

***ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI***

***FINANCIAL STATEMENT
FOR THE YEAR ENDED
DECEMBER 31, 2016***

**ROBERTSON FIRE PROTECTION DISTRICT OF
ST. LOUIS COUNTY, MISSOURI
ST. LOUIS, MISSOURI**

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INDEPENDENT AUDITORS' REPORT



Members of the Board of Directors of
ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the remaining fund information, of Robertson Fire Protection District of St. Louis County, Missouri, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 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 remaining fund information, of the Robertson Fire Protection District of St. Louis County, Missouri, as of December 31, 2016, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.


Other Matters

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2017, on our consideration of the District's internal control over financial reporting and 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.

Accounting principles generally accepted in the United States of America require that the management's discussion, analysis and budgetary comparison information, and schedule of funding progress on pages 3 through 9 and 33 through 37 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.

Other Information

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


June 22, 2017

**ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI**
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016

This section of Robertson Fire Protection District of St. Louis County, Missouri's (the District) annual financial report presents management's discussion and analysis of the District's financial activity for the year ended December 31, 2016. In order to have a comprehensive understanding of the Management Discussion and Analysis, we recommend that the attached financial statements, including all notes to the financial statements, be read in their entirety.

Using this Annual Report

The following financial statements are reported utilizing GASB 34 - *Governmental Accounting Standards Board Statement - Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments*. The District's basic financial statements are designed to emulate corporate presentation models whereby all District activities are consolidated. This approach is intended to summarize and simplify the analysis of the costs associated with various emergency services provided by the District for the benefit of its residents.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components:

- 1) Government-wide financial statements,
- 2) Fund financial statements, and
- 3) Notes to the basic financial statements.

Required supplementary information and additional supplementary information are also included in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The government-wide financial statements include the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* presents all of the District's assets and liabilities which measure the District's overall financial health. The increases and decreases in net position can be monitored to determine whether the District's financial position is improving or deteriorating.

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

The government-wide financial statements report functions of the District that are principally supported by taxes and charges for services. The governmental activities for the District include fire protection, ambulance and EMS services, dispatching services and debt services. It should be noted that the District currently has no business-type activities.

Fund Financial Statements

The fund financial statements provide grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure compliance with finance-related legal requirements.

Governmental Funds

The District's basic services are included in the governmental funds. These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. These fund statements measure current financial resources and uses or in essence, near-term inflows and outflows of expendable resources, as well as the balances of expendable resources available at the end of the year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both, the Governmental Fund Balance Sheet and the Statement Of Revenues, Expenditures And Changes In Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governmental units and/or other funds. The District's Fiduciary Fund is not reflected in the government-wide financial statements because the resources of this fund are not available to support the District's own programs. The District's fiduciary fund is the Employee Benefit Trust Fund.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a complete understanding of the information reported in the government-wide and fund financial statements.

Required and Other Supplementary Information

In addition to the basic financial statements and accompanying notes to the basic financial statements, this financial report also contains certain required supplementary information. Required Supplementary Information includes a Budgetary Comparison Schedule for the General Fund, Ambulance Fund and Pension Fund. The Budgetary Comparison Schedules for the Debt Service, the Capital Projects and the Dispatch Fund can be found in the Supplementary Information section.

Financial Analysis of the District as a Whole

Government-Wide Financial Analysis

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

Statement of Net Position

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
Assets:			
Current and other assets	\$ 12,361,378	\$ 12,128,812	\$ 232,566
Capital assets	<u>6,648,743</u>	<u>6,891,556</u>	<u>(242,813)</u>
Total Assets	<u>19,010,121</u>	<u>19,020,368</u>	<u>(10,247)</u>
Liabilities:			
Current and other liabilities	457,031	388,043	68,988
Long-term liabilities	<u>12,276,698</u>	<u>8,444,717</u>	<u>3,831,981</u>
Total Liabilities	<u>12,733,729</u>	<u>8,832,760</u>	<u>3,900,969</u>
Net Position:			
Net investment in capital assets	2,142,331	2,543,776	(401,445)
Restricted	5,604,790	5,653,698	(48,908)
Unrestricted	<u>1,538,953</u>	<u>1,990,134</u>	<u>451,181</u>
Total Net Position	<u>\$ 9,286,074</u>	<u>\$ 10,187,608</u>	<u>\$ (901,534)</u>

The District's assets exceeded liabilities by \$9,286,074 as of December 31, 2016. Of this amount, \$2,142,331 is invested in capital assets, net of related debt; \$5,604,790 is restricted for debt service, dispatching and ambulance services; and \$1,538,953 is unrestricted and available to provide for current and future obligations of the District.

This schedule is prepared from the District's Statement of Net Position, which is presented on an accrual basis of accounting whereby long-term assets are capitalized and depreciated.

The District's net position decreased by \$901,534 during the year ended December 31, 2016. The key elements of the increase in net position are presented in the following condensed statement of activities:

<i>Statement of Activities</i>			
	2016	2015	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for service	\$ 398,384	\$ 453,089	\$ (54,705)
General revenues:			
Taxes	3,548,056	3,982,389	(434,333)
Contract revenues	4,159,768	3,996,997	162,771
Interest income	29,945	13,872	16,073
Miscellaneous	15,861	4,385	11,746
Total revenues	8,152,014	8,450,732	(298,718)
Expenses:			
Public safety	8,781,868	8,021,309	760,559
Interest and fiscal charges	271,680	165,757	105,923
Total expenses	9,053,548	8,187,066	866,482
Increase (decrease) in net position	(901,534)	263,666	(1,165,200)
Net position, beginning of year	10,187,608	9,923,942	263,666
Net position, end of year	\$ 9,286,074	\$ 10,187,608	\$ (901,534)

Program revenue includes activities that have the characteristics of exchange transactions, such as commercial and residential inspections and ambulance billings. General revenues include activities that have the characteristics of non-exchange transactions, such as property taxes and investment earnings. Expenses of the District are for the purpose of providing fire protection, emergency medical services and operational activities of the District. The District's expenses are funded primarily through general revenues.

Taxes decreased 10.9% in 2016 from 2015. This decrease was mostly attributable to the resolution of prior year protested taxes.

Fund Analysis

General Fund

General Fund expenditures exceeded General Fund revenues by \$64,097. This is primarily due to the decrease in tax revenue.

Ambulance Fund

Ambulance Fund expenditures exceeded Ambulance Fund revenues by \$312,757. The decrease was due to a decrease in tax revenue and an increase in personnel costs and insurance premiums.

Dispatch Fund

Dispatch Fund revenues exceeded Dispatch Fund expenditures by \$36,016. The increase was primarily the result of tax revenues and contract fees exceeding dispatching services expense.

Pension Fund

Pension Fund expenditures exceeded Pension Fund revenues by \$31,592. The decrease was primarily due to the decrease in tax revenue.

Capital Projects Fund

The fund balance in the Capital Projects Fund increased \$3,088,052. This is due primarily to the issuance of bonds in 2016.

Debt Service Fund

Debt Service Fund revenues exceeded Debt Service Fund expenditures by \$75,576. The increase was primarily the result of tax receipts and contract fees exceeding bond payments. Tax rates are adjusted based on the amount of fund balance in relation to future debt service requirements.

Budget Analysis

The District adopts an annual budget for each of its governmental funds, pursuant to Missouri State Statutes. Annually, as allowed by Missouri State Statutes, the District amends the budgets of each fund to reflect approved changes in spending requirements and unforeseen events that occurred during the most recent year.

The difference between the original budget as adopted by the Board for 2016 and the final amended budget as approved by the Board for 2016 was primarily due to the timing of tax receipt collections from St. Louis County and expenditure overruns. Timing of tax receipt collections could result from a) the economy, or b) tax collections received by St. Louis County, or c) the processing of tax collections by St. Louis County. Budgeted expenditures were increased in the General Fund for increases in personnel costs.

Capital Assets

GASB 34 requires the District to include in capital assets all real estate to house firefighters and ambulance personnel and emergency vehicles, the District's administrative building and all emergency and administrative equipment and vehicles owned by the District. The District has adopted a capitalization policy with specific useful lives by capital asset category.

	2016	2015	Increase (Decrease)
Land	\$ 479,629	\$ 479,629	\$ -
Buildings and improvements	6,957,945	6,920,242	37,703
Furniture and equipment	941,956	898,382	43,574
Vehicles	3,127,501	3,087,797	39,704
Total	11,507,031	11,386,050	120,981
Less: Accumulated depreciation	(4,858,288)	(4,494,494)	(363,794)
Net Capital assets	\$ 6,648,743	\$ 6,891,556	\$ (242,813)

More detailed information on the District's capital assets is presented in the notes to the financial statements.

Long-Term Debt

During the year ended December 31, 2008, the District issued \$4,000,000 in fire protection bonds, with average interest rates ranging from 3.25% through 5.5%. These bonds were issued for the purpose of funding the renovation of a firehouse and the purchase of firefighting and ambulance vehicles and equipment. During the year ended December 31, 2011, the District issued \$1,000,000 in General Obligation Fire Protections Bonds, with interest rates ranging from 2.0% to 6.0%. The bonds were issued for the purpose of funding the renovation of a firehouse. During the year ended December 31, 2013, the District issued \$1,500,000 in General Obligation Fire Protections Bonds, with interest rates ranging from 1.75% to 2.5%. The bonds were issued for the purpose of additional funding for the renovation of a firehouse as well as to purchase three new ambulances and other apparatus and equipment. During the year ended December 31, 2016, the District issued \$3,500,000 in General Obligation Fire Protections Bonds, with interest rates ranging from 2.0% to 3.0%. The bonds were issued to finance facilities and equipment. At the end of the year, the District had outstanding Fire Protection Bonds totaling \$7,750,000.

More detailed information on the District's long-term liabilities is presented in the notes to the financial statements.

Economic Factors

The District serves over 45,000 (daytime population) and has mutual aid agreements with all Fire Protection Districts and Fire Departments in the 'Region C' area of Missouri. The District also participates in the statewide mutual aid program through the State of Missouri's Division of Fire Safety. While the District includes office buildings, regional and local shopping areas, churches, residential care and light manufacturing facilities, it primarily consists of single and multi-family residential housing. Hence, the District is somewhat insulated from significant changes in the economy. The amount of tax revenue is dependent upon the assessed value of real estate and will determine what the District will have available to fund future operations.

Contact Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. This financial report demonstrates the District's spirit of full disclosure to provide readers of this report with an overview of the District's financial operations. For questions or requests for additional information, please direct requests to the Chief of the Fire Protection District at 12641 Missouri Bottom Road, Hazelwood, MO 63042.

ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 755,434
Receivables:	
Property	3,772,243
Contract revenues	4,127,474
Ambulance billings	242,786
Prepaid expenses	453,759
Restricted cash and investments	3,009,682
Capital assets - net:	
Nondepreciable	479,629
Depreciable	6,169,114
TOTAL ASSETS	<u>19,010,121</u>
LIABILITIES	
Accounts payable	163,641
Accrued wages	117,148
Accrued interest payable	69,225
Payroll liabilities	45,137
Other liabilities	61,880
Noncurrent liabilities:	
Due in one year	375,000
Due in more than one year	11,901,698
TOTAL LIABILITIES	<u>12,733,729</u>
NET POSITION	
Net investment in capital assets	2,142,331
Restricted for:	
Ambulance services	3,408,935
Bond retirement	766,260
Dispatch services	372,974
Pension benefits	1,056,621
Unrestricted	1,538,953
TOTAL NET POSITION	<u>\$ 9,286,074</u>

The accompanying notes are an integral part of these financial statements.

ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Functions/Programs	Expenses	Program Revenue Charges for Service	Net (Expense) Revenue and Change in Net Position Governmental Activities
Governmental Activities			
Public safety	\$ 8,781,868	\$ 398,384	\$ (8,383,484)
Interest and fiscal charges	271,680	-	(271,680)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 9,053,548	\$ 398,384	(8,655,164)
Taxes			3,548,056
Contract revenues			4,159,768
Interest income			29,945
Other miscellaneous revenue			15,861
TOTAL GENERAL REVENUES			7,753,630
CHANGE IN NET POSITION			(901,534)
NET POSITION - BEGINNING OF YEAR			10,187,608
NET POSITION - END OF YEAR			\$ 9,286,074

The accompanying notes are an integral part of these financial statements.

**ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI**
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	General Fund	Ambulance Fund	Debt Service Fund	Pension Fund	Capital Projects Fund	Nonmajor Fund Dispatch	Total
ASSETS							
Cash and investments	\$2,065,532	\$1,405,162	\$ 73,660	\$ 9,832	\$ -	\$ 210,930	\$ 3,765,116
Receivables:							
Property taxes	2,061,012	1,030,358	310,027	296,677	-	74,169	3,772,243
Contract revenues	2,255,097	1,127,386	339,222	324,615	-	81,154	4,127,474
Ambulance billings	-	242,786	-	-	-	-	242,786
Prepaid expenses	138,387	-	-	-	315,372	-	453,759
Due from other funds	113,780	-	43,351	489,380	-	8,466	654,977
Restricted cash and investments	-	-	-	-	3,009,682	-	3,009,682
TOTAL ASSETS	<u>\$6,633,808</u>	<u>\$3,805,692</u>	<u>\$ 766,260</u>	<u>\$1,120,504</u>	<u>\$3,325,054</u>	<u>\$ 374,719</u>	<u>\$16,026,037</u>
LIABILITIES							
Accounts payable	\$ 33,599	\$ 29,662	\$ -	\$ 63,883	\$ 34,752	\$ 1,745	\$ 163,641
Due to other funds	338,271	316,676	-	-	30	-	654,977
Payroll liabilities	41,577	3,560	-	-	-	-	45,137
Other liabilities	61,880	-	-	-	-	-	61,880
Accrued wages	70,289	46,859	-	-	-	-	117,148
TOTAL LIABILITIES	<u>545,616</u>	<u>396,757</u>	<u>-</u>	<u>63,883</u>	<u>34,782</u>	<u>1,745</u>	<u>1,042,783</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue:							
Property taxes	1,144,918	572,377	172,224	164,808	-	41,202	2,095,529
Contract revenues	623,026	311,703	93,718	89,683	-	22,421	1,140,551
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,767,944</u>	<u>884,080</u>	<u>265,942</u>	<u>254,491</u>	<u>-</u>	<u>63,623</u>	<u>3,236,080</u>
FUND BALANCES							
Nonspendable	138,387	-	-	-	315,372	-	453,759
Restricted for:							
Ambulance service	-	2,524,855	-	-	-	-	2,524,855
Debt service	-	-	500,318	-	-	-	500,318
Pension	-	-	-	802,130	-	-	802,130
Capital projects	-	-	-	-	2,974,900	-	2,974,900
Dispatching	-	-	-	-	-	309,351	309,351
Assigned:							
Future appropriations	1,000,000	-	-	-	-	-	1,000,000
Other post employment benefits	3,000,000	-	-	-	-	-	3,000,000
Unassigned	181,861	-	-	-	-	-	181,861
TOTAL FUND BALANCES	<u>4,320,248</u>	<u>2,524,855</u>	<u>500,318</u>	<u>802,130</u>	<u>3,290,272</u>	<u>309,351</u>	<u>11,747,174</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$6,633,808</u>	<u>\$3,805,692</u>	<u>\$ 766,260</u>	<u>\$1,120,504</u>	<u>\$3,325,054</u>	<u>\$ 374,719</u>	<u>\$16,026,037</u>

The accompanying notes are an integral part of these financial statements.

ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI
RECONCILIATION OF THE STATEMENT OF NET POSITION
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET
DECEMBER 31, 2016

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

Total fund balance per balance sheet	\$11,747,174
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	6,648,743
Receivables not collected in the current period are not available to pay current expenditures and, therefore, are deferred in the funds.	3,236,080
Interest payable recorded in the statement of net position does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	(69,225)
Future benefits for unused sick time and other post employment benefits liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(4,445,232)
Long-term liabilities such as bonds payable and the related deferred amounts, are not due and payable in the current period and therefore, are not reported in the funds.	<u>(7,831,466)</u>
Net position of governmental activities	<u><u>\$ 9,286,074</u></u>

The accompanying notes are an integral part of these financial statements.

**ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General Fund	Ambulance Fund	Debt Service Fund	Pension Fund	Capital Projects Fund	Nonmajor Fund Dispatch Fund	Total
REVENUES							
Property taxes	\$ 1,880,294	\$ 904,687	\$ 272,475	\$ 260,270	\$ -	\$ 65,066	\$ 3,382,792
Contract revenues	2,144,060	1,069,388	321,861	308,002	-	76,999	3,920,310
Service fees	-	333,013	-	-	-	-	333,013
Interest	14,488	3,891	1,460	-	9,188	918	29,945
Permits and reports	65,371	-	-	-	-	-	65,371
Miscellaneous income	839	171	-	98	-	8,293	9,401
TOTAL REVENUES	4,105,052	2,311,150	595,796	568,370	9,188	151,276	7,740,832
EXPENDITURES							
Public Safety:							
Personnel	2,887,961	1,764,152	-	-	-	-	4,652,113
Employee benefits	605,260	385,410	-	599,962	-	-	1,590,632
Building and mobile equipment	157,484	21,933	-	-	-	-	179,417
Administration and miscellaneous	544,944	452,412	-	-	30	-	997,386
Dispatching	-	-	-	-	-	110,356	110,356
Capital outlay	-	-	-	-	473,772	4,904	478,676
Principal, interest and fiscal charges	-	-	520,220	-	-	-	520,220
Cost of issuance	-	-	-	-	33,500	-	33,500
TOTAL EXPENDITURES	4,195,649	2,623,907	520,220	599,962	507,302	115,260	8,562,300
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(90,597)	(312,757)	75,576	(31,592)	(498,114)	36,016	(821,468)
OTHER FINANCING SOURCES (USES)							
Debt proceeds	-	-	-	-	3,500,000	-	3,500,000
Issuance premium	-	-	-	-	86,166	-	86,166
Sale of fixed assets	26,500	-	-	-	-	-	26,500
TOTAL OTHER FINANCING SOURCES (USES)	26,500	-	-	-	3,586,166	-	3,612,666
CHANGE IN FUND BALANCE	(64,097)	(312,757)	75,576	(31,592)	3,088,052	36,016	2,791,198
FUND BALANCES - BEGINNING OF YEAR	4,384,345	2,837,612	424,742	833,722	202,220	273,335	8,955,976
FUND BALANCES - END OF YEAR	\$ 4,320,248	\$ 2,524,855	\$ 500,318	\$ 802,130	\$ 3,290,272	\$ 309,351	\$ 11,747,174

The accompanying notes are an integral part of these financial statements.

**ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

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

Change in fund balance-total governmental funds	\$ 2,791,198
The acquisition of capital assets requires the use of current financial resources but has no effect on net position.	270,552
The cost of capital assets is allocated over their estimated useful lives and are reported as depreciation expense in the statement of activities.	(493,325)
The net effect of other miscellaneous transactions involving capital assets (ie. sales or trade-ins) that decrease net position.	(20,040)
Revenues that do not provide current financial resources are not included in the fund financial statements.	404,722
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(550,515)
Proceeds from the issuance of debt, including original issuance premium is reflected as other financing sources in the fund statements, however it is an increase in liabilities in the statement of net position.	(3,586,166)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	300,000
Bond issuance premiums associated with long-term bonds are capitalized on the government-wide statements and amortized over the life of the bonds.	4,700
Interest payable does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	<u>(22,660)</u>
Change in net position of governmental activities	<u><u>\$ (901,534)</u></u>

The accompanying notes are an integral part of these financial statements.

**ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI**
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2016

	<u>Employee Benefit Trust Fund</u>
ASSETS	
Investments	<u>\$ 184,155</u>
NET POSITION	
Held in trust for pension and employee benefits	<u>\$ 184,155</u>

The accompanying notes are an integral part of these financial statements.

ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

	Employee Benefit Trust Fund
ADDITIONS	
Employer contributions	\$ 12,300
Interest and dividends	8,387
Net increase in fair value of investments	3,407
TOTAL ADDITIONS	24,094
 DEDUCTIONS	
Administrative expenses	100
Distributions	6,930
TOTAL DEDUCTIONS	7,030
 INCREASE IN NET POSITION	 17,064
 NET POSITION - BEGINNING OF YEAR	 167,091
 NET POSITION - END OF YEAR	 \$ 184,155

The accompanying notes are an integral part of these financial statements.

ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Robertson Fire Protection District of St. Louis County, Missouri, (the District) provides fire protection, prevention, and emergency ambulance service to its residents.

A. REPORTING ENTITY

The District applies the criteria set forth in GASB Statement No. 61, *The Financial Reporting Entity* (GASB 61), to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units is based on the elected officials' accountability to their constituents. The financial reporting entity follows the same accountability. In addition, the financial statements of the reporting entity should allow the user to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. Criteria for inclusion of an entity into the primary governmental unit (in blended or discrete presentation) includes, but is not limited to, legal standing, fiscal dependency, imposition of will and the primary recipient of services. The District presently has no component units included within its reporting entity.

B. BASIC FINANCIAL STATEMENTS

Basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements, and
- Notes to the basic financial statements.

Government-Wide Financial Statements - The reporting model includes financial statements prepared using full accrual accounting for all the District's nonfiduciary activities. This approach includes not just current assets and liabilities, but also capital and other long-term assets as well as long-term liabilities. Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter. Government-wide financial statements include the following:

Statement of Net Position - The statement of net position is designed to display the financial position of the Primary Government (governmental and business-type activities). The District reports capital assets in the government-wide statement of net position and reports depreciation expense in the statement of activities. The net position of the District is broken down into three categories 1) net investment in capital assets 2) restricted; and 3) unrestricted. The District has no business-type activities.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

B. **BASIC FINANCIAL STATEMENTS** - continued

Statement of Activities - The statement of activities reports, expenses and revenues in a format that focuses on the cost of each of the District's functions. The expense of individual functions is compared to the revenue generated directly by the function. Accordingly, the District has recorded capital assets and certain other long-term assets and liabilities in the statement of net position and has reported all revenues and the cost of providing services under the accrual basis of accounting in the statement of activities. The District has elected to implement the requirements of GASB 34 related to infrastructure assets from January 1, 2004 forward.

The government-wide financial statements consist of the statement of net position and the statement of activities and report information on all of the nonfiduciary activities of the Primary Government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net position have been eliminated.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenue includes: charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund based financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The major governmental funds are the General Fund, Ambulance Fund, Pension Fund, Capital Projects Fund and the Debt Service Fund. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures of either fund category for the governmental and enterprise combined) for the determination of major funds.

C. **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 or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. In general, the District considers revenues available if they are collected within 180 days after year-end, except for property taxes, which the District considers available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

C. **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION** - continued

For the governmental funds financial statements, the District considers all revenues susceptible to accrual and recognizes revenue if the accrual criteria are met. Specifically, interest, charges for services, and other miscellaneous revenue are considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period.

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

The District reports the following major governmental funds:

The General Fund - The District's primary operating fund, which accounts for all the financial resources and the legally authorized activities of the District except those required to be accounted for in other specialized funds.

Ambulance Fund - This fund is a special revenue fund used to account for the proceeds of a special tax levy restricted for ambulance operations.

Debt Service Fund - This fund is a special revenue fund used to account for the proceeds of a tax levy which will be used to retire the District's fire protection bonds.

Pension Fund - This fund is a special revenue fund, which accounts for property tax revenue collected to make contributions to the District's employee retirement plan.

Capital Projects Fund - This fund is used to account for the proceeds of the District's fire protection bond issue and the various capital expenditures made with the proceeds.

The Dispatch Fund is considered nonmajor. The Dispatch Fund is a special revenue fund used to account for the proceeds of a special tax levy restricted for the purpose of dispatching services. This is accomplished by means of a contractual agreement with Central County Emergency 911 Dispatching Center to provide dispatching services.

Additionally, the District reports the following fund types:

Fiduciary Fund - The District uses this fund to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations and other governments. The Employee Benefit Trust Fund accounts for the assets of the District's medical expense reimbursement plan held in a Voluntary Employees' Beneficiary Association Trust.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

D. **CAPITAL ASSETS**

Capital assets, which include land, buildings and improvements, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Donated capital assets are recorded at estimated fair market 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 asset lives is not capitalized.

Capital assets of the District are depreciated using a straight-line method over the following estimated useful lives:

<u>Major Group</u>	<u>Life</u>
Buildings and improvements	15 - 40 years
Furniture and equipment	3 - 10 years
Vehicles	5 - 15 years

E. **ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles 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 vary from the estimates that management uses.

F. **INTERFUND TRANSACTIONS**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

G. **EXPENSE ALLOCATIONS BETWEEN FUNDS**

The salaries and fringe benefits of employees who perform as both firefighters and emergency medical personnel are allocated between the General and Ambulance Funds. The average salary for nine firefighter/paramedics, plus the salary for the medical officer and three emergency medical service supervisors, is allocated to the Ambulance Fund. The percentage that the ambulance salaries bear to total salaries is used to allocate employee benefit expenses.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

H. **COMPENSATED ABSENCES**

The District's sick leave policy provides sick days to be accumulated at a rate of twelve days per year for battalion employees and twenty-four days per year for support staff. The maximum accumulation of sick days is 68 days for battalion employees and 140 days for support staff. Sick days are not paid to employees upon termination; however beginning on January 1, 2010, an employee reaching retirement age will receive a contribution to the employee's VEBA account in an amount equal to their unused sick leave. The liability for this benefit has been recorded as a noncurrent liability in the statement of net position as this benefit is not expected to be paid from current assets.

The District grants vacation to employees at a rate based on years of employment. Employees with one year of service or more are entitled to paid vacation based on their length of service to the District. Vacation time must be taken in the year in which it was earned.

I. **NET POSITION AND FUND EQUITY**

In government-wide financial statements net position is reported in three categories: net investment in capital assets, restricted, and unrestricted. Net investment in capital assets, represents capital assets less accumulated depreciation less outstanding principal on related debt. Net investment in capital assets, does not include the unspent proceeds of capital debt. Restricted net position represents net position restricted by parties outside of the District (such as creditors, grantors, contributors, laws and regulations of other governments). All other net position is considered unrestricted.

When both restricted and unrestricted sources are available for use, it is the District's policy to use restricted first, then unrestricted resources as they are needed. The government-wide statement of net position reports \$5,604,790 of restricted position, which is restricted by enabling legislation.

Fund Balance Classification - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable - Resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

Restricted - Resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed - Resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

Assigned - Resources neither restricted nor committed for which a government has a stated intended use as established by the Board of Directors or an official to which the Board of Directors has delegated the authority to assign amounts for specific purposes.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

I. **NET POSITION AND FUND EQUITY** - continued

Unassigned - Resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

The District would typically use restricted fund balances first, followed by committed resources and Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first.

J. **CONCENTRATION OF LABOR**

Approximately 95% of the labor force was subject to a collective bargaining agreement, which expires December 31, 2016.

2. **BUDGETS AND BUDGETARY ACCOUNTING**

Prior to January 1, the budget is legally enacted. Projected expenditures cannot exceed estimated revenues plus any unencumbered balance estimated for the beginning of the budget year. The budget is prepared on a cash basis of accounting.

3. **CASH AND INVESTMENTS**

The District’s bank deposits are required by state law to be secured by the deposit of certain securities with the District or trustee institution. The value of the securities must amount to the total of the District’s cash not insured by the Federal Deposit Insurance Corporation. As of December 31, 2016, the carrying amount of the District’s bank deposits totaled \$6,774,798 with bank balances of \$6,837,750. The bank balances were covered by federal depository insurance, collateralized by securities held by the pledging financial institution in the District’s name or secured by a letter of credit.

State statutes authorize Missouri local governments to invest in obligations of the U.S. Treasury, U.S. agencies and various state and local governments. Employee Benefit Trust Fund investments may invest in obligations of the U.S. Treasury, U.S. agencies, common and preferred stock and other securities approved by applicable sections of the Missouri Revised Statutes and Missouri Constitution. Investments held by the employee benefit trust fund are recorded at fair value.

As of December 31, 2016, the District has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
Employee Benefit Trust Funds:	
Equity security funds	\$ <u>184,155</u>

3. **CASH AND INVESTMENTS** - continued

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. As of December 31, 2016, none of the District's deposits at financial institutions were exposed to custodial credit risk. In order to reduce custodial credit risk the District requires financial institutions to pledge securities or provide an irrevocable letter of credit. Time deposits are purchased through the ICS program which purchases certificates of deposits through various financial institutions up to the FDIC limit.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk - The District places no limit on the amount that may be invested in any one issuer. As of December 31, 2016, the District did not hold any investments outside of the Employee Benefit Trust Fund. This fund holds investments in mutual funds which are not subject to concentration of credit risk disclosures.

4. **FAIR VALUE MEASUREMENTS**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of December 31, 2016:

Equity Mutual Funds valued at \$184,155, are valued using the net asset value at the close of business each day multiplied the number of shares held by the District at the close of business. (Level 1). The accounts have no unfunded commitments, redemption restrictions or redemption notice period.

5. **PROPERTY TAX**

The District's property tax is levied each year on the assessed value listed as of the prior January 1 for all real and personal property located in the District. Taxes are levied in November and payable by December 31. The County collects the property tax and remits it to the District. Assessed values are established by the St. Louis County Assessor subject to review by the Board of Equalization. The following assessed values include Hazelwood but exclude the value of real estate in TIF Districts:

Assessed Valuation and Tax Rate	
Real estate	\$ 98,805,384
Personal property	<u>52,790,099</u>
Total Assessed Valuation	<u>\$ 151,595,483</u>

5. **PROPERTY TAX** - continued

Tax Rate (per \$100 of Assessed Valuation)

Fund	Residential I	Agricultural	Commercial	Personal Property
General Fund	\$ 1.3900	\$ 0.8900	\$ 1.3900	\$ 1.3900
Ambulance Fund	.6630	.4490	.6980	.7000
Dispatching Fund	.0500	.0500	.0500	.0500
Debt Service Fund	.2090	.2090	.2090	.2090
Pension Fund	.2000	.2000	.2000	.2000

6. **CAPITAL ASSETS**

Capital asset activity for the primary government for the year ended December 31, 2016 is as follows:

	BALANCE, BEGINNING OF YEAR	TRANSFERS AND ADDITIONS	TRANSFERS AND DELETIONS	BALANCE, END OF YEAR
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 479,629	\$ -	\$ -	\$ 479,629
Total capital assets, not being depreciated	479,629	-	-	479,629
Capital assets, being depreciated:				
Buildings and improvements	6,920,242	37,703	-	6,957,945
Furniture and equipment	898,382	43,574	-	941,956
Vehicles	3,087,797	189,275	(149,571)	3,127,501
Total capital assets, being depreciated	10,906,421	270,552	(149,571)	11,027,402
Less accumulated depreciation for:				
Buildings and improvements	(1,881,920)	(210,791)	-	(2,092,711)
Furniture and equipment	(721,359)	(33,780)	-	(755,139)
Vehicles	(1,891,215)	(248,754)	129,351	(2,010,438)
Total accumulated depreciation	(4,494,494)	(493,325)	129,351	(4,858,288)
Total capital assets, being depreciated, net	6,411,927	(222,773)	(20,040)	6,169,114
Total governmental activities	\$ 6,891,556	\$ (222,773)	\$ (20,040)	\$ 6,648,743

All depreciation expense was charged to public safety on the government-wide financial statements.

7. LONG-TERM DEBT

General Obligation Fire Protection Bonds - The District has been authorized to issue up to \$10,000,000 in bonds. During September of 2008, the District issued bonds totaling \$4,000,000 to fund the renovation of a firehouse and purchase various firefighting and ambulance vehicles and equipment. As of December 31, 2016, the outstanding principal balance of the bonds consists of the following:

Fire Protection Bonds Series 2008	\$2,250,000
The Bank of New York Mellon	
Interest rate - 3.25% to 5.5%	
Matures - September 15, 2028	
Annual payments range from \$200,000 to \$525,000	

General Obligation Fire Protection Bonds - During January 2011, the District issued bonds totaling \$1,000,000 to fund the renovation of a certain firehouse. As of December 31, 2016, the outstanding principal balance of the bonds consists of the following:

General Obligation Fire Protection Series 2011	\$625,000
The Bank of New York Mellon	
Interest rate - 2.0% to 6.0%	
Matures - September 15, 2030	
Annual payments range from \$28,750 to \$114,038	

General Obligation Fire Protection Bonds - During January 2013, the District issued bonds totaling \$1,500,000 to fund an addition to Firehouse No. 2 and to purchase three new ambulances and other apparatus and equipment. As of December 31, 2016, the outstanding principal balance of the bonds consists of the following:

General Obligation Fire Protection Series 2013	\$1,375,000
The Bank of New York Mellon	
Interest rate - 1.75% to 2.5%	
Matures - March 15, 2032	
Annual payments range from \$54,969 to \$122,500	

7. **LONG-TERM DEBT** - continued

General Obligation Fire Protection Bonds - During January 2016, the District issued bonds totaling \$3,500,000 to finance facilities and equipment. As of December 31, 2016, the outstanding principal balance of the bonds consists of the following:

General Obligation Fire Protection
 Series 2016 \$3,500,000
 UMB Bank
 Interest rate - 2.0% to 3.0%
 Matures - March 15, 2035
 Annual payments range from \$109,375
 to \$431,375

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

<u>YEAR</u>	<u>Governmental Activities</u>		<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2017	\$ 375,000	\$ 237,338	\$ 612,338
2018	400,000	223,300	623,300
2019	400,000	208,237	608,237
2020	450,000	195,550	645,550
2021	325,000	181,413	506,413
2022 - 2026	2,300,000	701,966	3,001,966
2027 - 2031	2,175,000	354,662	2,529,662
2032 - 2035	1,325,000	81,125	1,406,125
Total	\$ <u>7,750,000</u>	\$ <u>2,183,591</u>	\$ <u>9,933,591</u>

7. **LONG-TERM DEBT** - continued

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

	BALANCE, BEGINNING OF YEAR	ADDITIONS	REDUCTIONS	BALANCE, END OF YEAR	DUE WITHIN ONE YEAR
Governmental activities:					
General Obligation Fire Protection Bonds					
Series 2008	\$ 2,425,000	\$ -	\$ (175,000)	\$ 2,250,000	\$ 175,000
General Obligation Fire Protection Refunding Bonds					
Series 2011	700,000	-	(75,000)	625,000	75,000
General Obligation Fire Protection Bonds					
Series 2013	1,425,000	-	(50,000)	1,375,000	50,000
General Obligation Fire Protection Bonds					
Series 2016	-	3,500,000	-	3,500,000	75,000
Issuance premiums	-	86,166	(4,700)	81,466	-
Net other post employment benefit obligations	2,336,157	396,439	-	2,732,596	-
Compensated absences	1,558,560	154,076	-	1,712,636	-
Subtotal governmental activities	\$ <u>8,444,717</u>	\$ <u>4,136,681</u>	\$ <u>(304,700)</u>	\$ <u>12,276,698</u>	\$ <u>375,000</u>

8. **INTERFUND TRANSACTIONS**

All revenue and expenditures are recorded through the General Fund cash receipts and disbursements records. This method results in the necessity of maintaining interfund accounts receivable and payable to provide fund accountability. As of December 31, 2016, the General Fund owes the other funds for taxes received by the General Fund that were not paid over to the other funds prior to December 31, 2016. In addition, certain costs are paid by the General Fund and allocated to other funds as appropriate. The interfund balances at December 31, 2016 are as follows:

	DUE FROM	DUE TO
Major Governmental Funds:		
General	\$ 338,271	\$ 113,780
Ambulance	316,676	-
Debt Service	-	43,351
Capital Projects	30	-
Pension	-	489,380
Non-major Governmental Funds:		
Dispatch	-	8,466
	\$ <u>654,977</u>	\$ <u>654,977</u>

9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined together with other districts to form a group of self-insurers for workers' compensation, a public entity risk pool currently operating as a common risk management and insurance program for worker compensation claims. The District pays an annual premium to the pool for its insurance coverage. The agreement for formation of the Missouri Fire and Ambulance Districts' Insurance Trust (MoFAD) provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event.

The pooling agreement allows for the pool to use 5% of assessment to make the pool self-sustaining for supplemental aggregate reinsurance coverage. This coverage will be funded until the cumulative balance reaches \$1,000,000. The Missouri Fire and Ambulance Districts' Insurance Trust has published its own financial report for the year ended December 31, 2016 that can be obtained from MoFAD.

10. CONTRACTUAL AGREEMENTS

The District has a contractual agreement with Central County Emergency 911 Dispatching Center for dispatching services through December 31, 2018. The agreement automatically renews unless either party provides written notice 180 days prior to January 1 of each year. The agreement requires that the District pay fees equal to the amount which would be collected from a tax levy of three and one-half cents per one hundred dollars of assessed valuation of all taxable, tangible property within the District's boundaries.

11. SERVICE AGREEMENT

The District has entered into an agreement (the Agreement) with the City of Hazelwood (the City) to provide fire protection, emergency and ambulance services to an area annexed by the City in an annexation election dated June 7, 1994. The agreement requires the City to pay the District an annual fee for fire protection, emergency and ambulance services in an amount that approximates the amount taxes which would have been levied by the District in the annexed area had the area not been annexed.

The agreement requires the City to pay, on or before January 15 of each year, 99% of the tax the District would have levied on personal property in the annexed area as well as the amount of Manufacturers Equipment Tax the District would have levied in the annexed area. Within five banking days of the receipt of real property tax attributable to the annexed area, the City must remit to the District the amount it would have levied on the real property for which taxes were paid.

12. DEFINED CONTRIBUTION PLANS

The District has adopted a defined contribution pension plan named Robertson Fire Protection District Defined Contribution Pension Plan (the Plan) administered by ADP, requires the District to make an employer contribution for each eligible employee as defined by the Plan. Plan participants' benefits are subject to a vesting schedule detailed in the Plan. The amount of the employer contribution for any plan year is equal to the portion of the special tax levy, provided for in the Missouri Statutes, designated for pension purposes, but cannot exceed 25% of the compensation paid to active participants in the plan year. Changes to the plan must be approved by the trustee board which consists of the board of directors and the fire chief. Contributions to the Plan for 2016, represented by the pension tax levy and the pension funds share of service agreement income, totaled \$599,962.

12. **DEFINED CONTRIBUTION PLANS** - continued

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The Plan, available to all government 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. Participants' rights under the Plan are equal to the fair market value of the deferred account for each participant.

In 2006, The District established a Voluntary Employees' Benefit Association tax-exempt trust as provided under Section 501(c)(9) of the Internal Revenue Code. The plan, which is a defined contribution plan, is administered by Security Benefit Group. The District contributes a flat dollar amount for each employee. Participants may access their account upon separation from service to reimburse eligible health care expenses that they and their qualified dependents have incurred. Contributions totaling \$12,300 were deposited by the District into the plan during 2016. In 2010, the District amended the plan to allow the District to contribute an amount equal to an employee's unused sick time upon a qualified retirement from the District.

13. **OTHER POST EMPLOYMENT BENEFITS (OPEB)**

Plan Description and Provisions - The District has a single-employer other post employment plan that provides its retirees with access to healthcare (medical and dental). The District is responsible for 100% of all premiums until the retiree reaches Medicare eligibility. Employees become eligible for other post employment benefits at age 55 with 20 years of service. The Plan does not issue a separate stand-alone financial report. Benefits under the Plan are established by ordinance and may be changed by the passage of an ordinance. The District funds these benefits on a pay as you go basis.

Net OPEB Obligation

At December 31, 2015, the date of the last actuarial valuation, the Plan covered the following number of participants:

Active participants	43
Retirees and beneficiaries currently receiving benefits	<u>1</u>
Total Plan Participants	<u><u>44</u></u>

Valuations are performed using the Alternate Measurement Method, with amortization based on level percentage of pay over thirty years based on an open group, assuming 4.0% rate of return, 3.0% annual salary increases, and using the SOA RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015. The initial health care cost trend rate is 9% for medical and 5% for dental/vision, decreasing annually to an ultimate rate of 5% for medical and 3% for dental/vision. The cost method is Projected Unit Credit with linear proration to decrement.

13. **OTHER POST EMPLOYMENT BENEFITS (OPEB) - continued**

The District's annual other post employment benefit cost of the current Plan year is as follows:

Annual required contribution (actuarially computed)	\$ 380,685
Interest on net benefit plan obligation	93,446
Adjustment to annual required contribution	<u>(77,692)</u>
Annual benefit plan cost	396,439
Contributions made	<u>-</u>
Increase in net benefit plan obligation	396,439
Net OPEB obligation - beginning of year	<u>2,336,157</u>
Net OPEB obligation - end of year	<u><u>\$ 2,732,596</u></u>

Trend Information - Other Post Employment Benefits

Fiscal Year Ended December 31,	Annual Pension Cost	Percentage Contribution	Net OPEB Obligation
2014	\$ 422,939	- %	\$1,954,965
2015	381,922	-	2,336,157
2016	396,439	-	2,732,596

Funded Status and Funding Progress - As of December 31, 2015, the most recent actuarial valuation available, the plan was zero percent funded. The actuarial accrued liability for benefits was \$3,769,861, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,769,861. The covered payroll (annual payroll of active employees covered by the plan) was \$4,126,150, and the ratio of the UAAL to the covered payroll was 91.4%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. As a valuation is not required to be performed every year for the OPEB liability, trend information was not available for every year.

14. **COMMITMENTS AND CONTINGENCIES**

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.

15. **TAX ABATEMENTS**

As of December 31, 2016, the District is subject to the real property tax abatement program initiated by the St. Louis County, Missouri under Chapter 100 RSMo. The effect of the tax abatement program to the District was \$58,831 for the year ended December 31, 2016.

16. **SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 22, 2017, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Property taxes	\$ 2,323,566	\$ 2,140,492	\$ 2,140,492	\$ -
Contract fees	2,221,637	2,104,011	2,104,011	-
Interest	6,000	14,488	14,488	-
Permits and reports	30,000	65,371	65,371	-
Miscellaneous income	10,000	839	839	-
TOTAL REVENUES	<u>4,591,203</u>	<u>4,325,201</u>	<u>4,325,201</u>	<u>-</u>
EXPENDITURES				
Public safety:				
Personnel	2,697,947	2,867,070	2,834,515	32,555
Employee benefits	569,597	576,194	618,174	(41,980)
Building and mobile equipment	141,200	161,899	157,484	4,415
Administration and miscellaneous	577,259	626,714	542,794	83,920
TOTAL EXPENDITURES	<u>3,986,003</u>	<u>4,231,877</u>	<u>4,152,967</u>	<u>78,910</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	605,200	93,324	172,234	78,910
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	-	26,500	26,500	-
CHANGE IN FUND BALANCE	605,200	119,824	198,734	<u>\$ 78,910</u>
FUND BALANCES - BEGINNING OF YEAR	<u>1,642,307</u>	<u>1,642,307</u>	<u>1,642,307</u>	
FUND BALANCES - END OF YEAR	<u>\$ 2,247,507</u>	<u>\$ 1,762,131</u>	<u>\$ 1,841,041</u>	
FUND BALANCE - END OF YEAR - BUDGET BASIS			\$ 1,841,041	
Accrual adjustments:				
Revenues			2,548,165	
Expenditures			(68,958)	
FUND BALANCE - END OF YEAR - GAAP BASIS			<u>\$ 4,320,248</u>	

The accompanying notes are an integral part of these financial statements.

**ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI**

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

AMBULANCE FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Property taxes	\$ 1,192,057	\$ 1,034,598	\$ 1,034,598	\$ -
Contract fees	1,145,863	1,049,372	1,049,372	-
Service fees	340,000	318,883	318,883	-
Interest	2,500	3,891	3,891	-
Miscellaneous income	-	171	171	-
TOTAL REVENUES	<u>2,680,420</u>	<u>2,406,915</u>	<u>2,406,915</u>	<u>-</u>
EXPENDITURES				
Public safety:				
Personnel	1,878,139	1,878,139	1,756,374	121,765
Employee benefits	379,732	385,410	385,410	-
Building and mobile equipment	40,800	56,920	21,933	34,987
Administration and miscellaneous	409,074	450,864	426,356	24,508
TOTAL EXPENDITURES	<u>2,707,745</u>	<u>2,771,333</u>	<u>2,590,073</u>	<u>181,260</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,325)	(364,418)	(183,158)	<u>\$ 181,260</u>
FUND BALANCES - BEGINNING OF YEAR	<u>1,271,644</u>	<u>1,271,644</u>	<u>1,271,644</u>	
FUND BALANCES - END OF YEAR	<u>\$ 1,244,319</u>	<u>\$ 907,226</u>	<u>\$ 1,088,486</u>	
FUND BALANCE - END OF YEAR - BUDGET BASIS			\$ 1,088,486	
Accrual adjustments:				
Revenues			1,516,450	
Expenditures			(80,081)	
FUND BALANCE - END OF YEAR - GAAP BASIS			<u>\$ 2,524,855</u>	

The accompanying notes are an integral part of these financial statements.

**ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI**
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PENSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Property taxes	\$ 343,629	\$ 297,725	\$ 297,725	\$ -
Contract revenues	330,328	302,237	302,237	-
Interest	25	98	98	-
TOTAL REVENUES	<u>673,982</u>	<u>600,060</u>	<u>600,060</u>	<u>-</u>
EXPENDITURES				
Pension plan contributions	667,982	620,580	595,800	24,780
Professional fees	6,000	-	-	-
TOTAL EXPENDITURES	<u>673,982</u>	<u>620,580</u>	<u>595,800</u>	<u>24,780</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(20,520)	4,260	<u>\$ 24,780</u>
FUND BALANCES - BEGINNING OF YEAR	<u>494,952</u>	<u>494,952</u>	<u>494,952</u>	
FUND BALANCES - END OF YEAR	<u>\$ 494,952</u>	<u>\$ 474,432</u>	<u>\$ 499,212</u>	
FUND BALANCE - END OF YEAR - BUDGET BASIS			\$ 499,212	
Accrual adjustments:				
Revenues			366,801	
Expenditures			<u>(63,883)</u>	
FUND BALANCE - END OF YEAR - GAAP BASIS			<u>\$ 802,130</u>	

The accompanying notes are an integral part of these financial statements.

***ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS, MISSOURI***
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016

1. BUDGETARY INFORMATION

The District prepares its budget on the cash basis of accounting. The budgetary process is detailed in Note 2 of the notes to the financial statements.

**ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MO**
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF FUNDING PROGRESS
OTHER POST EMPLOYMENT BENEFIT PLAN

FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFIT PLAN

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfund AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Annual Covered Payroll (c)	UAAL As A Percentage Of Covered Payroll [(b)-(a)/(c)]
12/31/2009	\$ -	\$ 3,248,686	\$ 3,248,686	-	% \$3,811,830	85.2 %
12/31/2012	-	3,862,936	3,862,936	-	4,041,813	95.6
12/31/2015	-	3,769,861	3,769,861	-	4,126,150	91.4

Information for years prior to January 1, 2009 is unavailable.

Valuation is performed every three years as required by GASB 45.

SUPPLEMENTARY INFORMATION

ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE
 DISPATCH FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Property taxes	\$ 85,908	\$ 74,430	\$ 74,430	\$ -
Contract fees	82,582	75,559	75,559	-
Interest	75	918	918	-
Miscellaneous revenue	-	8,292	8,292	-
TOTAL REVENUES	168,565	159,199	159,199	-
EXPENDITURES				
Current:				
Dispatching	104,783	110,356	110,356	-
Capital outlay	63,782	3,159	3,159	-
TOTAL EXPENDITURES	168,565	113,515	113,515	-
EXCESS OF REVENUES OVER EXPENDITURES	-	45,684	45,684	\$ -
FUND BALANCES - BEGINNING OF YEAR	173,712	173,712	173,712	
FUND BALANCES - END OF YEAR	\$ 173,712	\$ 219,396	\$ 219,396	
FUND BALANCE - END OF YEAR - BUDGET BASIS			\$ 219,396	
Accrual adjustments:				
Revenues			91,700	
Expenditures			(1,745)	
FUND BALANCE - END OF YEAR - GAAP BASIS			\$ 309,351	

ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Property taxes	\$ 359,093	\$ 311,615	\$ 311,615	\$ -
Contract fees	342,599	315,837	315,837	-
Interest	475	1,459	1,459	-
TOTAL REVENUES	<u>702,167</u>	<u>628,911</u>	<u>628,911</u>	<u>-</u>
EXPENDITURES				
Debt service:				
Professional fees	2,700	3,400	3,400	-
Principal, interest and fiscal charges	<u>463,212</u>	<u>516,819</u>	<u>516,819</u>	<u>-</u>
TOTAL EXPENDITURES	<u>465,912</u>	<u>520,219</u>	<u>520,219</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	236,255	108,692	108,692	<u>\$ -</u>
FUND BALANCES - BEGINNING OF YEAR	<u>8,318</u>	<u>8,318</u>	<u>8,318</u>	
FUND BALANCES - END OF YEAR	<u>\$ 244,573</u>	<u>\$ 117,010</u>	<u>\$ 117,010</u>	
FUND BALANCE - END OF YEAR - BUDGET BASIS			\$ 117,010	
Accrual adjustments:				
Revenues			383,308	
Expenditures			<u>-</u>	
FUND BALANCE - END OF YEAR - GAAP BASIS			<u>\$ 500,318</u>	

ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ 1,000	\$ 9,188	\$ 9,188	\$ -
EXPENDITURES				
Capital outlay	1,332,000	1,332,000	838,183	493,817
Debt service:				
Cost of issuance	-	-	33,500	(33,500)
TOTAL EXPENDITURES	<u>1,332,000</u>	<u>1,332,000</u>	<u>871,683</u>	<u>460,317</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,331,000)</u>	<u>(1,322,812)</u>	<u>(862,495)</u>	<u>460,317</u>
OTHER FINANCING SOURCES AND (USES)				
Proceeds from the issuance of debt	3,500,000	3,500,000	3,500,000	\$ -
Bond premium	-	86,166	86,166	-
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>3,500,000</u>	<u>3,586,166</u>	<u>3,586,166</u>	<u>-</u>
CHANGE IN FUND BALANCE	2,169,000	2,263,354	2,723,671	<u>\$ 460,317</u>
FUND BALANCES - BEGINNING OF YEAR	<u>285,981</u>	<u>285,981</u>	<u>285,981</u>	
FUND BALANCES - END OF YEAR	<u>\$8,123,981</u>	<u>\$8,398,855</u>	<u>\$ 3,009,652</u>	
FUND BALANCE - END OF YEAR - BUDGET BASIS			\$ 3,009,652	
Accrual adjustments:				
Revenues			-	
Expenditures			280,620	
FUND BALANCE - END OF YEAR - GAAP BASIS			<u>\$ 3,290,272</u>	

ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI
SCHEDULE OF PRINCIPAL OFFICE HOLDERS
DECEMBER 31, 2016

<u>OFFICE HOLDER</u>	<u>OFFICE</u>	<u>ANNUAL COMPENSATION</u>
Joan Noel	President	\$ 10,800
Michael Conley	Secretary	10,158
Jennifer Parkin	Treasurer	10,600

ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI
 SCHEDULE OF INSURANCE IN FORCE
 DECEMBER 31, 2016

<u>INSURANCE IN FORCE</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
Package policy		
Buildings	Arch Insurance Company	\$ 5,956,144
Personal property		558,975
Management liability		1,000,000
Liability - bodily injury, personal injury and property damage		1,000,000/10,000,000
Other insurance:		
Workers compensation	MoFAD	2,000,000
Automobile:		
Liability	Arch Insurance Company	1,000,000
Umbrella:		
Liability	Arch Insurance Company	2,000,000/4,000,000
Crime and Fidelity:		
Employee theft	Arch Insurance Company	300,000
Fiduciary Responsibility:		
Pension & Welfare Fund	Travelers	1,000,000

COMPLIANCE SECTION

**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

***ROBERTSON FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the remaining fund information of Robertson Fire Protection District of St. Louis County, Missouri (the District), as of and for the year ended December 31, 2016, 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 22, 2017.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiencies in District's internal control to be material weaknesses:

Audit adjustments are evaluated to determine if they are an indication of a control deficiency and a material weakness. We proposed the following adjustments to management:

An adjustment was made to correctly record prepaid expenses at year-end in the Capital Projects Fund.

Management's response: Management agrees and will correct the recording of these items in the future.

Compliance and Other Matters

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

District's Response to Findings

The District's response to the findings identified in our audit is noted above. The 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.

A handwritten signature in cursive script that reads "Gotz Deal & Company". The signature is written in black ink and is positioned above a horizontal line.

June 22, 2017