

**WESTERN CASS FIRE
PROTECTION DISTRICT**

**FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2019**

**TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

WESTERN CASS FIRE PROTECTION DISTRICT
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210 W. Ohio
Butler, MO 64730
Fax: 660-679-6575

1626 Hedges Plaza
Nevada, MO 64772
Fax: 417-667-6420

1118A Remington Plaza
Raymore, MO 64083
Fax: 816-322-4626

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Western Cass Fire Protection
District
Cleveland, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Western Cass Fire Protection District for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, except for the effects, if any, of not providing management's discussion and analysis as described in the following paragraph, the financial statements, as listed in the table of contents, present fairly, in all material respects, the respective financial position of the governmental activities and aggregate remaining fund information of the Western Cass Fire Protection District at December 31, 2019, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the budgetary comparison information on page 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Western Cass Fire Protection District's basic financial statements. The budgetary comparison schedule on page 25 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 1, 2021, on our consideration of the Western Cass Fire Protection District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

DSWA Certified Public Accountants, PC.

Raymore, Missouri
November 1, 2021

**WESTERN CASS FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	Governmental Activities
ASSETS	
Current assets:	
Cash and restricted cash	\$ 239,928
Investments	42,453
Taxes receivable	277,946
Accrued interest receivable	33
Due from general fund	69,598
Prepaid expenses	3,115
Total current assets	633,073
Capital assets:	
Apparatus	1,399,376
Buildings	141,000
Communication equipment	37,405
Furniture	58,493
Gear	100,187
Leasehold improvements	120,368
Medical equipment	23,740
Other equipment	207,818
Shop equipment	2,905
Less: accumulated depreciation	(1,431,220)
Total capital assets	660,072
Total assets	1,293,145
LIABILITIES	
Current liabilities:	
Current maturities of long-term obligations	150,589
Accounts payable	676
Interest payable	3,396
Due to debt service fund	69,598
Security deposits	700
Total current liabilities	224,959
Noncurrent liabilities:	
Bond payable	295,000
Total liabilities	519,959
NET POSITION	
Net investment in capital assets	211,087
Restricted for debt service	283,602
Unrestricted	278,497
Total net position	\$ 773,186

**WESTERN CASS FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Functions/ Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Buildings and grounds	\$ 14,513	\$ -	\$ -	\$ -	\$ (14,513)
Dispatching	15,816	-	-	-	(15,816)
Firefighter appreciation	24,016	-	-	-	(24,016)
Fuel and truck maintenance	18,801	-	-	-	(18,801)
Insurance	20,073	-	-	-	(20,073)
Repairs and maintenance	1,763	-	-	-	(1,763)
Medical and firefighting supplies	7,740	-	-	-	(7,740)
Office supplies and postage	3,461	-	-	-	(3,461)
Other administrative expenses	1,561	-	-	-	(1,561)
Professional fees	10,453	-	-	-	(10,453)
Recruitment retention	13,539	-	-	-	(13,539)
Telephone and communications	1,345	-	-	-	(1,345)
Utilities	11,713	-	-	-	(11,713)
Training	4,938	-	-	-	(4,938)
Interest expense	10,036	-	-	-	(10,036)
Equipment and gear depreciation expense	134,762	-	-	-	(134,762)
Total governmental activities	\$ 294,530	\$ -	\$ -	\$ -	(294,530)
General Revenues:					
Property taxes-General purpose and debt service					348,873
Interest income					485
Miscellaneous					142
Total general revenues					349,500
Change in net position					54,970
Net position - beginning					718,216
Net position - ending					\$ 773,186

**WESTERN CASS FIRE PROTECTION DISTRICT
BALANCE SHEET
DECEMBER 31, 2019**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 59,858	\$ 110,472	\$ 170,330
Investments	42,453	-	42,453
Taxes receivable	162,151	115,795	277,946
Accrued interest receivable	33	-	33
Prepaid insurance	3,115	-	3,115
Restricted cash	69,598	-	69,598
Due from other funds	-	69,598	69,598
Total assets	<u>\$ 337,208</u>	<u>\$ 295,865</u>	<u>\$ 633,073</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 676	\$ -	\$ 676
Due to other funds	69,598	-	69,598
Interest payable	-	3,396	3,396
Security deposits	700	-	700
Total liabilities	<u>70,974</u>	<u>3,396</u>	<u>74,370</u>
Deferred inflows of resources:			
Deferred property tax revenue	<u>12,417</u>	<u>8,867</u>	<u>21,284</u>
Fund balance:			
Nonspendable:			
Prepaid expenses	3,115	-	3,115
Restricted:			
Debt service	-	283,602	283,602
Unassigned	<u>250,702</u>	<u>-</u>	<u>250,702</u>
Total fund balances	<u>253,817</u>	<u>283,602</u>	<u>537,419</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 337,208</u>	<u>\$ 295,865</u>	<u>\$ 633,073</u>

Reconciliation to Statement of Net Position

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

Total fund balance - governmental funds	\$ 537,419
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$2,091,292 and the accumulated depreciation is \$1,431,220.	660,072
Property tax revenue is recognized as it is earned in the government-wide financial statements, but the portion not meeting the definition of "available" is deferred in the funds.	21,284
Long-term liabilities, including bonds payable, changes in interest payable and capital leases, are not due and payable in the current period and therefore are not reported in the funds.	<u>(445,589)</u>
Total net position - governmental activities	<u>\$ 773,186</u>

**WESTERN CASS FIRE PROTECTION DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 196,059	\$ 149,321	\$ 345,380
Other	142	-	142
Total revenues	<u>196,201</u>	<u>149,321</u>	<u>345,522</u>
EXPENDITURES			
General:			
Buildings and grounds	14,082	-	14,082
Dispatching	15,816	-	15,816
Firefighter appreciation	24,016	-	24,016
Fuel and truck maintenance	18,801	-	18,801
Insurance	20,073	-	20,073
Repairs and maintenance	1,763	-	1,763
Medical and firefighting supplies	8,356	-	8,356
Office supplies and postage	3,461	-	3,461
Other administrative expenses	1,561	-	1,561
Professional fees	10,453	-	10,453
Recruitment retention	13,539	-	13,539
Telephone and communications	1,345	-	1,345
Utilities	11,713	-	11,713
Training	4,938	-	4,938
Debt service	36,839	117,580	154,419
Total expenditures	<u>186,756</u>	<u>117,580</u>	<u>304,336</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,445</u>	<u>31,741</u>	<u>41,186</u>
OTHER FINANCING SOURCES (USES)			
Interest	<u>485</u>	<u>-</u>	<u>485</u>
Net change in fund balance	9,930	31,741	41,671
Fund balances - beginning	<u>243,887</u>	<u>251,861</u>	<u>495,748</u>
Fund balances - ending	<u>\$ 253,817</u>	<u>\$ 283,602</u>	<u>\$ 537,419</u>

**WESTERN CASS FIRE PROTECTION DISTRICT
RECONCILIATION OF THE COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

Net change in fund balances \$ 41,671

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an estimated useful life of greater than one year are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital outlays	\$ 7,216	
Depreciation expense	<u>(141,793)</u>	(134,577)

Lease payments are expensed in the governmental funds, but are reported as reductions to capital lease obligations in the government-wide financial statements.

Principal paid on capital leases	34,383
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Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in the governmental funds:

Change in deferred portion of property tax revenues	3,493
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The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. The net effect of this difference in the treatment of general obligation bonds and related items is as follows:

Principal payments	<u>110,000</u>
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Change in net position of governmental activities \$ 54,970

Western Cass Fire Protection District

Notes to the Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The district was organized in April 1983, to provide fire protection and first responder services to a designated district in Cass County, Missouri without charge. As an autonomous governmental entity, its operations are principally funded by annual levies of ad valorem taxes.

The District is governed by an elective board of five directors.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments.

The District's reporting entity includes the District's governing board and all related organizations for which the District exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities which benefit the residents of the District should be included as a component unit in the District's financial statements. The criteria includes, but is not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The District has determined that no other outside agency meets the above criteria, and therefore, no other agency has been included as a component unit in the District's financial statements.

A. Basis of Presentation:

1. Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the District as a whole excluding any fiduciary activities. The statements show the governmental activities, which are generally supported by taxes and District general revenues.

In the government-wide statement of net position, activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets, restricted, and unrestricted.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which include fees, fines, and other charges to user of the District's services; (2) grants and contributions that are restricted to meeting the operational or capital requires of the particular program. Revenues that are not classified as program receipts, including all taxes, are presented as general revenues.

2. Fund Financial Statements

In the fund financial statements, the accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets; liabilities; fund equity; revenues; and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which spending activities are controlled. The District reports the following major governmental funds:

Western Cass Fire Protection District Notes to the Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

A. Basis of Presentation (continued):

2. Fund Financial Statements (continued)

- a. General Fund – Accounts for general activities of the District.
- b. Special Revenue (Projects) Fund –Accounts for the proceeds of long-term debt, taxes, and other revenues and expenditures designated for the construction or purchase of major capital assets and all other capital outlay.
- c. Debt Service Fund – Accounts for the accumulation of resources for the payment of long-term debt principal, interest, and related costs.

B. Basis of Accounting:

1. Government-wide Financial Statements

The government-wide financial statements report using the economic resources measurement focus and the accrual basis of accounting.

2. Governmental Fund Financial Statements

The governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 day of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

Major revenues susceptible to accrual include property taxes and investment income. In general, other revenues are recognized when cash is received. Deferred revenues include measurable but unavailable amounts of delinquent property taxes. Expenditures are generally recorded when the related liability is incurred. General capital asset acquisitions are reported as expenditures in the government's funds and general proceeds of long-term debt are reported as other financing sources.

C. Inventory:

Management considers any inventory to be immaterial; therefore, no inventory is recorded.

D. Capital Assets:

Capital assets, including land, buildings and improvements, and equipment with an original cost of more than \$500 are reported in the government-wide financial statements. Capital assets are defined by the District as items with an estimated useful life of more than one year. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs are not capitalized.

Capital assets are recorded at historical cost if purchased or constructed, or at estimated historical cost if actual cost is not available. Construction projects are capitalized as the costs are incurred. Interest incurred during the construction phase of capital assets in the proprietary funds is included as part of the capitalized value of the assets constructed. Donated capital assets are recorded at estimated fair market value as of the date received.

**Western Cass Fire Protection District
Notes to the Basic Financial Statements**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

D. Capital Assets (continued):

Depreciation of all exhaustible capital assets is reported for all funds in the government-wide financial statements.

Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Vehicles	10 years
Leasehold Improvements	20 years
Building	39 years
Equipment	5-7 years

Expenditures for maintenance and repairs are charged to expense; renewals and betterments are capitalized.

E. Security Deposits:

The District has one fire station at which two firefighters reside. No rent is charged to the individuals as they are members of the fire department. The firefighters are required to pay a deposit to live in the station. The balance of these deposits at December 31, 2019, was \$700.

F. Net Position:

Net position in the government-wide financial statements represents the difference in assets and deferred outflows of resources and liabilities and deferred inflows of resources and is reported in three categories.

1. Net investment in capital assets consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
2. Restricted net position consists of net position with use constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or bond covenants. Restricted net position is reduced by liabilities and deferred inflows of resources related to restricted assets.
3. Unrestricted net position consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources before using unrestricted resources.

G. Fund Balance:

The fund financial statements present fund balance by classification based on the extent to which the District is bound to honor constraints on the specific purposes for which the funds may be spent.

1. Nonspendable – amounts that are either not in spendable form, or legally or contractually required to be maintained intact.

Western Cass Fire Protection District Notes to the Basic Financial Statements

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

G. Fund Balance (continued):

2. Restricted – amounts constrained to specific uses by external groups such as creditors, grantors, or contributors; or by laws and regulations of other governments.
3. Committed – amounts constrained to specific uses by the District itself, using its highest level of decision making authority, the District's Board of Directors. Commitments may be established, modified, or rescinded only through resolutions passed by the District's Board of Directors.
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that the District intends to use for a specific purpose. For all funds other than the General Fund, this includes any remaining funds not otherwise classified, as they are assigned to the purposes for which the fund was established. For the General Fund, the assignment can result from intent expressed by the District's Board of Directors or by District administrators to which the Board of Directors delegates the authority.
5. Unassigned – amounts that are available for any purpose. Positive amounts are reported in only the General Fund. Negative unassigned fund balances are reported for all other governmental funds where the nonspendable, restricted, and committed fund balances exceed the total fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District applies restricted funds first. When an expenditure is incurred for which committed, assigned, and/or unassigned fund balances are available, the District first applies committed funds, and finally unassigned funds, as needed.

H. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Budgetary Accounting:

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

1. Final tax valuations are received from the Cass County Assessor in July or August.
2. A detailed operating budget for the succeeding year is presented by the Chief to the Board of Directors.
3. The budget is legally enacted, together with the current year property tax levy, through approval by the Board of Directors prior to December 31 each year.
4. Budgets are prepared and lapse on an annual basis.
5. The Directors may authorize budget revisions during the year.

**Western Cass Fire Protection District
Notes to the Basic Financial Statements**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

I. Budgetary Accounting (continued):

6. Budgets for District funds are prepared and adopted using the cash basis of accounting (budget basis). In the budget to actual comparison schedule, the actual results are presented in accordance with the basis of accounting used for budgeting.
7. RSMo. Section 67.040 limits expenditures from a Missouri political subdivision to the amount budgeted, unless amends are made to the budget. Therefore, any expenditure in excess of the annual budget is a violation of Missouri Revised Statutes.

J. Nonexchange Transactions:

Nonexchange transactions in which the District receives value without directly giving equal value in return include taxes, grants, entitlements, and donations.

2. CASH AND RESTRICTED CASH:

State statutes require that the District's deposits be collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of December 1, 2019, the District's bank balances were entirely covered by FDIC insurance.

Cash in the general fund in the amount of \$69,598 is due to the debt service fund to allocate property taxes per the District's levy. As this amount is restricted for the use of debt servicing, it is shown as restricted cash in the general fund.

3. INVESTMENTS:

The District's investments as of December 31, 2019, consisted of certificates of deposit totaling \$42,453.

Certificates of deposit with maturities in excess of three months are classified as investments but are considered deposits for custodial risk determination. State statutes require the District's deposits be collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2019, all certificates of deposit are entirely insured or collateralized with securities.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy mandates structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations thereby avoiding the need to sell investments on the open market prior to maturity.

**Western Cass Fire Protection District
Notes to the Basic Financial Statements**

4. CAPITAL ASSETS:

The capital assets activity of the governmental funds during the year is as follows:

	Balance January 1, 2019	Additions	Disposals	Balance December 31, 2019
Apparatus	\$ 1,399,376	\$ -	\$ -	\$ 1,399,376
Buildings	141,000	-	-	141,000
Communication equipment	37,405	-	-	37,405
Furniture	58,493	-	-	58,493
Gear	100,187	-	-	100,187
Leasehold improvements	113,768	6,600	-	120,368
Medical equipment	23,740	-	-	23,740
Other equipment	207,202	616	-	207,818
Shop equipment	<u>2,905</u>	<u>-</u>	<u>-</u>	<u>2,905</u>
Total Capital Assets	2,084,076	7,216	-	2,091,292
Accumulated depreciation	<u>(1,289,427)</u>	<u>(141,793)</u>	<u>-</u>	<u>(1,431,220)</u>
Net capital assets	<u>\$ 794,649</u>	<u>\$ (134,577)</u>	<u>\$ -</u>	<u>\$ 660,072</u>

Depreciation expense was charged to functions in the Statement of Activities as follows:

Buildings and grounds	\$ 7,031
Equipment and gear depreciation expense	<u>134,762</u>
	<u>\$ 141,793</u>

Included in the amount above are capital assets of \$200,000, net of \$90,000 accumulated depreciation, purchased under a capital lease.

5. PROPERTY TAXES:

Property taxes are assessed January 1 and levies are set and filed with the county clerk by September 1 each year. Property taxes attach as an enforceable lien on November 1, and the taxes are due to be collected by December 31. Uncollected amounts become delinquent after that date. The District considers any allowance for uncollectible property taxes to be immaterial; therefore, no allowance has been recorded.

The tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2019, for purposes of local taxation, was as follows:

<u>Fund</u>	<u>Adjusted</u>
General	\$ 0.4201
Debt Service	<u>0.3000</u>
	<u>\$ 0.7201</u>

The assessed valuation for tangible, taxable property for the calendar year 2019, for purposes of local taxation, was \$48,705,269.

**Western Cass Fire Protection District
Notes to the Basic Financial Statements**

6. CAPITAL LEASE OBLIGATIONS:

The following is a summary of the District's capital lease transactions for the year ended December 31, 2019:

Capital lease payable, January 1, 2019	\$ 69,972
Less - Current year payments	(34,383)
Capital lease payable, December 31, 2019	\$ 35,589

On January 22, 2015, the District entered into a capital lease arrangement that expires July 1, 2020, for the purchase of a 2000 Gladiator, a 2003 Spartan, and a 2002 Ford F550. At the end of the lease term, the District will assume ownership. The lease requires annual payments of \$36,839, with an interest rate of 3.45% per annum. Interest under this lease totaled \$2,456 during the year ended December 31, 2019.

At December 31, 2019, future minimum lease payments under the capital leases are as follows:

Year Ending	Principal	Interest	Total
December 31, 2020	\$ 35,589	\$ 1,249	\$ 36,838

Cash paid for interest was \$2,456 during the year ended December 31, 2019.

7. LEGAL DEBT:

Under Missouri Revised Statutes Section 321.230-321-242, the Board of Directors, by a vote of its qualified electorate, may borrow money and issue bonds for the purpose of purchasing any property or equipment necessary or incidental to the operation of a fire protection district. The loans authorized by this section shall not be contracted for a period longer than twenty years.

8. COMMITMENTS AND CONTINGENCIES:

The District is a party to various mutual aid agreements with neighboring cities and fire protection districts, whereby each party will provide assistance to the other parties in case of major fires, disasters, and other conflagrations.

9. POSTEMPLOYMENT BENEFITS:

The District is operated by volunteer firefighters. There are no employees of the District.

10. DISPATCHING:

The District has an agreement with the Lee's Summit Fire Department to provide all dispatching services. This center is a regional Fire and EMS dispatch center and provides the following communication services for the District:

Complete communication services for dispatch of fire and emergency medical services and other related emergency services from the receipt of the incident report until the termination of the incident through a computer-aided dispatch system which maintains information such as receipt time, arrival time, and incident termination time.

The District pays \$.03 per \$100 assessed valuation, less 1.7% which represents the County collection fee, of the funds received by the District. The payment is due on April 1, of each year. During the year ended December 31, 2019, the District made a payment of \$13,341 for 2019 services.

**Western Cass Fire Protection District
Notes to the Basic Financial Statements**

11. BONDS PAYABLE:

Bonds payable at December 31, 2019, consisted of \$410,000 outstanding Series 2015 General Obligation Bonds issued February 24, 2015, due in varying annual installments through March 1, 2023, with an annual interest rate of 1.630%, payable semi-annually on March 1, and September 1, of each year, starting September 1, 2015.

Bonds outstanding, January 1, 2019	\$ 520,000
Less: principal payments	<u>110,000</u>
Bonds outstanding, December 31, 2019	<u>\$ 410,000</u>

Annual debt service requirements for these bonds for each of the next five years and in five-year increments thereafter are as follows:

Year Ended December 31,	Principal	Interest	Total
2020	\$ 115,000	\$ 5,746	\$ 120,746
2021	115,000	3,871	118,871
2022	120,000	1,956	121,956
2023	<u>60,000</u>	<u>489</u>	<u>60,489</u>
	<u>\$ 410,000</u>	<u>\$ 12,062</u>	<u>\$ 422,062</u>

Cash paid for interest was \$7,580 during the year ended December 31, 2019.

12. DATE OF MANAGEMENT'S REVIEW:

Management has evaluated subsequent events through November 1, 2021, the date the financial statements were issued.

**WESTERN CASS FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 197,335	\$ 197,335	\$ 196,059	\$ (1,276)
Other	-	-	142	142
Interest	-	-	-	-
Total revenues	197,335	197,335	196,201	(1,134)
EXPENDITURES				
General:				
Buildings and grounds	8,238	8,238	14,082	(5,844)
Dispatching	20,810	20,810	15,816	4,994
Firefighter appreciation	18,500	18,500	24,016	(5,516)
Fuel and truck maintenance	25,784	25,784	21,172	4,612
Insurance	17,458	17,458	20,073	(2,615)
Repairs and maintenance	5,000	5,000	1,763	3,237
Medical and firefighting supplies	10,450	10,450	8,356	2,094
Office supplies and postage	4,000	4,000	3,461	539
Other administrative expenses	4,150	4,150	1,561	2,589
Professional fees	8,100	8,100	10,453	(2,353)
Recruitment retention	15,211	15,211	13,539	1,672
Telephone and communications	1,705	1,705	1,345	360
Utilities	12,190	12,190	12,090	100
Training	8,900	8,900	4,938	3,962
Debt service:				
Principal	34,383	34,383	34,383	-
Interest expense	2,456	2,456	2,456	-
Total expenditures	197,335	197,335	189,504	7,831
Excess (deficiency) of revenues over (under) expenditures	-	-	6,697	6,697
Net change in fund balance	-	-	6,697	\$ 6,697
Fund balance - beginning	243,887	243,887	243,887	
Fund balance - ending	\$ 243,887	\$ 243,887	250,584	
Adjustments to reconcile to GAAP basis:				
Accrual adjustments to revenues			3,233	
Fund balance - ending (GAAP Basis)			\$ 253,817	



210 W. Ohio
Butler, MO 64730
Fax: 660-679-6575

1626 Hedges Plaza
Nevada, MO 64772
Fax: 417-667-6420

1118A Remington Plaza
Raymore, MO 64083
Fax: 816-322-4626

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

To the Board of Directors of
The Western Cass Fire Protection
District
Cleveland, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Western Cass Fire Protection District as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Western Cass Fire Protection District's basic financial statements and have issued our report thereon dated November 1, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Western Cass Fire Protection 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 Western Cass Fire Protection District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Western Cass Fire Protection District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as item 2019-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Western Cass Fire Protection District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2019-002 to 2019-004.

Western Cass Fire Protection District's Response to Findings

The Western Cass Fire Protection District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Western Cass Fire Protection District's 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DSWA Certified Public Accountants, PC.

Raymore, Missouri
November 1, 2021

WESTERN CASS FIRE PROTECTION DISTRICT

SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES TO THE INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

FOR THE YEAR ENDED DECEMBER 31, 2019

INTERNAL CONTROL OVER FINANCIAL REPORTING

2019-001 Segregation of Duties – Material Weakness

Statement of Condition: The functions of receiving, depositing, disbursing and recording monies are performed by the same employee. This employee is also responsible for reconciling the cash accounts. The District Bookkeeper, who performs the bookkeeping services for the District, also prepares the bank reconciliations. Reviews of these reconciliations are not documented or signed by another individual.

Criteria: Adequate segregation of non-compatible duties is important for a sound and effective system of internal control.

Cause: Limited number of available personnel.

Effect: Without proper segregation of duties, the risk increases that errors and irregularities related to cash transactions could occur and not be detected on a timely basis. Misappropriation of cash frequently occurs in small entities without adequate segregation of duties.

Recommendation: Efficient segregation of duties in a small government environment is often difficult; however, the Board should be aware of the risk associated with this lack of duty segregation and attempt to exercise as much oversight control in these areas as possible and feasible.

District's Response: *The District will evaluate what additional procedures could be used to segregate duties.*

WESTERN CASS FIRE PROTECTION DISTRICT

SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES TO THE INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

FOR THE YEAR ENDED DECEMBER 31, 2019

COMPLIANCE

2019-002 **Budget Compliance**

Statement of Condition: The district's budget for the year ended December 31, 2019, did not include all statutorily required information.

Criteria: RSMo 67.010 requires certain information to accompany the actual budget amounts. The budget did not include a budget summary, debt service information, the beginning and estimated ending cash balances and a comparative statement of revenues for the 2 preceding years.

Effect: The District is out of compliance with RSMo. Chapter 67.010.

Cause: The District did not include all of the required budget information required by Missouri statutes.

Recommendation: We recommend the District ensure all information required by RSMo. Chapter 67.010 be included in the presented budget.

District's Response: *The District concurs with the findings.*

WESTERN CASS FIRE PROTECTION DISTRICT

SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES TO THE INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

FOR THE YEAR ENDED DECEMBER 31, 2019

2019-003 Financial Reports

Statement of Condition: The district's annual report of financial transactions filed with the Missouri State Auditor for the year ended December 31, 2019, did not include did not include all statutorily required information. The report of financial transactions did not include receipts, beginning cash balances and debt service principal payments. The district also failed to submit a financial report for the year ended December 31, 2019, to the County Clerk by April 1, 2020.

Criteria: RSMo 105.145 requires annual report of financial transactions to include the beginning and ending fund balances, summaries of receipts and disbursements, and the total bonded indebtedness at the beginning and end of the reporting period to be in the financial report. RSMo 321.180 requires fire protection districts to submit a financial statement for the preceding fiscal year to the county clerk by April 1st of each year.

Effect: The District is out of compliance with RSMo. Chapters 105.145 and 321.180.

Cause: The District did not include all of the required financial information required by Missouri statutes in the annual report of financial transactions and failed to submit a financial statement for the preceding fiscal year to the county clerk by April 1st of each year.

Recommendation: We recommend the District ensure all information required by RSMo. Chapter 105.145 be included in the annual report of financial transactions and a financial statement for the preceding fiscal year be submitted to the County Clerk by April 1 of each year.

District's Response: *The District concurs with the findings.*

WESTERN CASS FIRE PROTECTION DISTRICT

SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES TO THE INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

FOR THE YEAR ENDED DECEMBER 31, 2019

2019-004 Board of Directors' Minutes and Executive Session

Statement of Condition: The District board minutes did not indicate the section of the Revised Missouri Statutes (RSMo) and/or applicable paragraph of section 610.021 for entrance into executive session. The reasons were stated, but not the applicable section of RSMo 610.021.

Criteria : RSMo 610.021 requires a public governmental body proposing to hold a closed meeting to reference RSMo 610.021 and the specific section citing the reason thereunder in the minutes.

Effect: The District was not in compliance with RSMo Section 610.021.

Cause: The District did not document executive session in accordance with RSMo 610.021.

Recommendation : We recommend the District cite Revised Missouri Statutes Section 610.021 and the requisite paragraph(s) thereunder when entering executive session and record all required information in the Board minutes.

District's Response: *The District concurs with the findings.*

WESTERN CASS FIRE PROTECTION DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES TO THE INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

FOR THE YEAR ENDED DECEMBER 31, 2019

INTERNAL CONTROL OVER FINANCIAL REPORTING

2018-001 Segregation of Duties – Material Weakness

Statement of Condition: The functions of receiving, depositing, disbursing and recording monies are performed by the same employee. This employee is also responsible for reconciling the cash accounts. The District Bookkeeper, who performs the bookkeeping services for the District, also prepares the bank reconciliations. Reviews of these reconciliations are not documented or signed by another individual.

Criteria: Adequate segregation of non-compatible duties is important for a sound and effective system of internal control.

Cause: Limited number of available personnel.

Effect: Without proper segregation of duties, the risk increases that errors and irregularities related to cash transactions could occur and not be detected on a timely basis. Misappropriation of cash frequently occurs in small entities without adequate segregation of duties.

Recommendation: Efficient segregation of duties in a small government environment is often difficult; however, the Board should be aware of the risk associated with this lack of duty segregation and attempt to exercise as much oversight control in these areas as possible and feasible.

District's Response: *The District will evaluate what additional procedures could be used to segregate duties.*

Status: This is still a finding in the current year.

WESTERN CASS FIRE PROTECTION DISTRICT

**SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES TO THE INDEPENDENT
AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

FOR THE YEAR ENDED DECEMBER 31, 2019

COMPLIANCE

2018-002 Budget Compliance

Statement of Condition: The District did not amend the budget to ensure final actual expenditures were equal to or less than final budgeted figures for the General Fund as required by RSMo Chapter 67.

Criteria: RSMo. 67.040 states that "the political subdivision shall not increase the total amount authorized for expenditures from any fund, unless the governing body adopts a resolution setting forth the facts and reasons making the increase necessary."

Effect: The District is out of compliance with RSMo. Chapter 67.

Cause: The District did not ensure final actual expenditures were equal to or less than final budgeted figures per fund.

Recommendation: We recommend the District ensure final actual expenditures are equal to or less than final budgeted figures per fund and monitor the budget to make contemporaneous changes when necessary.

District's Response: *The District concurs with the findings.*

Status: This is not a finding in the current year.

**WESTERN CASS FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
REVENUES				
Taxes	\$ 135,719	\$ 135,719	\$ 143,657	\$ 7,938
EXPENDITURES				
Debt service	117,580	117,580	117,580	-
Excess (deficiency) of revenues over (under) expenditures	18,139	18,139	26,077	7,938
Net change in fund balance	18,139	18,139	26,077	<u>\$ 7,938</u>
Fund balance - beginning	251,861	251,861	251,861	
Fund balance - ending	\$ 270,000	\$ 270,000	277,938	
Adjustments to reconcile to GAAP basis:				
Accrual adjustments to revenues			5,664	
Fund balance - ending (GAAP Basis)			\$ 283,602	