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 significant accounting policies applied by the District in the preparation of the accompanying financial statements are summarized below:

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., statement of net position and 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.

MONARCH FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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 unavailable revenue on its balance sheet/statement of net position. Unavailable revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues arise when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability is removed from the combined balance sheet and revenue is recognized.

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 accounted for in another fund.

Ambulance Fund -- This fund is used to account for the funds to be utilized for promotion, maintenance, and improvements of EMS.

Dispatch Fund -- This fund is used to account for the funds to be utilized for dispatching services.

Pension Revenue Fund -- This fund is used to collect the tax levy for pension funding.

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

Capital Projects Fund -- This fund is used to account for the proceeds of long-term debt to be used for the acquisition or construction of major capital items.

MONARCH FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the District reports the following fund type:

Welfare Benefit Plan Trust Fund -- This fund is used to account for assets held by the District in a trustee capacity. The fund accumulates contributions from the Pension Revenue Fund. Disbursements are made for death, post-retirement medical, disability, employee education, and severance benefits. For 2020 this fund no longer meets the definition of a fiduciary fund under GASB 84, and is being removed from the District's financial statements with a change in accounting principle.

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

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes and investment income.

4. Fund Balance Classification and Policies

The District's policy is to report the fund balance in the following categories, when applicable, listed from most restrictive to the least restrictive:

Nonspendable -- The portion of fund balance that is legally or contractually required to be maintained or is not in spendable form (such as prepaids and inventory).

Restricted -- The portion of fund balance that is subject to enforceable legal restrictions by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.

Committed -- The portion of fund balance with self-imposed constraints or limitations that have been imposed by formal action (motion or resolution) by the District's Board of Directors (the Board), the highest level of decision-making authority. Such constraint is binding unless modified or rescinded by formal action by the Board.

Assigned -- The portion of fund balance that the District intends to use for a specific purpose; intent can be expressed by the Board.

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

MONARCH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Fund Balance Classification and Policies (Continued)

When both restricted and unrestricted resources are available, the District will spend the most restricted amounts before the least restricted.

5. Allowance for Doubtful Accounts

Allowances for uncollectible receivable amounts by fund are as follows:

	December 31, 2020	
	Property Taxes	EMS Fees
General Fund	\$ 110,778	-
Ambulance Fund	67,059	356,300
Dispatch Fund	10,357	-
Pension Revenue Fund	20,260	-
Debt Service Fund	17,022	-

6. Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

7. 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 \$1,000 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 estimated 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	5 - 30
Vehicles and equipment	5 - 20

MONARCH FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Interfund Transactions

In the fund financial statements, the District has the following types of transactions among funds:

Transfers -- Transfers of resources from a fund receiving revenue to the fund through which resources are to be expended are recorded as transfers. Such transfers are reported as other financing sources (uses).

Due From/To Other Funds -- Current portions of long-term interfund loans receivable/payable are considered "available spendable resources" and are reported as assets and liabilities of the appropriate funds.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

9. Investments

Investments are carried at fair value.

In accordance with and subject to restrictions imposed by current Missouri State Statutes, the following list represents the entire range of investments that the District will consider and which shall be authorized for the investments of funds by the District: 1) United States Treasury securities, 2) United States Agency securities, 3) repurchase agreements, 4) collateralized public deposits (certificates of deposit), 5) banker's acceptance, and 6) commercial paper.

10. 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 2020 are recorded as receivables, net of estimated uncollectibles, as are prior year levies which are re-evaluated annually. Taxes receivable represent estimated amounts to be collected by the County Collector of Revenue for 2020 and prior tax years to be remitted to the District subsequent to year-end. The portion of taxes not collected and remitted to the District within 60 days of year-end is recorded as unavailable 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 2020 tax rates:

MONARCH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Property Taxes (Continued)

	2020 Tax Rates					Total
	General	Ambulance	Dispatch	Pension	Debt Service	
Real property:						
Residential	0.4430	0.2670	0.0430	0.0810	0.0710	0.9050
Agricultural	0.4210	0.2620	0.0390	0.0790	0.0710	0.8720
Commercial	0.4760	0.2970	0.0430	0.0900	0.0710	0.9770
Personal property	0.5300	0.3300	0.0480	0.1000	0.0710	1.0790

Property tax rates for each of the above categories and for each fund type is levied per \$100 of assessed valuation which totaled \$2,747,638,016 for the District (real property \$2,406,966,253 and personal property \$340,671,763).

11. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items on the consumption method. Prepaid items are recorded as expenditures when consumed rather than when purchased.

12. 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.

13. 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 has no items that qualifies for reporting in this category.

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

MONARCH FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Deferred Outflows/Inflows of Resources (Continued)

inflow of resources (revenue) until that time. The District has one item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenues, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from various sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts have become available.

14. Indirect Cost Allocation

Certain indirect costs are allocated 60% to the General Fund and 40% to the Ambulance Fund for the fiscal year ended December 31, 2020. These percentages are based on the number of personnel.

15. 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 B - CASH AND INVESTMENTS

1. 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 held in the District's name. 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, 2020, the District's bank balances totaled \$16,918,794. Of the District's bank balances, \$1,839,756 was covered by federal depository insurance and \$15,079,038 was covered by additional pledged collateral.

2. Investments

As of December 31, 2020, the District had the following investments:

MONARCH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

<u>Investments</u>	<u>Fair Value</u>	<u>Maturities</u>		<u>Credit Risk</u>
		<u>No Maturity</u>	<u>Less Than One Year</u>	
Primary Government				
Negotiable certificates of deposit	\$ 15,847,348	-	15,847,348	N/A
Money market funds	1,488,139	-	1,488,139	Not rated
Total Primary Government Investments	<u>\$ 17,335,487</u>	<u>-</u>	<u>17,335,487</u>	

Investment Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District minimizes credit risk by prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the District will do business and diversifying the portfolio to reduce potential losses on individual securities.

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 minimizes interest rate risk by 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 investing primarily in shorter 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 minimizes concentration of credit risk by diversifying the investment portfolio.

Concentration of credit risk is required to be disclosed by the District for investments in any one issuer that represent 5% or more of total investments (investments issued by or explicitly guaranteed by the United States Government, investments in mutual funds, investments in external investment pools, and investments in other pooled investments are exempt). Fiduciary Funds are required to disclose investments in any one issuer that represent 5% or more of total plan net position with the same exemptions as above. At December 31, 2020, the District had the following investment concentrations:

<u>Investments</u>	<u>Fair Value</u>	<u>Percent Of Total Investments</u>
Primary Government		
Money market	\$ 1,488,139	8.58 %
Negotiable certificates of deposit	15,847,348	91.42

MONARCH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

3. 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 prices quoted in active markets for those securities; 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 investment 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, 2020:

- Money market funds (\$1.49 million) are not subject to fair value level classification

NOTE C - DEFERRED COMPENSATION PLAN

The District participates in and complies with a deferred compensation plan under 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. Trust provisions are incorporated so that Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. In accordance with the provisions of GASB Statement No. 97, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the assets and liabilities of the Plan are not included in the accompanying financial statements.

NOTE D - FIRE DISTRICT DIRECTORS' FEES, BENEFITS, AND RELATED EXPENSES

Directors' fees and benefits consisted of the following:

	For The Year Ended December 31, 2020	
	Fees	Benefits
Richard Gans, Director and President	\$ 10,902	17,011
Robin Harris, Director and Treasurer	12,102	17,011
Jeannine Millner, Director and Secretary	10,902	8,426
Total	\$ 33,906	42,448

No other related expenses were incurred by the District's Directors.

MONARCH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE E - INSURANCE COVERAGE

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has transferred these risks by purchasing insurance from commercial enterprises. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The following insurance policies of the District were in force during the fiscal year ended December 31, 2020:

<u>Company</u>	<u>Type Of Coverage</u>	<u>Amount Of Coverage</u>
American Alternative Insurance Corporation	Property and casualty	\$1,000,000 each occurrence \$10,000,000 aggregate
American Alternative Insurance Corporation	Automobile	\$1,000,000
American Alternative Insurance Corporation	Crime	\$1,000,000
American Alternative Insurance Corporation	Umbrella	\$6,000,000 each occurrence \$6,000,000 aggregate
Benchmark Insurance Company	Workers' compensation	State statutory requirements
Travelers Casualty & Surety Company	Fiduciary	\$2,000,000
RSUI Indemnity Company	Directors and Officers	\$3,000,000
Ironshore Indemnity, Inc.	Directors and Officers	\$2,000,000
Starr Indemnity & Liability Co.	Directors and Officers	\$5,000,000

NOTE F - CAPITAL ASSETS

Capital asset activity was as follows:

MONARCH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE F - CAPITAL ASSETS (Continued)

	For The Year Ended December 31, 2020			
	Balance December 31 2019	Increases	Decreases	Balance December 31 2020
	Capital assets not being depreciated:			
Land	\$ 2,571,167	350,000	-	2,921,167
Construction in progress	-	511,883	-	511,883
Total Capital Assets Not Being Depreciated	2,571,167	861,883	-	3,433,050
Capital assets being depreciated:				
Buildings and improvements	13,761,355	187,810	-	13,949,165
Vehicles and equipment	11,933,313	347,094	601,478	11,678,929
Total Capital Assets Being Depreciated	25,694,668	534,904	601,478	25,628,094
Less - Accumulated depreciation for:				
Buildings and improvements	9,594,141	394,738	-	9,988,879
Vehicles and equipment	6,811,391	946,945	601,478	7,156,858
Total Accumulated Depreciation	16,405,532	1,341,683	601,478	17,145,737
Total Capital Assets Being Depreciated, Net	9,289,136	(806,779)	-	8,482,357
Governmental Activities Capital Assets, Net	\$ 11,860,303	55,104	-	11,915,407

Depreciation expense of \$1,341,683 for the year ended December 31, 2020 was charged to the public safety function of the primary government.

NOTE G - LONG-TERM DEBT

A summary of changes in the long-term debt is as follows:

MONARCH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE G - LONG-TERM DEBT (Continued)

	For The Year Ended December 31, 2020			Amounts Due Within One Year	
	Balance December 31 2019	Additions	Payments		Balance December 31 2020
	Capital leases	\$ 718,655	-		137,765
General obligation bonds	-	12,000,000	-	12,000,000	500,000
Plus - Premium on bonds	-	1,225,288	-	1,225,288	-
Compensated absences	1,668,217	925,428	280,248	2,313,397	231,341
Total Long-term Debt	\$ 2,386,872	14,150,716	418,013	16,119,575	872,026

General obligation bonds consisted of the following:

	December 31 2020
\$12,000,000 general obligation bonds dated November 3, 2020 matures March 1, 2030 with interest rates from 2% to 4%. Bonds were issued for the purpose of constructing two new fire stations and vehicle and apparatus replacement.	\$ 12,000,000

A summary of principal debt service requirements is as follows:

For The Years Ending December 31	Principal	Interest	Total
2021	\$ 500,000	284,722	784,722
2022	1,525,000	324,750	1,849,750
2023	1,550,000	294,000	1,844,000
2024	1,450,000	264,000	1,714,000
2025	1,500,000	227,000	1,727,000
2026 - 2030	5,475,000	503,250	5,978,250
Total	\$ 12,000,000	1,897,722	13,897,722

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.

The capital leases and compensated absences are liquidated by the General and Ambulance Funds.

The District entered into lease agreements for financing the acquisition of certain vehicles and equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Capital leases consisted of the following:

MONARCH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE G - LONG-TERM DEBT (Continued)

	December 31
	2020
\$1,304,217 capital lease for one pumper and one apparatus, due in 15 annual principal and interest installments of \$114,317 through December 2024; interest payable at 3.596%.	\$ 580,890

The assets acquired through capital leases are as follows:

	December 31
	2020
Vehicles and equipment	\$ 1,304,217
Less - Accumulated depreciation	652,675
Total Assets	\$ 651,542

A schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payments are as follows:

For The Years Ending December 31		
2021		\$ 153,000
2022		153,000
2023		153,000
2024		153,000
Total Future Minimum Lease Payments		612,000
Less - Amount representing interest		31,110
Present Value Of Future Minimum Lease Payments		\$ 580,890

NOTE H - COMPENSATED ABSENCES

The District grants vacation to all employees at a rate based on years of experience and earned in the year it is available for use. Vacation earned by December 31, 2020 must be taken by January 31 of the following year.

The District also grants sick leave to all employees. Sick leave days are earned at a rate of six days per year for shift personnel and ten days per year for administrative personnel. Covered employees are allowed to accumulate unused sick leave up to 60 days for shift personnel and 90 days for administrative personnel. Upon termination of employment, employees under the age of 50 shall be compensated for their sick day balance at the rate of \$250 per day. Employees age 50 and over may be compensated in one of two ways, at the option of the employee. They may take a single payout at 100% of base wages or use their sick leave days to extend their re-

MONARCH FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE H - COMPENSATED ABSENCES (Continued)

tirement date. The District also has a provision that allows employees to exchange days equal to their current year sick leave for cash at 100% of base pay, provided their accumulated sick leave exceeds certain thresholds. The liability for accumulated sick leave at December 31, 2020 amounted to \$2,313,397 and is reflected in the government-wide financial statements.

NOTE I - PENSION PLAN

The District adopted a single-employer defined contribution plan on January 1, 1998 titled Retirement Plan for the Employees of Monarch Fire Protection District (the Plan).

The District contributes a discretionary amount to the Plan. The Plan is administered by the District under the direction of a 5 member Pension Board of Directors. Empower Retirement is the record keeper. Contributions will be made with funds derived from the tax established pursuant to Section 321.610 RSMO or, at the discretion of the District, from other available revenues of the District. Plan amendments are made via resolution by the Pension Board with a majority vote. The contribution is allocated to participants' accounts in an amount equal to the total amount contributed multiplied by the ratio of the participant's compensation for the plan year to total compensation for all participants entitled to a contribution for the plan year. Contributions are made exclusively by the District. All employees at the end of a plan year who have completed 500 hours of service during that plan year are eligible to participate in the Plan. Participants begin to vest in these contributions after two (2) years of service in increasing percentages of 25% per qualified year of service. During the year ended December 31, 2020, the District contributed \$1,966,900 to the Plan. There were no forfeitures for the year 2020 and no employer liability as of December 31, 2020.

NOTE J - VOLUNTARY EMPLOYEE BENEFIT ASSOCIATION (VEBA)

The District provides post-retirement medical benefits, disability benefits, a death benefit of the balance of a participants account, plus a death benefit in the amount of \$60,000 in the form of a life insurance policy for active employees, and severance benefits to eligible employees. These benefits are provided under a plan known as the Monarch Fire Protection District Welfare Benefit Plan. The Plan is considered a defined contribution plan. The Plan's trust fund is exempt under IRC 501(c)(9) as a voluntary employee benefit association (VEBA).

Employees are eligible to participate in VEBA after one month of full-time employment. At December 31, 2020, there were 185 participants (181 active/retired, 3 disabled retirees, and 1 beneficiary).

Under the terms of VEBA, the District may contribute an amount determined by the Pension Board and funded by the pension tax levy to fund benefits under VEBA. In addition to the defined contribution "indemnity account", the District has a "Disability Reserve" included in VEBA's assets. The "Disability Reserve" assets will provide benefits to four individuals currently receiving benefits from VEBA. Disability benefits are provided to all current employees through insurance purchased through a third party. The District received an actuarial valuation performed on the "Disability Reserve". This valuation was limited to determining the present value of

MONARCH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE J - VOLUNTARY EMPLOYEE BENEFIT ASSOCIATION (VEBA) (Continued)

projected benefits for the four individuals receiving benefits under VEBA. As of January 1, 2021, the present value of the projected benefits was \$475,680 and the value of VEBA’s assets designated for these benefits was \$606,896.

In determining the present value of the projected benefits from the “Disability Reserve”, the District uses the aggregate funding method. Under this method, the present value of future normal costs equals the present value of benefits reduced by VEBA’s assets. These future costs are spread as a level percentage over current and future expected pay. The portion attributable to current pay is the current year normal costs. Experience gains and losses are included in the present value of future normal costs and, therefore, are spread over future years as a level percentage of pay. Pre-retirement and post-retirement mortality rates are based on the 2021 PBGC Social Security Disable Life Mortality Table for males. Investment earnings are assumed to be 6.5%. All assets are valued at market value or NAV. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value.

During the year ended December 31, 2020, the District contributed \$347,100 to VEBA. This contribution is funded by the pension property tax levy.

NOTE K - INTERFUND TRANSACTIONS

Individual interfund transactions are as follows:

Due from/to other funds

Receivable Fund	Payable Fund	December 31 2020
General Fund	Ambulance Fund	\$ 20,426
General Fund	Dispatch Fund	268,076
General Fund	Pension Revenue Fund	494,580
General Fund	Capital Projects Fund	18,000
Debt Service Fund	Capital Projects Fund	221,445
Total		\$ 1,022,527

All of these interfund balances are due to timing differences. All interfund balances are expected to be repaid during the next fiscal year.

Interfund transfers:

Interfund transfers may be used to: 1) move revenues from the fund that ordinance or budget required to collect them to the fund that ordinance or budget requires to expend them, 2) use unrestricted revenues collected to other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds. There were no interfund transfers during the year ending December 31, 2020.

MONARCH FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE L - CONTRACTUAL AGREEMENTS

The District has a contractual agreement with Central County Emergency 911 for dispatching services that renews annually unless notice is given prior to July 1 of the preceding year. The agreement requires that the District pay fees equal to the amount which would be collected from a tax levy based on the assessed valuation of all taxable, tangible property within the District's boundaries.

The District has a contractual agreement with Mediclaims, Inc. for ambulance billing, billing processing, and fee collection services. The District pays Mediclaims, Inc. on a monthly basis an amount equal to 5.5% of "Net Collections". The agreement automatically renews on the same terms and conditions for successive one-year terms each April, unless either party gives written notice of intent not to renew at least 30 days before the expiration of any term.

NOTE M - COMMITMENTS AND CONTINGENCIES

The District entered into employment agreements with two employees. Under each of the agreements, in the event employment is terminated (other than voluntarily by the employee or by the District for cause or upon the death of the employee), the District is committed to pay certain benefits. The benefits are to be paid from the date of termination through June 30, 2022 and December 31, 2023, respectively.

In June 2016, the District entered into a maintenance agreement for their security system for a fixed annual fee of \$72,120 and a monitoring agreement for \$12,600 per year for a total of five years.

The District has various contracts to purchase fire and EMS apparatus and vehicles as of December 31, 2020 totaling \$892,814.

The District has various contracts for construction of a new fire house, building renovations, and a fire training pavilion as of December 31, 2020 totaling \$504,350.

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 N - RISK MANAGEMENT

The District self-insures for employee dental and vision claims up to predetermined maximums. Under the program, the General Fund and Ambulance Fund pays claims to annual per person maximums of \$2,000 and \$300 for dental and vision claims, respectively.

Liabilities are reported when it is probable that a claim has occurred and the amount of the claim can be reasonably estimated. At December 31, 2020, the total estimated liability of incurred but unpaid claims for dental and vision were \$8,509, and \$5,259, respectively.

MONARCH FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE N - RISK MANAGEMENT (Continued)

The District purchases commercial insurance for health claims. The District's overall program deductibles are \$5,000 individual and \$10,000 family. The employee is responsible for the first \$1,000 individual and \$2,000 family of the deductible.

NOTE O - TAX ABATEMENTS

In Missouri, a taxing district can issue industrial development revenue bonds (Revenue Bonds) pursuant to Chapter 100 of the Revised Statutes of Missouri (RSMo). Under the Act, the taxing district may issue Revenue Bonds to finance the cost of the purchase, construction, extension and improvement of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, and industrial plants, including the real estate either within or without the limits of such tax district, buildings, fixtures and machinery. Under the Chapter 100 Revenue Bonds, the District has five tax abatement projects which were entered into by St. Louis County. Total property taxes abated under this agreement totaled \$345,348 for the year ended December 31, 2020.

NOTE P - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 25, 2021, the date which the financial statements were available for issue and no other events require disclosure.

MONARCH FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION

REQUIRED SUPPLEMENTAL INFORMATION SECTION

MONARCH FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
REVENUES				
Taxes	\$ 12,397,356	12,793,200	12,795,795	2,595
Inspection fees	225,000	430,300	442,859	12,559
Investment income	45,000	83,300	84,220	920
Other	40,000	32,910	32,637	(273)
Total Revenues	<u>12,707,356</u>	<u>13,339,710</u>	<u>13,355,511</u>	<u>15,801</u>
EXPENDITURES				
Public safety:				
Salaries and personnel costs	7,371,774	7,086,900	7,400,721	313,821
Insurance	2,424,304	1,804,900	1,850,169	45,269
Administration	406,300	407,331	404,890	(2,441)
Operations	272,350	218,200	215,112	(3,088)
Maintenance	367,400	291,020	286,115	(4,905)
Training	122,300	78,300	47,979	(30,321)
Fire prevention	94,700	56,000	78,434	22,434
Professional fees	121,500	117,700	116,068	(1,632)
Capital outlay	1,485,000	965,410	552,069	(413,341)
Debt service:				
Principal	-	-	137,765	137,765
Interest	-	-	15,235	15,235
Total Expenditures	<u>12,665,628</u>	<u>11,025,761</u>	<u>11,104,557</u>	<u>78,796</u>
REVENUES OVER EXPENDITURES	<u>41,728</u>	<u>2,313,949</u>	<u>2,250,954</u>	<u>(62,995)</u>
OTHER FINANCING SOURCES				
Sale of capital assets	30,000	7,312	7,312	-
Insurance recoveries	-	26,834	26,834	-
Total Other Financing Sources	<u>30,000</u>	<u>34,146</u>	<u>34,146</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	71,728	2,348,095	2,285,100	<u>(62,995)</u>
FUND BALANCE, JANUARY 1	<u>18,302,301</u>	<u>18,302,301</u>	<u>18,302,301</u>	
FUND BALANCE, DECEMBER 31	<u>\$ 18,374,029</u>	<u>20,650,396</u>	<u>20,587,401</u>	

MONARCH FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - AMBULANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 7,422,418	7,788,700	7,742,226	(46,474)
EMS fees	1,500,000	1,410,000	1,445,756	35,756
Intergovernmental	25,000	94,100	94,073	(27)
Investment income	15,000	30,000	29,366	(634)
Other	500	3,300	3,206	(94)
Total Revenues	<u>8,962,918</u>	<u>9,326,100</u>	<u>9,314,627</u>	<u>(11,473)</u>
EXPENDITURES				
Public safety:				
Salaries and personnel costs	6,040,900	5,732,900	5,959,121	226,221
Insurance	1,501,536	1,826,200	1,830,154	3,954
Operations	400,750	355,400	314,975	(40,425)
Professional fees	165,500	143,700	143,437	(263)
Capital outlay	890,500	140,600	130,539	(10,061)
Total Expenditures	<u>8,999,186</u>	<u>8,198,800</u>	<u>8,378,226</u>	<u>179,426</u>
NET CHANGE IN FUND BALANCE	(36,268)	1,127,300	936,401	<u>(190,899)</u>
FUND BALANCE, JANUARY 1	<u>6,739,214</u>	<u>6,739,214</u>	<u>6,739,214</u>	
FUND BALANCE, DECEMBER 31	<u>\$ 6,702,946</u>	<u>7,866,514</u>	<u>7,675,615</u>	

MONARCH FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - DISPATCH FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		Budget
REVENUES				
Taxes	\$ 1,144,228	1,192,000	1,196,014	4,014
Investment income	-	1,000	919	(81)
Total Revenues	1,144,228	1,193,000	1,196,933	3,933
EXPENDITURES				
Dispatch:				
Dispatching fees	1,144,228	1,193,000	1,196,933	3,933
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, JANUARY 1	-	-	-	
FUND BALANCE, DECEMBER 31	\$ -	-	-	

MONARCH FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - PENSION REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 2,236,156	2,344,000	2,357,556	13,556
Investment income	-	2,700	2,613	(87)
Total Revenues	<u>2,236,156</u>	<u>2,346,700</u>	<u>2,360,169</u>	<u>13,469</u>
EXPENDITURES				
Public safety:				
Professional fees	-	65,000	64,889	(111)
VEBA contribution	-	265,400	347,100	81,700
Pension contribution	<u>2,236,156</u>	<u>1,966,900</u>	<u>1,966,869</u>	<u>(31)</u>
Total Expenditures	<u>2,236,156</u>	<u>2,297,300</u>	<u>2,378,858</u>	<u>81,558</u>
NET CHANGE IN FUND BALANCE	-	49,400	(18,689)	<u>(68,089)</u>
FUND BALANCE, JANUARY 1	<u>1,944,901</u>	<u>1,944,901</u>	<u>1,944,901</u>	
FUND BALANCE, DECEMBER 31	<u>\$ 1,944,901</u>	<u>1,994,301</u>	<u>1,926,212</u>	

**MONARCH FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO
SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020**

Budgets

Budgets are adopted on a modified accrual basis. Annual appropriated budgets are adopted for each governmental fund. All annual appropriations lapse at fiscal year-end.

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

- a. The Office Manager submits to the Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed operating expenditures, capital expenditures, and the means to finance them.
- b. The preliminary budget and proposed tax rates are presented at a public hearing to obtain comments from all interested parties.
- c. The final budget for the coming year is formally adopted on or before the last day of the current fiscal year by the Board.
- d. The legal level of control is at the activity level within an individual fund. Expenditures may not exceed budgeted appropriations at the activity level unless approved by the Board. Total fund expenditures may not legally exceed current year revenues plus prior year's fund balance. All budget revisions of any fund must be approved by the Board. This is done during a periodic review and analysis by the District.

Expenditures

For the year ended December 31, 2020, expenditures exceeded appropriations as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
General Fund	\$ 11,025,761	11,104,557	78,796
Ambulance Fund	8,198,800	8,378,226	179,426
Dispatch Fund	1,193,000	1,196,933	3,933
Pension Revenue Fund	2,297,300	2,378,858	81,558

These expenditures were approved by the Board and were funded by amounts under budget in other departments and/or fund balance.

OTHER SUPPLEMENTAL SECTION

**MONARCH FIRE PROTECTION DISTRICT
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ -	1,524,971	1,598,684	73,713
Investment income	-	-	2	2
Total Revenues	<u>-</u>	<u>1,524,971</u>	<u>1,598,686</u>	<u>73,715</u>
EXPENDITURES				
Debt service:				
Interest and other fiscal charges	-	460,984	-	(460,984)
NET CHANGE IN FUND BALANCE	-	1,063,987	1,598,686	<u>534,699</u>
FUND BALANCE, JANUARY 1	<u>-</u>	<u>-</u>	<u>-</u>	
FUND BALANCE, DECEMBER 31	<u>\$ -</u>	<u>1,063,987</u>	<u>1,598,686</u>	

MONARCH FIRE PROTECTION DISTRICT
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ -	132	148	16
EXPENDITURES				
Capital outlay	-	721,500	792,370	70,870
Debt service:				
Bond issuance costs	-	176,000	238,305	62,305
Total Expenditures	-	897,500	1,030,675	133,175
REVENUES UNDER EXPENDITURES	-	(897,368)	(1,030,527)	(133,159)
OTHER FINANCING SOURCES				
Proceeds from long-term debt	-	13,130,000	13,225,288	(95,288)
NET CHANGE IN FUND BALANCE	-	12,232,632	12,194,761	<u>(37,871)</u>
FUND BALANCE, JANUARY 1	-	-	-	
FUND BALANCE, DECEMBER 31	<u>\$ -</u>	<u>12,232,632</u>	<u>12,194,761</u>	

MONARCH FIRE PROTECTION DISTRICT
ADDITIONAL DISCLOSURES REQUIRED BY SEC RULE 15c2-12 (UNAUDITED) -
DEBT RATIOS AND RELATED INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

Disclosure Report Pursuant to SEC Rule 15c2-12

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

Fiscal Year Ended: December 31, 2020

Issue and CUSIP Numbers to which this Disclosure Report relates:

**General
Obligation
Bonds
Series 2020**

60907 PAJ1
60907 PAK8
60907 PAL6
60907 PAM4
60907 PA12
60907 PAP7
60907 PAQ5
60907 PAR3
60907 PAS1
60907 PAT9

OPERATING DATA

Included herein is the operating data for the District for the fiscal year ended December 31, 2020, 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:

MONARCH FIRE PROTECTION DISTRICT
ADDITIONAL DISCLOSURES REQUIRED BY SEC RULE 15c2-12 (UNAUDITED) -
DEBT RATIOS AND RELATED INFORMATION (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Historic Assessed Valuation (Continued)

<u>Calendar Year</u>	<u>Assessed Valuation ⁽¹⁾</u>	<u>Percentage Change</u>
2020	\$ 2,747,638,016	1.64 %
2019	2,703,383,179	8.47
2018	2,492,248,174	0.69
2017	2,475,224,278	7.67
2016	2,298,927,112	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 (2020)

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, 2020 (as finalized December 31, 2020):

MONARCH FIRE PROTECTION DISTRICT
ADDITIONAL DISCLOSURES REQUIRED BY SEC RULE 15c2-12 (UNAUDITED) -
DEBT RATIOS AND RELATED INFORMATION (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Historic Assessed Valuation (Continued)

	<u>Assessed Valuations ⁽¹⁾</u>	<u>Assessment Ratio</u>	<u>Estimated Actual Valuation</u>
Real Estate: ⁽²⁾			
Residential	\$ 1,713,055,260	19 %	\$ 9,016,080,316
Agricultural	1,373,580	12	11,446,500
Commercial	661,718,930	32	2,067,871,656
State assessed	<u>30,818,483</u>	32	<u>96,307,759</u>
Total Real Estate	<u>2,406,966,253</u>		<u>11,191,706,231</u>
Personal Property:			
Regular	330,259,060	33 1/3	990,777,180
Manufacturing	5,296,170	33 1/3	15,888,510
State assessed	<u>5,113,533</u>	33 1/3	<u>15,340,599</u>
Total Personal Property	<u>340,668,763</u>		<u>1,022,006,289</u>
Total	<u>\$ 2,747,635,016</u>		<u>\$ 12,213,712,520</u>

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.

MONARCH FIRE PROTECTION DISTRICT
ADDITIONAL DISCLOSURES REQUIRED BY SEC RULE 15c2-12 (UNAUDITED) -
DEBT RATIOS AND RELATED INFORMATION (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Tax Rates

For The Years Ended December 31	General Fund	Ambulance Fund	Pension Fund	Dispatch Fund	Debt Service Fund	Total Levy
2020	\$ 0.4627	0.2827	0.0859	0.0436	0.0710	0.9459
2019	0.4624	0.2831	0.0863	0.0438	-	0.8756
2018	0.4813	0.2940	0.0894	0.0456	-	0.9103
2017	0.4336	0.2689	0.0812	0.0419	-	0.8256
2016	0.4540	0.2817	0.0849	0.0437	-	0.8643

Source: District Records

⁽¹⁾ Blended tax rate from the adjusted levy

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⁾
2020	\$ 2,747,638,016	\$ 25,934,878	\$ 0.945	\$ 10,829,945	41.76 %	\$ 13,774,738	94.87 %
2019	2,703,383,179	23,454,423	0.875	9,928,305	42.33	12,464,886	95.48
2018	2,492,248,174	22,828,281	0.910	9,558,790	41.87	9,084,018	81.67
2017	2,475,224,278	20,434,103	0.826	8,496,566	41.58	9,891,872	89.99
2016	2,298,927,112	19,866,598	0.863	9,415,193	47.39	9,771,685	96.58

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 is 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.

MONARCH FIRE PROTECTION DISTRICT
ADDITIONAL DISCLOSURES REQUIRED BY SEC RULE 15c2-12 (UNAUDITED) -
DEBT RATIOS AND RELATED INFORMATION (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Top Ten Taxpayers

<u>Taxpayer</u>	<u>Type Of Business</u>	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage Of Total Taxable Assessment Value</u>
THF Chesterfield Development LLC	Shopping Centers	\$ 54,134,420	1	1.97 %
Bayer/Monsanto Company	Biotechnology	37,780,690	2	1.38
St. Louis Premium Outlets LLC	Shopping Centers	21,757,890	3	0.79
Missouri American Water Company	Utility	18,589,040	4	0.68
FSP Timberlake Corp	Commercial Real Estate	14,689,730	5	0.53
St. Luke's Hospital	Healthcare	11,399,810	6	0.41
Baxter Crossing Apartments Associates	Residential	11,243,150	7	0.41
GAHC3 Chesterfield Corporate Plaza LLC	Healthcare	9,916,930	8	0.36
St Andrews Episcopal Presbyterian Foundation	Senior Living	8,708,580	9	0.32
Westmont LLC	Residential	8,427,360	10	0.31

General Obligation Bonds Outstanding (as of December 31, 2020)

<u>Description Of Indebtedness</u>	<u>Original Principal Amount</u>	<u>Date Of Issuance</u>	<u>Amount Outstanding</u>
Monarch Fire Protection District	\$ 12,000,000	November 30, 2020	\$ 12,000,000

MONARCH FIRE PROTECTION DISTRICT
ADDITIONAL DISCLOSURES REQUIRED BY SEC RULE 15c2-12 (UNAUDITED) -
DEBT RATIOS AND RELATED INFORMATION (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

For The Year Ended December 31, 2020:

Estimated Population of the District, 2010	60,000
Assessed Valuation 2020 ⁽¹⁾	\$ 2,747,638,016
Estimated Actual Value 2020 ⁽¹⁾	\$ 12,213,712,520
Outstanding Direct General Obligation Debt ⁽²⁾	\$ 12,000,000
Total General Obligation Debt ⁽²⁾	\$ 12,000,000
Per Capita Direct General Obligation Debt ⁽²⁾	\$ 200
Ratio of Direct General Obligation Debt to Assessed Valuation ^{(1),(2)}	0.44 %
Ratio of Direct General Obligation Debt to Estimated Actual Value ^{(1),(2)}	0.10 %

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

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

Board of Directors
MONARCH 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 **MONARCH FIRE PROTECTION DISTRICT** (the District), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated June 25, 2021.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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. We did identify a certain deficiency in internal control described below that we consider to be a significant deficiency.

The deficiency criteria and condition are that material adjustments had to be made to correct the District's year-end financial statements. The deficiency cause and effect are the District did not adequately review year-end financial records. The District will provide additional review of year-end financial records.

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 financial statements. 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*.

DISTRICT'S RESPONSE TO FINDINGS

The District's response to the findings is described above. This response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Sikich LLP

Chesterfield, Missouri

June 25, 2021