



**MONARCH FIRE
PROTECTION DISTRICT**

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2021

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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Monarch Fire Protection District (the District), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Monarch Fire Protection District as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Govern-ment Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplemental information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises additional disclosures required by SEC Rule 15c2-12 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

The Other Information has not been audited.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2022 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

St. Louis, Missouri
June 23, 2022

MONARCH FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021. 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 \$3,612,056 or 8.3% 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, 2021 by \$47,175,513 (net position). Of this amount, \$14,414,105 represents the District's net investment in capital assets; restricted \$5,862,496; and the balance of \$26,898,912 will be used to meet the District's ongoing obligations to citizens and creditors.
3. As of December 31, 2021, the District's governmental funds reported combined ending fund balances of \$45,703,031, an increase of \$1,720,356 in comparison with the prior year. A portion of this amount, \$11,318,228, represents collections of the 2021 tax levy which are assigned to fund the District's 2022 General Fund operations. An additional portion of the fund balances represents General Obligation Bond proceeds in the amount of \$9,898,612.
4. Unassigned fund balance for the General Fund at December 31, 2021 was \$9,266,464 or 67.97% of General Fund expenditures. This fund balance resulted from prior years District surpluses and is available for contingencies.
5. At December 31, 2021, the fund balance committed for public safety of the Ambulance Fund was \$7,454,712 or 86.40% of Ambulance Fund expenditures. This fund balance and future charges for services will be used to finance 2022 and future emergency medical services (EMS) operations.

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, 2021

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 are governmental 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 six 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, Capital Projects 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.

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, 2021

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 \$47,175,513 at December 31, 2021.

The condensed statements of net position was as follows:

	December 31		2021 Change	
	2021	2020	Amount	Percent
ASSETS				
Current and other assets	\$ 50,955,575	49,492,137	1,463,438	3.0 %
Capital assets, net	13,901,950	11,915,407	1,986,543	16.7
Total Assets	<u>64,857,525</u>	<u>61,407,544</u>	<u>3,449,981</u>	5.6
LIABILITIES				
Current liabilities	2,284,312	1,591,612	692,700	43.5
Noncurrent liabilities	15,397,700	16,119,575	(721,875)	(4.5)
Total Liabilities	<u>17,682,012</u>	<u>17,711,187</u>	<u>(29,175)</u>	(0.2)
NET POSITION				
Net investment in capital assets	11,808,233	10,303,842	1,504,391	14.6
Restricted	5,862,496	4,186,809	1,675,687	40.0
Unrestricted	29,504,784	29,205,706	299,078	1.0
Total Net Position	<u>\$ 47,175,513</u>	<u>43,696,357</u>	<u>3,479,156</u>	8.0 %

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 \$11,808,233. 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 \$3,612,056. The condensed statements of activities was as follows:

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

	For The Years		2021 Change	
	Ended December 31		Amount	Percent
	2021	2020		
REVENUES				
Program revenues:				
Charges for services	\$ 1,917,643	1,852,070	65,573	3.5 %
Operating grants	46,687	94,073	(47,386)	(50.4)
Capital contributions	-	-	-	-
General revenues:				
Property taxes	26,678,341	26,148,606	529,735	2.0
Investment income	73,578	117,268	(43,690)	(37.3)
Other	52,364	62,677	(10,313)	(16.5)
Gain (loss) on sale of capital assets	-	7,312	(7,312)	(100.0)
Total Revenues	<u>28,768,613</u>	<u>28,282,006</u>	<u>486,607</u>	1.7
EXPENSES				
Public safety	23,742,409	23,091,087	651,322	2.8
Dispatch services	1,246,471	1,196,933	49,538	4.1
Interest and fiscal charges	167,677	291,781	(124,104)	(42.5)
Total Expenses	<u>25,156,557</u>	<u>24,579,801</u>	<u>576,756</u>	2.3
CHANGE IN NET POSITION	3,612,056	3,702,205	(90,149)	(2.4)
NET POSITION, JANUARY 1	43,563,457	39,994,152	3,569,305	8.9
RESTATEMENT OF NET POSITION	<u>-</u>	<u>(132,900)</u>	<u>132,900</u>	(100.0)
NET POSITION, DECEMBER 31	<u>\$ 47,175,513</u>	<u>43,563,457</u>	<u>3,612,056</u>	8.3 %

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, 2021

At December 31, 2021, the District's governmental funds reported combined ending fund balances of \$45,703,031, an increase of \$1,853,256 in comparison with the prior year. 41% of the fund balances constitute amounts assigned and committed for fire/safety and EMS 2022 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, 2021, unassigned fund balance of the General Fund was \$9,266,464, while total fund balance reached \$21,386,352. 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 67.97% of total General Fund expenditures and total fund balance represents 156.88% of that same amount.

The fund balance of the District's General Fund increased by \$798,951, or 3.88%, during the current fiscal year. Revenues increased by \$307,498 from prior year mainly due to increased tax revenue.

Ambulance Fund. The Ambulance Fund has a total fund balance of \$8,055,096. \$7,454,712 of which is committed for public safety and \$600,384 is non-spendable 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 93.36% of total Ambulance Fund expenditures.

The fund balance of the District's Ambulance Fund increased by \$379,481, or 4.94%, during the current fiscal year. Revenues increased by \$375,855 from the prior year mainly due to tax revenue.

The fund balance of the District's Dispatch Fund was unchanged for the year, and the fund balance of the Pension Revenue Fund increased by \$146,113 for the year.

The fund balance for the Debt Service Fund increased by \$1,729,446 or 108.18%, during the year mainly due to tax revenues. The fund balance for the Capital Projects Fund decreased by \$1,200,735 or 9.85% due to capital outlay expenditures.

BUDGETARY HIGHLIGHTS

Original budgeted expenditures in the General Fund increased by \$600,355. The most significant increase was to capital outlay expenditures. Final budgeted expenditures exceeded actual expenditures by \$20,094. Original budgeted expenditures in the Ambulance Fund decreased by \$536,080. The most significant decrease was to capital outlay expenditures. Final budgeted expenditures exceeded actual expenditures by \$9,911.

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, 2021, the District had invested \$13,901,950 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, 2021**

	December 31	
	2021	2020
Land	\$ 2,921,167	2,921,167
Construction in progress	1,584,622	511,883
Buildings and improvements	4,625,280	3,960,286
Vehicles and equipment	4,770,881	4,522,071
Total Capital Assets, Net	\$ 13,901,950	11,915,407

During the year, the District's investment in capital assets increased by \$1,986,543, which is net of depreciation expense of \$1,422,273.

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 decreased by \$721,875. This was mainly due to scheduled principal payments on the 2020 bond issue as well as capital lease payments. 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 2022, 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 2021, and are projected to increase marginally in 2022.
- 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, 2021**

- 2022 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, 2021

	Governmental Activities
ASSETS	
Cash	\$ 23,758,859
Investments	12,014,135
Receivables:	
Taxes, net	11,793,016
EMS fees, net	383,371
Other receivables	608,736
Inventory	138,164
Prepaid items	1,111,113
Deposits	1,148,181
Capital assets:	
Land	4,505,789
Other capital assets, net of accumulated depreciation	9,396,161
Total Assets	64,857,525
LIABILITIES	
Accounts payable	1,462,355
Accrued interest payable	113,333
Accrued payroll	708,624
Noncurrent liabilities:	
Due within one year	2,278,030
Due in more than one year	13,119,670
Total Liabilities	17,682,012
NET POSITION	
Net investment in capital assets	11,808,233
Restricted for:	
Pension	2,192,200
Debt service	3,670,296
Unrestricted	29,504,784
Total Net Position	\$ 47,175,513

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

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues	
Governmental Activities	Charges For	Operating	Capital	(Expenses)	
Expenses	Services	Grants And	Grants And	And Changes	
Expenses	Services	Contributions	Contributions	In Net Position	
Public safety	\$ 23,742,409	1,917,643	46,687	-	(21,778,079)
Dispatch services	1,246,471	-	-	-	(1,246,471)
Interest and fiscal charges on long-term debt	167,677	-	-	-	(167,677)
Total Governmental Activities	\$ 25,156,557	1,917,643	46,687	-	(23,192,227)
General Revenues					
Property taxes					26,678,341
Investment income					73,578
Other					52,364
Total General Revenues					26,804,283
CHANGE IN NET POSITION					3,612,056
NET POSITION - AS RESTATED, JANUARY 1					43,563,457
NET POSITION, DECEMBER 31					\$ 47,175,513

MONARCH FIRE PROTECTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	<u>General</u>	<u>Ambulance</u>	<u>Dispatch</u>	<u>Pension Revenue</u>	<u>Capital Projects</u>	<u>Nonmajor Debt Service</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash	\$ 13,150,924	4,492,364	4,132	1,510,885	2,558,810	2,041,744	23,758,859
Investments	3,983,940	530,195	-	-	7,500,000	-	12,014,135
Receivables:							
Taxes, net of allowance for uncollectible amounts	5,628,945	3,422,269	542,040	1,044,124	-	1,155,638	11,793,016
EMS fees, net of allowance for uncollectible amounts	-	383,371	-	-	-	-	383,371
Other receivables	608,736	-	-	-	-	-	608,736
Inventory	-	138,164	-	-	-	-	138,164
Prepaid items	648,893	462,220	-	-	-	-	1,111,113
Deposits	52,767	-	-	-	1,095,414	-	1,148,181
Due from other funds	177,534	-	225,046	-	-	472,914	875,494
Total Assets	<u>\$ 24,251,739</u>	<u>9,428,583</u>	<u>771,218</u>	<u>2,555,009</u>	<u>11,154,224</u>	<u>3,670,296</u>	<u>51,831,069</u>
LIABILITIES							
Accounts payable	\$ 314,569	28,896	624,688	338,814	155,388	-	1,462,355
Accrued payroll	447,815	260,809	-	-	-	-	708,624
Due to other funds	697,960	148,729	-	23,995	4,810	-	875,494
Total Liabilities	<u>1,460,344</u>	<u>438,434</u>	<u>624,688</u>	<u>362,809</u>	<u>160,198</u>	<u>-</u>	<u>3,046,473</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue:							
Property taxes	1,405,043	824,588	146,530	252,775	-	342,164	2,971,100
EMS fees	-	110,465	-	-	-	-	110,465
Total Deferred Inflows Of Resources	<u>1,405,043</u>	<u>935,053</u>	<u>146,530</u>	<u>252,775</u>	<u>-</u>	<u>342,164</u>	<u>3,081,565</u>
FUND BALANCES							
Nonspendable:							
Inventory	-	138,164	-	-	-	-	138,164
Prepaid items	648,893	462,220	-	-	-	-	1,111,113
Deposits	52,767	-	-	-	1,095,414	-	1,148,181
Restricted:							
Pension	-	-	-	1,939,425	-	-	1,939,425
Debt service	-	-	-	-	-	3,328,132	3,328,132
Capital projects	-	-	-	-	9,898,612	-	9,898,612
Committed - EMS services	-	7,454,712	-	-	-	-	7,454,712
Assigned for - capital projects	100,000	-	-	-	-	-	100,000
Assigned for - subsequent year tax levy	11,318,228	-	-	-	-	-	11,318,228
Unassigned	9,266,464	-	-	-	-	-	9,266,464
Total Fund Balances, As Restated	<u>21,386,352</u>	<u>8,055,096</u>	<u>-</u>	<u>1,939,425</u>	<u>10,994,026</u>	<u>3,328,132</u>	<u>45,703,031</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 24,251,739</u>	<u>9,428,583</u>	<u>771,218</u>	<u>2,555,009</u>	<u>11,154,224</u>	<u>3,670,296</u>	<u>51,831,069</u>

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

Total Fund Balances - Governmental Funds	\$ 45,703,031
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 \$30,131,680 and the accumulated depreciation is \$16,229,730.	13,901,950
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.	3,081,565
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	(113,333)
Capital leases	(440,205)
Bonds payable	(11,500,000)
Unamortized bond premium	(1,020,046)
Compensated absences	(2,437,449)
	<hr/>
Total Net Position Of Governmental Activities	<u><u>\$ 47,175,513</u></u>

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

	<u>General</u>	<u>Ambulance</u>	<u>Dispatch</u>	<u>Pension Revenue</u>	<u>Capital Projects</u>	<u>Nonmajor Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES							
Taxes	\$ 13,239,551	8,124,873	1,246,168	2,476,695	-	2,514,423	27,601,710
Charges for services	363,882	1,504,918	-	-	-	-	1,868,800
Intergovernmental	-	46,687	-	-	-	-	46,687
Investment income	15,935	8,242	303	1,007	47,956	135	73,578
Other	43,641	5,762	-	-	-	-	49,403
Total Revenues	<u>13,663,009</u>	<u>9,690,482</u>	<u>1,246,471</u>	<u>2,477,702</u>	<u>47,956</u>	<u>2,514,558</u>	<u>29,640,178</u>
EXPENDITURES							
Current:							
Public safety	11,217,459	8,355,357	-	2,331,589	-	-	21,904,405
Dispatch services	-	-	1,246,471	-	-	-	1,246,471
Capital outlay	2,262,142	272,902	-	-	1,248,691	-	3,783,735
Debt service:							
Principal	140,685	-	-	-	-	500,000	640,685
Interest	12,315	-	-	-	-	285,112	297,427
Total Expenditures	<u>13,632,601</u>	<u>8,628,259</u>	<u>1,246,471</u>	<u>2,331,589</u>	<u>1,248,691</u>	<u>785,112</u>	<u>27,872,723</u>
REVENUES OVER (UNDER)	<u>30,408</u>	<u>1,062,223</u>	<u>-</u>	<u>146,113</u>	<u>(1,200,735)</u>	<u>1,729,446</u>	<u>1,767,455</u>
OTHER FINANCING SOURCES (USES)							
Sale of capital assets	65,740	17,100	-	-	-	-	82,840
Insurance recoveries	2,961	-	-	-	-	-	2,961
Transfer in (out)	699,842	(699,842)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>768,543</u>	<u>(682,742)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,801</u>
NET CHANGE IN FUND BALANCES	798,951	379,481	-	146,113	(1,200,735)	1,729,446	1,853,256
FUND BALANCES, JANUARY 1, AS RESTATED	<u>20,587,401</u>	<u>7,675,615</u>	<u>-</u>	<u>1,793,312</u>	<u>12,194,761</u>	<u>1,598,686</u>	<u>43,849,775</u>
FUND BALANCES, DECEMBER 31	<u>\$ 21,386,352</u>	<u>8,055,096</u>	<u>-</u>	<u>1,939,425</u>	<u>10,994,026</u>	<u>3,328,132</u>	<u>45,703,031</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, 2021**

Net Change In Fund Balances - Governmental Funds \$ 1,853,256

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 \$3,664,791 exceeded depreciation (\$1,422,273) in the current period. 2,242,518

The net effect of other transactions involving capital assets:
Cost of disposals net of accumulated depreciation. (255,975)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:
Decrease in unavailable revenue (874,526)

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	(75,092)
Capital lease principal payments	140,685
Debt principal payments	500,000
Premium amortization	205,242
Compensated absences earned	(777,555)
Compensated absences payments	653,503
	653,503

Change In Net Position Of Governmental Activities \$ 3,612,056

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. 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.

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.

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:

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

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, 2021	
	Property Taxes	EMS Fees
General Fund	\$ 85,720	-
Ambulance Fund	52,116	557,425
Dispatch Fund	8,254	-
Pension Revenue Fund	15,900	-
Debt Service Fund	17,599	-

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 \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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 2021 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 2021 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.

MONARCH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Property Taxes (Continued)

The following is a summary of the 2021 tax rates:

	2021 Tax Rates					
	General	Ambulance	Dispatch	Pension	Debt Service	Total
Real property:						
Residential	0.4280	0.2580	0.0420	0.0790	0.0890	0.8960
Agricultural	0.3850	0.2390	0.0360	0.0720	0.0890	0.8210
Commercial	0.4430	0.2770	0.0400	0.0840	0.0890	0.9330
Personal property	0.5300	0.3300	0.0480	0.1000	0.0890	1.0970

Property tax rates for each of the above categories and for each fund type is levied per \$100 of assessed valuation which totaled \$2,905,509,265 for the District (real property \$2,542,455,885 and personal property \$363,053,380).

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.

MONARCH FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has 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, 2021. 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, 2021, the District's bank balances totaled \$24,405,485. Of the District's bank balances, \$4,852,054 was covered by federal depository insurance and \$19,553,431 was covered by additional pledged collateral held by a third party in the District's name.

MONARCH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments

As of December 31, 2021, the District had the following investments:

<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	\$ 12,014,135	-	12,014,135	N/A
Money market funds	<u>1,515,017</u>	<u>-</u>	<u>1,515,017</u>	Not rated
Total Primary Government Investments	<u>\$ 13,529,152</u>	<u>-</u>	<u>13,529,152</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.

MONARCH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

At December 31, 2021, the District had the following investment concentrations:

<u>Investments</u>	<u>Fair Value</u>	<u>Percent Of Total Investments</u>
Primary Government		
Money market	\$ 1,515,017	11.20 %
Negotiable certificates of deposit	12,014,135	88.80

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, 2021:

- Money market funds (\$1.52 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. The District does not contribute to the Plan. 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:

MONARCH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

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

	For The Year Ended December 31, 2021	
	Fees	Benefits
Richard Gans, Director and President	\$ 11,850	17,165
Robin Harris, Director and Treasurer	11,350	17,165
Jeannine Millner, Director and Secretary	11,000	8,543
Total	\$ 34,200	42,873

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

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, 2021:

Company	Type Of Coverage	Amount Of Coverage
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
MO Employers Mutual	Workers' compensation	State statutory requirements
Travelers Casualty & Surety Company	Fiduciary	\$ 2,000,000
Greenwich Insurance Company	Directors and Officers	\$ 3,000,000
RSUI Indemnity Company	Directors and Officers	\$ 2,000,000
Starr Indemnity & Liability Co.	Directors and Officers	\$ 2,000,000
Stratford Insurance Company	Directors and Officers	\$ 3,000,000

MONARCH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE F - CAPITAL ASSETS

Capital asset activity was as follows:

	For The Year Ended December 31, 2021			
	Balance December 31 2020	Increases	Decreases	Balance December 31 2021
Capital assets not being depreciated:				
Land	\$ 2,921,167	-	-	2,921,167
Construction in progress	511,883	2,350,852	1,278,113	1,584,622
Total Capital Assets Not Being Depreciated	<u>3,433,050</u>	<u>2,350,852</u>	<u>1,278,113</u>	<u>4,505,789</u>
Capital assets being depreciated:				
Buildings and improvements	13,949,165	1,298,457	1,342,514	13,905,108
Vehicles and equipment	11,678,929	1,293,595	1,251,741	11,720,783
Total Capital Assets Being Depreciated	<u>25,628,094</u>	<u>2,592,052</u>	<u>2,594,255</u>	<u>25,625,891</u>
Less - Accumulated depreciation for:				
Buildings and improvements	9,988,879	401,198	1,110,249	9,279,828
Vehicles and equipment	7,156,858	1,021,075	1,228,031	6,949,902
Total Accumulated Depreciation	<u>17,145,737</u>	<u>1,422,273</u>	<u>2,338,280</u>	<u>16,229,730</u>
Total Capital Assets Being Depreciated, Net	<u>8,482,357</u>	<u>1,169,779</u>	<u>255,975</u>	<u>9,396,161</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,915,407</u>	<u>3,520,631</u>	<u>1,534,088</u>	<u>13,901,950</u>

Depreciation expense of \$1,422,273 for the year ended December 31, 2021 was charged to the public safety function of the primary government.

MONARCH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE G - LONG-TERM DEBT

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

	For The Year Ended December 31, 2021			Amounts Due Within One Year	
	Balance December 31 2020	Additions	Payments		Balance December 31 2021
	Capital leases	\$ 580,890	-		140,685
General obligation bonds	12,000,000	-	500,000	11,500,000	1,525,000
Plus - Premium on bonds	1,225,288	-	205,242	1,020,046	-
Compensated absences	2,313,397	777,555	653,503	2,437,449	609,362
Total Long-term Debt	<u>\$ 16,119,575</u>	<u>777,555</u>	<u>1,499,430</u>	<u>15,397,700</u>	<u>2,278,030</u>

General obligation bonds consisted of the following:

	December 31 2021
\$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.	<u>\$ 11,500,000</u>

A summary of principal debt service requirements is as follows:

For The Years Ending December 31	Principal	Interest	Total
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	1,450,000	182,750	1,632,750
2027 - 2030	<u>4,025,000</u>	<u>320,500</u>	<u>4,345,500</u>
Total	<u>\$ 11,500,000</u>	<u>1,613,000</u>	<u>13,113,000</u>

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

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.

MONARCH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE G - LONG-TERM DEBT (Continued)

Capital leases consisted of the following:

	December 31 2021
\$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%.	\$ 440,205

The assets acquired through capital leases are as follows:

	December 31 2021
Vehicles and equipment	\$ 1,304,217
Less - Accumulated depreciation	767,553
Total Assets	\$ 536,664

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	
2022	\$ 153,000
2023	153,000
2024	153,000
Total Future Minimum Lease Payments	459,000
Less - Amount representing interest	18,795
Present Value Of Future Minimum Lease Payments	\$ 440,205

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, 2021 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.

MONARCH FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE H - COMPENSATED ABSENCES (Continued)

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 retirement 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, 2021 amounted to \$2,437,449 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, 2021, the District contributed \$1,900,756 to the Plan. There were no forfeitures for the year 2021 and no employer liability as of December 31, 2021.

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 \$50,000 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, 2021, there were 162 participants (158 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.

MONARCH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

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

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 projected benefits for the four individuals receiving benefits under VEBA. As of January 1, 2022, the present value of the projected benefits was \$333,842 and the value of VEBA’s assets designated for these benefits was \$605,294.

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. For the three disabled retirees, mortality rates are based on the 2022 PBGC Social Security Disable Life Mortality Table for males. For the one beneficiary, mortality rates are based on the PRI-2012 Mortality for females with expected future mortality improvement based on Scales MP 2021. 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, 2021, the District contributed \$335,400 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 2021
General Fund	Ambulance Fund	\$ 148,729
General Fund	Dispatch Fund	-
General Fund	Pension Revenue Fund	23,995
General Fund	Capital Projects Fund	4,810
Dispatch Fund	General Fund	225,046
Debt Service Fund	General Fund	472,914
Total		\$ 875,494

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

MONARCH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE K - INTERFUND TRANSACTIONS (Continued)

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.

Interfund transfers are as follows:

Transfers Out	Transfers In	For The Year Ended December 31 2021
Ambulance Fund	General Fund	\$ 699,842

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% 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, 2021 totaling \$333,814.

MONARCH FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE M - COMMITMENTS AND CONTINGENCIES (Continued)

The District has various contracts for construction of two new fire houses as of December 31, 2021 totaling \$11,454,190.

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, 2021, the total estimated liability of incurred but unpaid claims for dental and vision were \$9,950, and \$5,451, respectively.

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 \$314,902 for the year ended December 31, 2021.

NOTE P - SUBSEQUENT EVENTS

In June 2022, the District approved an agreement with the Local 2665 of the International Association of Fire Fighters to provide post-retirement medical benefits for eligible employees. The agreement is in effect until June 2025.

MONARCH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE P - SUBSEQUENT EVENTS (Continued)

Management has evaluated subsequent events through June 23, 2022, the date which the financial statements were available for issue and no other events require disclosure.

NOTE Q - PRIOR PERIOD ADJUSTMENT

The previously stated pension revenue fund balance has been restated as follows:

	Fund Balance Pension Revenue Fund
Fund balance, December 31, 2020 as previously reported	\$ 1,926,212
VEBA contribution correction	<u>(132,900)</u>
Fund balance, December 31, 2020 as Restated	<u>\$ 1,793,312</u>

The previously stated net position has been restated as follows:

	Net Position
Net position, December 31, 2020 as previously reported	\$ 43,696,357
VEBA contribution correction	<u>(132,900)</u>
Net position, December 31, 2020 as Restated	<u>\$ 43,563,457</u>

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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
REVENUES				
Taxes	\$ 12,770,134	13,236,134	13,239,551	3,417
Inspection fees	300,000	363,000	363,882	882
Investment income	45,000	15,000	15,935	935
Other	25,000	42,000	43,641	1,641
Total Revenues	<u>13,140,134</u>	<u>13,656,134</u>	<u>13,663,009</u>	<u>6,875</u>
EXPENDITURES				
Public safety:				
Salaries and personnel costs	7,716,890	7,818,090	7,814,917	(3,173)
Insurance	2,654,000	2,173,400	2,170,079	(3,321)
Administration	251,300	202,605	199,515	(3,090)
Operations	294,850	233,050	232,407	(643)
Maintenance	367,400	380,350	379,906	(444)
Training	122,300	104,650	101,662	(2,988)
Fire prevention	106,700	33,100	29,283	(3,817)
Professional fees	121,500	116,680	116,537	(143)
Utilities	172,000	175,200	173,153	(2,047)
Capital outlay	1,093,400	2,262,570	2,262,142	(428)
Debt service:				
Principal	140,700	140,685	140,685	-
Interest	11,300	12,315	12,315	-
Total Expenditures	<u>13,052,340</u>	<u>13,652,695</u>	<u>13,632,601</u>	<u>(20,094)</u>
REVENUES OVER EXPENDITURES	<u>87,794</u>	<u>3,439</u>	<u>30,408</u>	<u>26,969</u>
OTHER FINANCING SOURCES				
Sale of capital assets	30,000	65,000	65,740	740
Insurance recoveries	-	2,500	2,961	461
Transfer in	-	704,150	699,842	(4,308)
Total Other Financing Sources	<u>30,000</u>	<u>771,650</u>	<u>768,543</u>	<u>(3,107)</u>
NET CHANGE IN FUND BALANCE	117,794	775,089	798,951	<u>23,862</u>
FUND BALANCE, JANUARY 1	<u>20,587,401</u>	<u>20,587,401</u>	<u>20,587,401</u>	
FUND BALANCE, DECEMBER 31	<u>\$ 20,705,195</u>	<u>21,362,490</u>	<u>21,386,352</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, 2021

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Taxes	\$ 7,660,140	8,124,140	8,124,873	733
EMS fees	1,500,000	1,405,000	1,504,918	99,918
Intergovernmental	41,500	46,500	46,687	187
Investment income	15,000	8,000	8,242	242
Other	1,500	5,500	5,762	262
Total Revenues	<u>9,218,140</u>	<u>9,589,140</u>	<u>9,690,482</u>	<u>101,342</u>
EXPENDITURES				
Public safety:				
Salaries and personnel costs	6,128,900	6,039,500	6,038,405	(1,095)
Insurance	1,660,000	1,799,200	1,797,576	(1,624)
Operations	504,250	368,150	361,940	(6,210)
Professional fees	165,500	158,320	157,436	(884)
Capital outlay	715,600	273,000	272,902	(98)
Total Expenditures	<u>9,174,250</u>	<u>8,638,170</u>	<u>8,628,259</u>	<u>(9,911)</u>
REVENUES OVER EXPENDITURES	<u>43,890</u>	<u>950,970</u>	<u>1,062,223</u>	<u>111,253</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	17,100	17,100	-
Transfer out	-	(704,150)	(699,842)	4,308
Total Other Financing Sources (Uses)	<u>-</u>	<u>(687,050)</u>	<u>(682,742)</u>	<u>4,308</u>
NET CHANGE IN FUND BALANCE	43,890	263,920	379,481	<u>115,561</u>
FUND BALANCE, JANUARY 1	<u>7,675,615</u>	<u>7,675,615</u>	<u>7,675,615</u>	
FUND BALANCE, DECEMBER 31	<u>\$ 7,719,505</u>	<u>7,939,535</u>	<u>8,055,096</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,185,601	1,246,300	1,246,168	(132)
Investment income	-	300	303	3
Total Revenues	<u>1,185,601</u>	<u>1,246,600</u>	<u>1,246,471</u>	<u>(129)</u>
EXPENDITURES				
Dispatch:				
Dispatching fees	1,185,601	1,242,900	1,242,842	(58)
Communications	-	3,700	3,629	(71)
Total Expenditures	<u>1,185,601</u>	<u>1,246,600</u>	<u>1,246,471</u>	<u>(129)</u>
NET CHANGE IN FUND BALANCE	-	-	-	<u>-</u>
FUND BALANCE, JANUARY 1	<u>-</u>	<u>-</u>	<u>-</u>	
FUND BALANCE, DECEMBER 31	<u>\$ -</u>	<u>-</u>	<u>-</u>	

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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 2,319,080	2,476,180	2,476,695	515
Investment income	-	1,000	1,007	7
Total Revenues	<u>2,319,080</u>	<u>2,477,180</u>	<u>2,477,702</u>	<u>522</u>
EXPENDITURES				
Public safety:				
Professional fees	-	95,500	95,433	(67)
VEBA contribution	-	335,400	335,400	-
Pension contribution	2,319,080	1,900,800	1,900,756	(44)
Total Expenditures	<u>2,319,080</u>	<u>2,331,700</u>	<u>2,331,589</u>	<u>(111)</u>
NET CHANGE IN FUND BALANCE	-	145,480	146,113	<u>633</u>
FUND BALANCE, JANUARY 1, AS RESTATED	<u>1,793,312</u>	<u>1,793,312</u>	<u>1,793,312</u>	
FUND BALANCE, DECEMBER 31	<u><u>\$ 1,793,312</u></u>	<u><u>1,938,792</u></u>	<u><u>1,939,425</u></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, 2021**

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 District controller 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.

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, 2021

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,781,528	2,513,528	2,514,423	895
Investment income	-	-	135	135
Total Revenues	<u>2,781,528</u>	<u>2,513,528</u>	<u>2,514,558</u>	<u>1,030</u>
EXPENDITURES				
Debt service:				
Principal payments	-	500,000	500,000	-
Interest and other fiscal charges	829,612	285,200	285,112	(88)
Total Expenditures	<u>829,612</u>	<u>785,200</u>	<u>785,112</u>	<u>(88)</u>
NET CHANGE IN FUND BALANCE	1,951,916	1,728,328	1,729,446	<u>1,118</u>
FUND BALANCE, JANUARY 1	<u>1,598,686</u>	<u>1,598,686</u>	<u>1,598,686</u>	
FUND BALANCE, DECEMBER 31	<u>\$ 3,550,602</u>	<u>3,327,014</u>	<u>3,328,132</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ -	47,500	47,956	456
EXPENDITURES				
Capital outlay	-	1,249,000	1,248,691	(309)
NET CHANGE IN FUND BALANCE	-	(1,201,500)	(1,200,735)	<u>765</u>
FUND BALANCE, JANUARY 1	<u>12,194,761</u>	<u>12,194,761</u>	<u>12,194,761</u>	
FUND BALANCE, DECEMBER 31	<u>\$ 12,194,761</u>	<u>10,993,261</u>	<u>10,994,026</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, 2021

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, 2021

Issue and CUSIP Numbers to which this Disclosure Report relates:

**General
Obligation
Bonds
Series 2020**

60907 PAJ1
60907 PAK8
60907 PAL6
60907 PAM4
60907 PAN2
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, 2021, 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, 2021

Historic Assessed Valuation (Continued)

<u>Calendar Year</u>	<u>Assessed Valuation ⁽¹⁾</u>	<u>Percentage Change</u>
2021	\$ 2,905,509,265	5.75 %
2020	2,747,638,016	1.77
2019	2,699,743,449	9.83
2018	2,458,084,864	(0.65)
2017	2,474,120,948	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 (2021)

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, 2021 (as finalized December 31, 2021):

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, 2021

Historic Assessed Valuation (Continued)

	<u>Assessed Valuations ⁽¹⁾</u>	<u>Assessment Ratio</u>	<u>Estimated Actual Valuation</u>
Real Estate: ⁽²⁾			
Residential	\$ 1,848,887,190	19 %	\$ 9,730,985,211
Agricultural	660,329,570	12	5,502,746,417
Commercial	1,244,050	32	3,887,656
State assessed	<u>31,995,075</u>	32	<u>99,984,609</u>
Total Real Estate	<u>2,542,455,885</u>		<u>15,337,603,893</u>
Personal Property:			
Regular	353,073,320	33 1/3	1,059,219,960
Manufacturing	5,254,850	33 1/3	15,764,550
State assessed	<u>4,725,210</u>	33 1/3	<u>14,175,630</u>
Total Personal Property	<u>363,053,380</u>		<u>1,089,160,140</u>
Total	<u>\$ 2,905,509,265</u>		<u>\$ 16,426,764,033</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, 2021

Tax Rates

<u>For The Years Ended December 31</u>	<u>General Fund</u>	<u>Ambulance Fund</u>	<u>Pension Fund</u>	<u>Dispatch Fund</u>	<u>Debt Service Fund</u>	<u>Total Levy</u>
2021	\$ 0.4442	\$ 0.2715	\$ 0.0828	\$ 0.0422	\$ 0.0890	0.9297
2020	0.4627	0.2827	0.0859	0.0436	0.0712 ⁽²⁾	0.9460
2019	0.4624	0.2831	0.0863	0.0438	0.0000	0.8756
2018	0.4813	0.2940	0.0894	0.0456	0.0000	0.9103
2017	0.4336	0.2689	0.0812	0.0419	0.0000	0.8256

Source: District Records

⁽¹⁾ Blended tax rate from the adjusted levy

⁽²⁾ The District did not levy a tax for the debt service fund but has levied such a tax while the Bonds are outstanding

Tax Collection Rates

<u>For The Years Ended December 31</u>	<u>Assessed Valuation⁽¹⁾</u>	<u>Levy</u>	<u>Tax Levy (\$/100)⁽²⁾</u>	<u>Current Taxes Collected</u>	<u>Percentage Of Current Taxes Collected</u>	<u>Delinquent Taxes Collected</u>	<u>Percentage Of Delinquent And Current Taxes Collected⁽³⁾</u>
2021	\$2,905,509,265	\$26,993,918	\$ 0.930	\$14,874,486	55.10 %	\$ 11,761,700	98.67 %
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

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 is 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, 2021

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>
Chapter 100 St. Louis County	Real Estate	\$68,695,080	1	2.36
THF Chesterfield Development LLC	Shopping Centers	54,195,790	2	1.87
Bayer/Monsanto Co	Biotechnology	38,898,880	3	1.34
Fly St. Louis Holdings LLC	Commercial Real Estate	19,522,910	4	0.67
St. Louis Premium Outlets LLC	Retail	13,938,750	5	0.48
Friendship Village of West County	Senior Living	13,391,450	6	0.46
Baxter Crossing Apartments Associates	Residential	12,195,210	7	0.42
Passco Chesterfield Dst.	Residential	12,136,270	8	0.42
FSP Timberlake Corp	Commercial Real Estate	10,163,900	9	0.35
GAHC3 Chesterfield Corporate Plaza LLC	Healthcare	10,148,320	10	0.35

General Obligation Bonds Outstanding (as of December 31, 2021)

<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	\$ 11,500,000

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, 2021

For The Year Ended December 31, 2021:

Estimated Population of the District, 2010	60,000
Assessed Valuation 2021 ⁽¹⁾	\$ 2,747,638,016
Estimated Actual Value 2021 ⁽¹⁾	\$ 16,426,764,033
Outstanding Direct General Obligation Debt ⁽²⁾	\$ 11,500,000
Total General Obligation Debt ⁽²⁾	\$ 11,500,000
Per Capita Direct General Obligation Debt ⁽²⁾	\$ 192
Ratio of Direct General Obligation Debt to Assessed Valuation ^{(1),(2)}	0.42 %
Ratio of Direct General Obligation Debt to Estimated Actual Value ^{(1),(2)}	0.07 %

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, 2021, 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 23, 2022.

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

St. Louis, Missouri
June 23, 2022