

📍 **Saint Louis, Missouri**
6240 S. Lindbergh Blvd Ste. 101
Saint Louis, MO 63123

📞 (314) 845-7999
📠 (314) 845-7770
🌐 www.afewcpas.com



📍 **Columbia, Illinois**
205 S. Main
Columbia, IL 62236

📞 (618) 281-4999
📠 (618) 281-9533
🌐 www.afewcpas.com

November 7, 2022

Black Jack Fire Protection District
Attn: Chief Ankeneth Corbin
5675 N. Highway 67
Florissant, MO 63034

We are pleased to confirm our understanding of the services we are to provide for the Black Jack Fire Protection District (the District) for the year ended December 31, 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2022. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's 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. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles (GAAP) and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's discussion and analysis
- 2) Budgetary comparison schedules and related notes
- 3) Schedule of changes in net pension liability and related ratios
- 4) Schedule of contributions

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

- 1) Budgetary comparison schedules
- 2) Schedule of insurance in force
- 3) Schedule of principal office holders

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment, of a reasonable user, made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditors' Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

Audit Procedures—Internal Control

We will obtain an understanding of the District and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of the District in conformity with GAAP based on information provided by you.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with the preparation of the financial statements and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to

oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information are reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with GAAP, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. The District is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will locate any documents selected by us for testing.

We will provide copies of our reports to the District; however, management is responsible for the distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Fick, Eggemeyer, and Williamson and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Fick, Eggemeyer, and Williamson's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of six years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation. By your signature below, you acknowledge and agree that upon the expiration of a 6-year period, Fick, Eggemeyer & Williamson shall be free to destroy records related to the audit.

Keith Slusser is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be **\$8,000**. If a single audit is required (Federal Expenditures greater than \$750,000), there will be an additional fee of \$3,000 for the first major program and \$1,500 for each additional major program that is required for single audit compliance and a new engagement letter will be issued. Our invoices for fees will be rendered when we present the final draft to the District. In accordance with our firm policies, we will not commence audit work each year until the prior year's audit fees have been paid in full. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Additionally, the fees indicated above are guaranteed for six months from December 31, 2022. If this agreement is not signed and returned and the engagement has not started within that period, the fees above are subject to change.

If a dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the board of directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of 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 on compliance and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements,

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Sincerely,


Keith Slusser

RESPONSE:

This letter correctly sets forth the understanding of the Black Jack Fire Protection District.

Signature: 
Title: Treasurer - Director

**Black Jack Fire
Protection District**

Annual Financial Statements

For The Year Ended December 31, 2022

TABLE OF CONTENTS

	<u>Pages</u>
FINANCIAL SECTION	
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4A-4E
Financial Statements:	
Statement of Net Position	5
Statement of Activities	6
Balance Sheet - Governmental Funds	7
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	8
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	10
Statement of Fiduciary Net Position - Pension Trust Fund	11
Statement of Changes in Fiduciary Net Position - Pension Trust Fund	12
Notes to the Financial Statements	13-26
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund	27
Budgetary Comparison Schedule - Dispatch Fund	28
Budgetary Comparison Schedule - Emergency Medical Service Fund	29
Notes to Required Supplementary Information	30
Schedule of Changes in Net Pension Liability and Related Ratios	31
Schedule of Contributions	32
OTHER INFORMATION	
Budgetary Comparison Schedule - Debt Service Fund	33
Budgetary Comparison Schedule - Capital Projects Fund	34
Schedule of Insurance in Force	35
Schedule of Principal Office Holders	36
FEDERAL COMPLIANCE SECTION	
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 <i>Government Auditing Standards</i>	37-38
Summary of Auditors' Results	39
Summary of Prior Year Audit Findings	39

📍 **Saint Louis, Missouri**
6240 S. Lindbergh Blvd Ste 101
Saint Louis, MO 63123

📞 (314) 845-7999
📠 (314) 845-7770
🌐 www.afewcpas.com



📍 **Columbia, Illinois**
205 S. Main
Columbia, IL 62236

📞 (618) 281-4999
📠 (618) 281-9533
🌐 www.afewcpas.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Black Jack Fire Protection District
St. Louis, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Black Jack Fire Protection District, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Black Jack Fire Protection District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Black Jack Fire Protection District, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule changes in net other than pension employee benefits liability, schedule of changes in net pension liability and related ratios and schedule of contributions on pages 4A-4E and 27-32 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison schedules - debt service and capital project funds and schedules of insurance in force and principal office holders but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2023, on our consideration of the Black Jack 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 solely 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 effectiveness of the Black Jack Fire Protection District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Black Jack Fire Protection District's internal control over financial reporting and compliance.

Fick, Eggemeyer & Williamson

Fick, Eggemeyer & Williamson, CPAs
Saint Louis, Missouri
May 23, 2023

BLACK JACK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

This section of Black Jack Fire Protection District's (the District) annual financial report presents management's discussion and analysis of financial activity for the year ended December 31, 2022. 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.

Overview of the Financial Statements

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

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

Required supplementary information and other 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 the District's assets and liabilities, which measures 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 revenues are earned and expenses are incurred, 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.

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, emergency medical service, 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.

BLACK JACK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

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, or 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. Reconciliations are provided to facilitate 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 programs. The District's only fiduciary fund is the Pension Trust Fund.

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 the government's financial position. The condensed statement of net position as of December 31 is as follows:

	2022	2021	Increase (Decrease)
Assets			
Current and other assets	\$ 30,309,939	\$ 22,933,349	\$ 7,376,590
Noncurrent assets	7,883,641	8,514,643	(631,002)
Total assets	38,193,580	31,447,992	6,745,588
Deferred outflows	4,601,523	525,529	4,075,994
Liabilities			
Current liabilities	2,295,388	1,467,355	828,033
Long-term liabilities	18,392,962	8,003,817	10,389,145
Total liabilities	20,688,350	9,471,172	11,217,178
Deferred inflows	460,710	1,355,161	(894,451)
Net position			
Net investment in capital assets	2,496,850	3,859,100	(1,362,250)
Restricted	10,332,160	9,338,837	993,323
Unrestricted	8,817,033	7,949,251	867,782
Total net position	\$ 21,646,043	\$ 21,147,188	\$ 498,855

**BLACK JACK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

The District's net position increased by \$498,855 during the year ended December 31, 2022. The key elements of this increase are presented in the following condensed statement of activities:

	2022	2021	Increase (Decrease)
Revenues			
Program revenues			
Charges for services	\$ 35,647	\$ 12,802	\$ 22,845
Operating grants	-	97,554	(97,554)
General revenues			
Property taxes	11,825,043	8,989,263	2,835,780
Investment income	27,610	21,969	5,641
Other income	23,343	80,906	(57,563)
Gain (loss) on sale of asset	(9,215)	88,000	(97,215)
Transfers	-	(327,267)	327,267
Total revenues	11,902,428	8,963,227	2,611,934
Expenses			
Public safety	11,118,831	7,918,109	3,200,722
Interest and fiscal charges	284,742	183,472	101,270
Total expenses	11,403,573	8,101,581	3,301,992
Change in net position	498,855	861,646	(362,791)
Net position, beginning of year	21,147,188	20,285,542	861,646
Net position, end of year	\$ 21,646,043	\$ 21,147,188	\$ 498,855

Fund Analysis

General Fund

General Fund expenditures exceeded General Fund revenues by \$1,926,456, and net transfers in of \$2,136,807 were received. As a result, the General fund balance increased by \$210,351.

Dispatch Fund

Dispatch Fund expenditures exceeded Dispatch Fund revenues by \$29,939. As a result, the Dispatch fund balance decreased by \$29,939. Dispatch Fund expenditures provide for the District's communications and dispatching services.

Emergency Medical Service Fund

This fund is used to account for the proceeds of a special tax levy which is restricted for the provision of emergency medical services. Emergency Medical Service Fund revenues exceeded Emergency Medical Service Fund expenditures by \$4,109,337, and \$2,136,807 was transferred, resulting in a fund balance increase of \$1,972,530.

Debt Service Fund

Debt Service Fund revenues exceeded Debt Service Fund expenditures by \$84,932. As a result, the Debt Service fund balance increased to \$84,932.

BLACK JACK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Capital Projects Fund

The Capital Projects Fund issued new bonds during 2022 in the amount of \$4,000,000 resulting in revenues exceeding expenditures by \$4,084,624.

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.

Capital Assets

GASB 34 requires the District to include in capital assets all real estate, equipment and furniture owned by the District. The District has adopted a capitalization policy with specific useful lives by capital asset category. More detailed information on the District's capital assets is presented in note 9 to the financial statements.

	2022	2021	Increase Decrease
Land	\$ 34,941	\$ 34,941	\$ -
Construction in progress	-	-	-
Buildings and other improvements	9,695,993	9,636,213	59,780
Fire equipment and vehicles	3,419,305	4,083,251	(663,946)
Equipment and fixtures	402,247	517,192	(114,945)
Total	13,552,486	14,271,597	(719,111)
Less: Accumulated depreciation	(5,668,845)	(5,756,954)	88,109
Net capital assets	\$7,883,641	\$8,514,643	\$ (631,002)

Long-Term Debt

The District issued \$12,000,000 in Fire Protection Bonds, with average interest rates ranging from 3.05% to 5.0% and maturities from February 15, 2011 to 2027. These bonds were issued for the purpose of constructing, equipping, and maintaining fire stations and purchasing fire protection and fire-fighting apparatus and auxiliary equipment.

During fiscal year 2011, the District issued \$2,500,000 in general obligation refunding bonds, with average interest rates ranging from 2.6% to 4.0% and maturities from February 15, 2014 to 2023. These bonds were issued for the purpose of refinancing a portion of prior general obligation bonds.

**BLACK JACK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

During fiscal year 2014, the District issued \$2,800,000 in general obligation refunding bonds, with average interest rates ranging from 1.75% to 3.40% and maturities from April 15, 2015 to 2034. These bonds were issued for the purpose of purchasing real property, constructing, equipping and maintaining fire stations and purchasing and equipping ambulances and fire protection and fire-fighting apparatus.

During fiscal year 2021, the District issued \$3,830,000 in general obligation refunding bonds, with average interest rates ranging from 2.00% to 4.00% and maturities from February 2022 to 2034. These bonds were issued for the purpose of purchasing real property, constructing, equipping and maintaining fire stations and purchasing and equipping ambulances and fire protection and fire-fighting apparatus and refunding the 2005 and 2010 bonds in the amount of \$1,335,000.

During 2022 the District issued \$4,000,000 in general obligation bonds, with average interest rates of 4.00% and maturities from February 2024 to 2042. The District expects to use a portion of the proceeds of the Bonds to acquire, construct, improve, maintain, furnish, and equip fire stations and related facilities, including the purchase of real estate where necessary, and acquire and equip life-saving ambulances and firefighting apparatus and auxiliary equipment to reduce response times, meet current safety standards and to carry out the objectives and purposes of the District.

During the year ended December 31, 2022 the District made principal payments of \$725,000. Outstanding bonds payable as of December 31, 2022 were \$10,320,000.

Economic Factors

The District serves over 56,000 residents 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 aide 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.

Contact Information

This report is designed to provide an overview of the District's finances to interested parties in the area. Questions concerning any of the information found within this report or requests for additional information should be directed to the Chief of the Fire Protection District at 5675 N. Highway 67, Florissant, Missouri 63034.

Basic Financial Statements

BLACK JACK FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 22,908,368
Taxes receivable, net of allowance	5,708,771
Prepaid expenses	1,692,800
Total current assets	<u>30,309,939</u>
Noncurrent assets	
Land and construction in progress	34,941
Capital assets, net of depreciation	7,848,700
Total noncurrent assets	<u>7,883,641</u>
TOTAL ASSETS	<u><u>\$ 38,193,580</u></u>
DEFERRED OUTFLOWS	
Pension related deferred outflows	<u><u>\$ 4,601,523</u></u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 60,247
Salaries and benefits payable	200,868
Internal balances	969,341
Interest payable	109,396
Current portion of long-term liabilities	955,536
Total current liabilities	<u>2,295,388</u>
Noncurrent liabilities	
Net pension obligation	7,525,176
Bond premium	442,390
Accrued compensated absences	840,396
Bonds payable	9,585,000
Total noncurrent liabilities	<u>18,392,962</u>
TOTAL LIABILITIES	<u><u>\$ 20,688,350</u></u>
DEFERRED INFLOW OF RESOURCES	
Pension related deferred inflows	<u><u>\$ 460,710</u></u>
NET POSITION	
Net investment in capital assets	\$ 2,496,850
Restricted	
Dispatch	624,313
Emergency Medical Service	7,317,735
Debt service	825,918
Capital projects	1,564,194
Unrestricted	8,817,033
TOTAL NET POSITION	<u><u>\$ 21,646,043</u></u>

The notes to the financial statements are an integral part of this statement

BLACK JACK FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Governmental Activities
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
Public safety	\$ 11,118,831	\$ 35,647	\$ -	\$ -	\$ (11,083,184)
Interest and fiscal charges	284,742	-	-	-	(284,742)
Total governmental activities	<u>\$ 11,403,573</u>	<u>\$ 35,647</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(11,367,926)</u>
General revenues:					
Property taxes					11,825,043
Investment income					27,610
Other income					23,343
Loss on sale of assets					(9,215)
Total general revenues					<u>11,866,781</u>
Changes in net position					498,855
Net position - beginning					<u>21,147,188</u>
Net position - ending					<u>\$ 21,646,043</u>

The notes to the financial statements are an integral part of this statement

BLACK JACK FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	Dispatch	Emergency Medical Service	Debt Service	Capital Projects	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 11,609,579	\$ 393,929	\$ 5,971,651	\$ 966,390	\$ 3,966,819	\$ 22,908,368
Taxes receivable, net of allowance	2,864,805	142,041	2,187,934	513,991	-	5,708,771
Internal balances	130,935	65,130	-	479,051	-	675,116
Prepaid expenses	51,906	69,670	-	983	1,570,241	1,692,800
Total assets	<u>\$ 14,657,225</u>	<u>\$ 670,770</u>	<u>\$ 8,159,585</u>	<u>\$ 1,960,415</u>	<u>\$ 5,537,060</u>	<u>\$ 30,985,055</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 58,876	\$ -	\$ -	\$ -	\$ 1,371	\$ 60,247
Salaries and benefits payable	200,868	-	-	-	-	200,868
Internal balances	1,513,522	-	126,259	-	4,676	1,644,457
Total liabilities	<u>1,773,266</u>	<u>-</u>	<u>126,259</u>	<u>-</u>	<u>6,047</u>	<u>1,905,572</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	<u>936,969</u>	<u>46,457</u>	<u>715,591</u>	<u>168,107</u>	<u>-</u>	<u>1,867,124</u>
FUND BALANCES						
Nonspendable	51,906	69,670	-	983	1,570,241	1,692,800
Restricted	-	554,643	7,317,735	1,791,325	3,960,772	13,624,475
Assigned	7,500,000	-	-	-	-	7,500,000
Unassigned	4,395,084	-	-	-	-	4,395,084
Total fund balances	<u>11,946,990</u>	<u>624,313</u>	<u>7,317,735</u>	<u>1,792,308</u>	<u>5,531,013</u>	<u>27,212,359</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,657,225</u>	<u>\$ 670,770</u>	<u>\$ 8,159,585</u>	<u>\$ 1,960,415</u>	<u>\$ 5,537,060</u>	<u>\$ 30,985,055</u>

The notes to the financial statements are an integral part of this statement

BLACK JACK FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022

Total fund balance - governmental funds		\$ 27,212,359
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		7,883,641
Certain assets (obligations) are not financial resources and, therefore, are not reported in the governmental funds. These items consist of:		
Net pension obligation	(7,525,176)	
Deferred outflows of resources related to pensions	4,601,523	
Deferred inflows of resources related to pensions	<u>(460,710)</u>	(3,384,363)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		1,867,124
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. All liabilities both current and long-term are reported in the statement of net position.		
Accrued compensated absences	(1,060,932)	
Bonds payable	(10,320,000)	
Unamortized bond premium	(442,390)	
Accrued interest on outstanding debts	<u>(109,396)</u>	<u>(11,932,718)</u>
Net position of governmental activities		<u>\$ 21,646,043</u>

The notes to the financial statements are an integral part of this statement

BLACK JACK FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Revenues:	General	Dispatch	Emergency Medical Service	Debt Service	Capital Projects	Total Governmental Funds
Property taxes	\$ 5,793,346	\$ 287,716	\$ 4,143,493	\$ 1,034,866	\$ -	\$ 11,259,421
Licenses, permits and fees	35,647	-	-	-	-	35,647
Investment income	13,373	1,580	6,220	1,900	4,537	27,610
Other income	231,043	-	-	-	-	231,043
Total revenues	6,073,409	289,296	4,149,713	1,036,766	4,537	11,553,721
Expenditures:						
Current operations						
Public safety	7,996,738	274,105	40,376	-	-	8,311,219
Capital outlay	3,127	45,130	-	-	354,609	402,866
Debt service						
Principal	-	-	-	725,000	-	725,000
Interest and fiscal charges	-	-	-	226,834	-	226,834
Total expenditures	7,999,865	319,235	40,376	951,834	354,609	9,665,919
Revenues over (under) expenditures	(1,926,456)	(29,939)	4,109,337	84,932	(350,072)	1,887,802
Other financing sources (uses)						
Bond proceeds	-	-	-	-	4,169,624	4,169,624
Bond issuances costs	-	-	-	-	(85,000)	(85,000)
Transfers	2,136,807	-	(2,136,807)	-	-	-
Total other financing sources (uses)	2,136,807	-	(2,136,807)	-	4,084,624	4,084,624
Net change in fund balance	210,351	(29,939)	1,972,530	84,932	3,734,552	5,972,426
Fund balances - beginning	11,736,639	654,252	5,345,205	1,707,376	1,796,461	21,239,933
Fund balances - ending	\$ 11,946,990	\$ 624,313	\$ 7,317,735	\$ 1,792,308	\$ 5,531,013	\$ 27,212,359

The notes to the financial statements are an integral part of this statement

BLACK JACK FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Net change in fund balances - total governmental funds	\$	5,972,426
--	----	-----------

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	249,790	
Depreciation expense	<u>(663,877)</u>	(414,087)

Disposal of capital assets		
Basis of disposals	<u>(216,915)</u>	(216,915)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.

Debt issued during the current year:

Issuances of general obligation bonds	(4,000,000)	
Premium	(169,624)	

Repayments:

Bonds payable	725,000	
Amortization of premiums on debt issuance	<u>60,923</u>	(3,383,701)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds

Deferred revenue	<u>565,622</u>	565,622
------------------	----------------	---------

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 governmental funds.

Pension expense	(2,061,684)	
Accrued interest on outstanding debt	(33,831)	
Change in accrued compensated absences	<u>71,025</u>	<u>(2,024,490)</u>

Change in net position of governmental activities	\$	<u><u>498,855</u></u>
---	----	-----------------------

The notes to the financial statements are an integral part of this statement

BLACK JACK FIRE PROTECTION DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUND
DECEMBER 31, 2022

ASSETS

Cash and cash equivalents	\$ 376,053
Investments, at fair value	21,173,439
Taxes receivable	1,063,405
Internal balances	<u>969,341</u>
Total assets	<u>\$ 23,582,238</u>

LIABILITIES

Obligation - 457 plan	<u>\$ 2,448,780</u>
Total liabilities	<u>2,448,780</u>

NET POSITION

Held in trust for pension benefits	<u>21,133,458</u>
Total net position	<u>21,133,458</u>
Total liabilities and net position	<u>\$ 23,582,238</u>

The notes to the financial statements are an integral part of this statement

BLACK JACK FIRE PROTECTION DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

Additions		
Tax revenue	\$	2,205,106
Total additions		<u>2,205,106</u>
Deductions		
Administrative expenses		10,885
Net depreciation in fair value of assets		4,220,818
Benefits paid		<u>767,881</u>
Total deductions		<u>4,999,584</u>
Change in net position		(2,794,478)
Net position held in trust for pension benefits		
January 1, 2022		<u>23,927,936</u>
December 31, 2022	\$	<u>21,133,458</u>

The notes to the financial statements are an integral part of this statement

BLACK JACK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and financial reporting policies of the Black Jack Fire Protection District (the District) conform to U.S. generally accepted accounting principles (GAAP) as applied to government entities. The following is a summary of the more significant policies.

Reporting Entity

The District provides fire protection and prevention services to the surrounding community. It operates as a political subdivision, duly organized under laws of the State of Missouri and is funded by real and personal property tax revenue, licenses, permits, and miscellaneous revenues. An elected board of directors, who regulate all major operations, oversees the District.

The District defines its financial reporting entity in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* (GASB 14). GASB 14 requirements for inclusion of component units are based primarily upon whether the District's governing body has any significant amount of financial accountability for potential component units. The District is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that potential component unit, or the potential component unit may provide specific financial benefits to, or impose specific financial burdens on, the District. Currently, the District does not have any component units.

New Accounting Pronouncement

During 2022, the District adopted GASB Statement No. 87, Leases, which requires the recognition of the material remaining value of operating leases as right of use assets and future minimum lease liabilities, initially measured at the present value of the lease payments, on all the District's lease obligations. The implementation had no impact on the District's financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. As a general rule the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenues not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds, and fiduciary funds, although the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

BLACK JACK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental fund financial statements are reported using the financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Governmental fund financial statements are reported using the financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Property taxes associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Deferred inflow of resources is reported on the governmental fund balance sheet. Unearned revenues arise when potential revenue does not meet both the measurable and available criteria. In a subsequent period when both criteria are met, the liability is removed and the revenue recognized.

Fund Accounting

The District uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The District has two categories of funds: governmental and fiduciary.

The government reports the following governmental funds:

General Fund

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

Dispatch

This fund is a Special Revenue Fund used to account for special revenues received which are specifically earmarked for expenditures for emergency vehicle dispatching services.

Emergency Medical Service

This fund is a Special Revenue Fund used to account for the proceeds of a special tax levy which is restricted for the provision of emergency medical services and ambulance services.

BLACK JACK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Debt Service

This fund is a Debt Service Fund used to account for the fulfillment of future debt service requirements, including the repurchase of outstanding bonds issued.

Capital Projects

This fund is a Capital Projects Fund, which is used to account for cash received from bond proceeds and expenditures related to construction and other capital improvements.

Additionally, the government reports the following fund type:

Pension Trust Fund – This fund is used to account for assets held by the District in a trustee capacity or as an agent for individual, private organizations, other governmental units, and/or other funds. The District's Pension Trust Fund includes the assets of the defined benefit pension plan.

Cash and Cash Equivalents

The District considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents. Missouri State Statute requires that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Mutual fund investments, related to the retirement fund, are reported at their fair value by the pension plan administrator. Certificates of deposit held at banks with an original maturity in excess of three months are reported at cost and listed in the financial statements as certificates of deposit.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenues, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from various sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts have become available.

In the government-wide financial statements, components of pension expense that are recognized over a period of time are classified as either deferred outflows of resources (using plan assets that are applicable to a future reporting period) or deferred inflows of resources (acquiring plan assets that are applicable to a future reporting period). Employer contributions subsequent to the measurement date of the net pension liability are required to be reported as deferred outflows of resources.

BLACK JACK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires the District to make estimates and assumptions that affect the reported amounts in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

Interfund Activities

Interfund transfers represent interfund activities whereby the two parties to the transaction do not receive equivalent cash, goods, or services. Transfers should be reported as other financing sources and use on the Statement of Revenues, Expenditures and Change in Fund Balance. Any resulting balances at the end of the accounting period should be reported as internal balances.

Allowance for Doubtful Accounts

The District calculates an allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance at December 31, 2022 is allocated as follows:

Fund	Balance
General	\$ 359,354
Dispatch	17,817
Emergency Medical Service	274,449
Debt Service	64,474

Capital Assets

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of donation. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

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

Assets	Years
Building and improvements	10-40
Fire equipment and vehicles	5-15
Equipment and fixtures	5-10

Governmental Fund Balances

Fund balance is the difference between assets and liabilities in a Governmental Fund. In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Government Fund Type Definitions, the following types of fund balances are presented in the Governmental Funds Balance Sheet:

Nonspendable - the portion of a governmental fund's balance that are not available to be spent, either short term or long term, in either form or through legal restrictions. The nonspendable fund balances reported in the General, Dispatch, Debt Service and Capital Project Funds are for prepaid assets and a deposit.

BLACK JACK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted - the portion of a governmental fund's balance that are subject to external enforceable legal restrictions. The following account fund balances are restricted by Tax Levy and bond funding: Dispatch, Emergency Medical Service, Debt Service and Capital Projects.

Assigned - the portion of a Governmental Fund's net assets to denote an intended use of resources. The accounts presented with assigned fund balances are specified for future operations and pension appropriations by the Board of Directors. The following account comprises the assigned fund balance: General.

Unassigned - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following fund comprises the unassigned fund balance: General.

The District uses restricted amounts first when both restricted and unrestricted fund balances are available, unless there are legal contracts that prohibit doing this.

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets represents the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

The District utilizes restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Tax Abatement

Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, defines tax abatement, for financial reporting purposes, as a reduction in tax revenue resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take specific action after the agreement has been entered into that contributes to economic development or other benefits the governments or the citizens of those governments.

Compensated Absences

District employees are entitled to accumulate unused sick leave to an established limit until retirement. Accrued sick leave is considered a general liability, split between current and long-term, and is reported in the government-wide statement of net position rather than as a liability in the governmental funds.

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; and natural disasters for which the District carries commercial insurance.

The District participates in a public entity risk pool with other districts covering worker's compensation benefits. The District pays an annual premium to the pool, of which 5% is allocated to purchase commercial insurance coverage. Stop-loss coverage exists for individual claims exceeding \$1,000,000.

BLACK JACK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 2 - DEPOSITS

Missouri Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of the collateral pledged must equal 100% of the deposits not covered by insurance or corporate surety bonds. At year-end, the carrying amount of the District's demand deposits totaled \$23,284,421 (including fiduciary cash) and bank balances totaled \$23,370,775.

The District participates in the Missouri Security Investment Program (MoSIP). All funds of these programs are invested in accordance with Section 165.051 of the Missouri Revised Statutes. Each entity owns a pro rata share of each investment or deposit which is held in the name of the Fund. The District had \$3,007,024 invested through MoSIP December 31, 2022.

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's deposits were not exposed to custodial credit risk at year end.

Note 3 - FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Fund has the ability to access.

Level 2 - Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022.

Mutual Funds: Valued at the net asset value ("NAV") of shares held by the pension plan at year end.

Exchange Traded Funds: are valued by the number of shares held multiplied by the quoted price per share.

Real Estate Investment Trust: Valued at the estimated value of assets less the estimated value of liabilities divided by the number of shares outstanding.

Corporate Bond: Valued by the investment administrator holding the corporate notes.

Certificates of deposit - brokerage: valued at fair market value, as reported by the investment custodian.

BLACK JACK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 3 - FAIR VALUE MEASUREMENTS (continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Fund believes its valuation methods are appropriate and consistent, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Fund's assets at fair value as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 17,198,167	\$ -	\$ -	\$ 17,198,167
Exchanged traded fund	1,282,233	-	-	1,282,233
Real estate investment trusts	-	-	814,494	814,494
Corporate bonds	-	885,745	-	885,745
Certificates of deposits - brokerage	-	992,800	-	992,800
Total at fair value	<u>\$ 18,480,400</u>	<u>\$ 1,878,545</u>	<u>\$ 814,494</u>	<u>\$ 21,173,439</u>

The table below sets forth a summary of changes in fair value of the District's level 3 assets for the year ended December 31, 2022.

	Real Estate Investment Trust
Balance, beginning of year	\$ 922,200
Purchases	52,370
Unrealized losses	(160,076)
Balance, end of year	<u>\$ 814,494</u>

Concentration of Credit Risk

The District has investments in certain mutual funds that exceed 5% of the total investments. Those concentrations are as follows:

Strategic Income Opportunities Fund	\$ 2,554,073
Columbia Contrarian Core Fund	2,096,157
Pioneer Strategic Income Fund A	1,690,616
Pioneer Bond Fund A	1,559,098
Vanguard Total World Stock Index ETF	1,282,233

Note 4 - CONTINGENT LIABILITIES

The District was a party to an active court case as of December 31, 2022. The amount of awards due to or from the District is undetermined for the active case at December 31, 2022. For the pending case no related assets or liabilities have been recorded on the books of the District.

BLACK JACK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 5 - LEGAL DEBT MARGIN

ASSESSED VALUATION - 2022 LEVY	<u>\$ 712,223,106</u>
Statutory debt limitation	\$ 35,611,155
5% of assessed valuation	
Less: Bonded debt	<u>10,320,000</u>
LEGAL DEBT MARGIN	<u>\$ 25,291,155</u>

Note 6 - INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2022 is as follows:

Receivable Fund	Payable Fund	December 31, 2022
Dispatching Fund	General Fund	\$ 65,130
General Fund	Emergency Medical Service Fund	126,259
Debt Service Fund	General Fund	479,051
Pension Trust Fund	General Fund	969,341
General Fund	Capital Projects Fund	4,676

The interfund balances relate to costs incurred for operating activities. The balances are expected to be repaid within one year.

During 2022 the Emergency Medical Services Fund transferred \$2,136,807 to the General Fund for operating.

Note 7 - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The county collects the property tax and remits it to the District. The assessed valuation of the tangible real, personal taxable and state assessed railroad and utilities property for the calendar year 2022 for purposes of local taxation was \$712,223,106.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2022 for purposes of local taxation was:

	Residential	Agricultural	Commercial	Personal	Blended Rate
General Fund	\$ 0.7690	\$ 0.6590	\$ 0.9220	\$ 1.0000	\$ 0.8249
Dispatch Fund	0.0380	0.0470	0.0460	0.0500	0.0409
EMS/Ambulance Fund	0.6080	0.5233	0.6660	0.7000	0.6300
Debt Service Fund	0.1480	0.1480	0.1480	0.1480	0.1480
Pension Trust Fund	0.2940	0.2910	0.3170	0.3500	0.3062
	<u>\$ 1.8570</u>	<u>\$ 1.6683</u>	<u>\$ 2.0990</u>	<u>\$ 2.2480</u>	<u>\$ 1.9500</u>

BLACK JACK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 8 - CONTRACTUAL AGREEMENTS

During a prior year, the District entered into a contractual agreement with Central County Emergency 911 for dispatching services. Terms of the agreement state that monies allocated for dispatching services from tax collection due (ranging from per levy 3.5 cents per \$100.00 assessed valuation to 3.75 cents) must be remitted to Central County Emergency 911 in two annual installments.

Note 9 - CAPITAL ASSETS

The following is a summary of changes in capital assets - governmental activities:

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Governmental activities:				
Land	\$ 34,941	\$ -	\$ -	\$ 34,941
Total capital assets not being depreciated	34,941	-	-	34,941
<i>Capital assets being depreciated:</i>				
Buildings and other improvements	9,636,213	59,780	-	9,695,993
Fire equipment and vehicles	4,083,251	190,010	853,956	3,419,305
Equipment and fixtures	517,192	-	114,945	402,247
Total capital assets being depreciated	14,236,656	249,790	968,901	13,517,545
<i>Less accumulated depreciation for:</i>				
Buildings and other improvements	3,352,318	248,833	-	3,601,151
Fire equipment and vehicles	2,004,785	382,883	643,310	1,744,358
Equipment and fixtures	399,851	32,161	108,676	323,336
Total accumulated depreciation	5,756,954	663,877	751,986	5,668,845
Total net capital assets being depreciated	8,479,702	(414,087)	216,915	7,848,700
Governmental activity capital assets	<u>\$ 8,514,643</u>	<u>\$ (414,087)</u>	<u>\$ 216,915</u>	<u>\$ 7,883,641</u>

Depreciation expense was charged to the function Public Safety in the amount of \$663,877.

Note 10 - OTHER POST-EMPLOYMENT BENEFITS

The District's non-pension post-employment benefits liability was evaluated. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of their adjusted premium. As of December 31, 2022 three former employees were on the District's health insurance plan. The implicit subsidy calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* is immaterial. Additionally, the District had no former employees for which the District was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the District has not recorded any post-employment benefit liability as of December 31, 2022.

BLACK JACK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 11 - BONDS PAYABLE

Bond payable consists of the following at December 31, 2022:

	Original Issue Amount	Maturity Date	Interest Rates	Balance at December 31, 2022
Series 2007	\$ 1,000,000	2027	4.00%	\$ 475,000
Series 2011 refunding	2,500,000	2023	2.60% - 4.00%	620,000
Series 2014	2,800,000	2034	1.75% - 3.75%	2,175,000
Series 2020 refunding	3,830,000	2034	2.00% - 4.00%	3,050,000
Series 2022	4,000,000	2042	4.00% - 5.00%	4,000,000
				<u>\$ 10,320,000</u>

Debt Service Requirements to Maturity

The annual debt service requirements for bonded debt as of December 31, 2022 are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	\$ 735,000	\$ 364,309	\$ 1,099,309
2024	675,000	372,900	1,047,900
2025	635,000	348,700	983,700
2026	570,000	326,350	896,350
2027	595,000	304,550	899,550
2028-2032	2,605,000	1,239,538	3,844,538
2033-2037	1,170,000	866,975	2,036,975
2037-2042	3,335,000	515,875	3,850,875
	<u>\$ 10,320,000</u>	<u>\$ 4,339,197</u>	<u>\$ 14,659,197</u>

Note 12 - LONG-TERM LIABILITIES

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

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Amount Due Within One Year
Accrued compensated absences *	\$ 1,131,957	\$ -	\$ (71,025)	\$ 1,060,932	\$ 220,536
Net pension obligation *	493,047	7,032,129	-	7,525,176	-
Bond premium	333,689	169,624	(60,923)	442,390	-
Bonds payable	7,045,000	4,000,000	(725,000)	10,320,000	735,000
	<u>\$ 9,003,693</u>	<u>\$ 11,201,753</u>	<u>\$ (856,948)</u>	<u>\$ 19,348,498</u>	<u>\$ 955,536</u>

* Due to limitations, gross amounts for additions and reductions are not readily available. Net changes are shown above.

BLACK JACK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 13 - DEFINED BENEFIT PLAN

Plan Description and Provisions. The plan is a single employer defined benefit pension plan administered by the Retirement Plan Committee. The plan provides retirement, death, and disability benefits to plan members and beneficiaries in accordance with the resolution establishing the plan. The plan may be amended under the provisions of Article X.

The plan does not issue a separate stand-alone financial report. The District displays the financial information in the District's financial statements in the Statement of Fiduciary Net Position and Change in Net Position.

Employees covered by benefit terms. At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	19
Inactive employees entitled to but not yet receiving benefits	3
Active employees	<u>36</u>
	<u><u>58</u></u>

Contributions. The District must annually contribute an actuarially determined amount.

Net Pension Liability. The employer's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023.

Actuarial assumptions. The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increase	4.50% per annum: compounded annually
Investment rate of return	7.00%

PRI-2012 Blue Collar Employee Tables for males and females, with projected mortality improvements based on Scale MP 2021.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

BLACK JACK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 13 - DEFINED BENEFIT PLAN (continued)

	Target Allocation	Assumed Geometric Real Return
US Equity - Large Cap	25%	8.04%
US Equity - Small/Mid Cap	25%	9.14%
Non-US Equity	10%	10.90%
US Corporate Bonds	33%	3.94%
US Treasuries	2%	2.17%
Real Estate	5%	7.49%
Total	100%	

Discount rate. The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer contributions will be made at the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 12/31/21	\$ 24,348,855	\$ 23,855,808	\$ 493,047
Changes for the year:			
Service Cost	369,468	-	369,468
Interest	1,677,544	-	1,677,544
Benefit changes	2,674,895	-	2,674,895
Contributions - employer	-	2,138,577	(2,138,577)
Actuarial losses/(gains)	223,676	-	223,676
Net investment income (loss)	-	(4,225,123)	4,225,123
Benefit payments, including refunds	(767,881)	(767,881)	-
Net changes	4,177,702	(2,854,427)	7,032,129
Balances at 12/31/22	\$ 28,526,557	\$ 21,001,381	\$ 7,525,176

Sensitivity of the net pension liability to changes in the discount rate. The following presents the Net Pension Liability (Asset) of the employer, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	Current Single Discount		
	1% Decrease 6.00%	Rate Assumption 7.00%	1% Increase 8.00%
	\$ 10,759,570	\$ 7,525,176	\$ 4,788,648

BLACK JACK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 13 - DEFINED BENEFIT PLAN (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2022 the employer recognized pension expense of \$4,200,261. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 465,115	\$ (194,157)
Assumption changes	27,142	(266,553)
Net difference between project and actual earnings on pension plan investments	4,109,266	-
Total	<u>\$ 4,601,523</u>	<u>\$ (460,710)</u>

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

Year Ending December 31,	Net Deferred Resources
2023	\$ 761,633
2024	982,747
2025	1,203,938
2026	1,198,563
2027	(6,068)
Thereafter	-
Total	<u>\$ 4,140,813</u>

Note 14 - DEFERRED COMPENSATION PLAN

All employees of the District may choose to participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death or an unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees of beneficiaries, are the property of the District, subject only to claims of the District's general creditors. In addition, the participants in the plan have rights that are equal to his or her share of the fair market value of the plan assets. The District believes it is unlikely plan assets will be needed to satisfy claims arising from general creditors.

BLACK JACK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 14 - DEFERRED COMPENSATION PLAN (continued)

As part of its fiduciary role, the District has an obligation of due care in selecting the third-party administrator. In the opinion of the District's legal counsel, the District has acted in a prudent manner and should not be liable for losses that may arise from the administration of the plan.

Note 15 - TAX ABATEMENTS

Saint Louis County has granted tax abatements through the Advance Industrials Manufacturing Zones Act Program, Industrial Development Bonds Program, Enhanced Enterprise Zone Initiative Program, and the Urban Development Corporations Program. These programs are under Chapters 68, 100, 135, and 353 of the Local Code in the tax jurisdiction of the District. Chapter 68 encourages industrial development through the issuance of bonds by the Port Authority. Chapter 100 encourages industrial development through the issuance of bonds by the County or Municipality. Chapter 135 encourages the expansion or development of new businesses in an Enhanced Enterprise Zone (EEZ), and Chapter 353 encourages the redevelopment of blighted areas by way of a Redevelopment Corporation. For calendar year 2022, the total amount of property tax abated was \$4,780.

Note 16 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 23, 2023, the date which the financial statements were available for issue, and noted no reportable events.

Required Supplementary Information
(Other than Management's Discussion and Analysis)

BLACK JACK FIRE PROTECTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues				
Property taxes	\$ 5,609,853	\$ 5,793,346	\$ 5,793,346	\$ -
Licenses, permits and fees	5,000	35,647	35,647	-
Investment income	5,000	13,373	13,373	-
Other income	5,000	231,043	231,043	-
Total revenues	5,624,853	6,073,409	6,073,409	-
Expenditures				
Public safety				
Salaries	4,142,000	4,468,464	4,468,464	-
Salaries - overtime	812,000	812,000	743,490	68,510
Election expenses	30,000	42,517	42,517	-
Payroll taxes	378,981	382,339	382,339	-
Office supplies	10,000	10,000	6,188	3,812
Gasoline and oil	45,000	56,985	56,985	-
Dues and subscriptions	15,000	15,000	13,835	1,165
Advertising and public relations	20,000	20,000	9,532	10,468
Insurance - general	625,000	639,284	639,284	-
Insurance - employee	1,200,000	997,201	997,201	-
Professional fees	150,000	150,000	108,828	41,172
Building and maintenance	90,000	90,000	83,683	6,317
Equipment and vehicle maintenance	125,000	125,000	102,951	22,049
Doctor fees	30,000	30,000	6,604	23,396
Training and education	100,000	156,978	156,978	-
Uniforms	30,000	44,171	44,171	-
Supplies	25,000	25,000	21,334	3,666
Utilities	100,000	112,354	112,354	-
Capital outlay	5,000	5,000	3,127	1,873
Total expenditures	7,932,981	8,182,293	7,999,865	182,428
Revenues over (under) expenditures	(2,308,128)	(2,108,884)	(1,926,456)	182,428
Other financing sources (uses)				
Transfers	2,136,807	2,136,807	2,136,807	-
Total other financing sources (uses)	2,136,807	2,136,807	2,136,807	-
Net change in fund balance	<u>\$ (171,321)</u>	<u>\$ 27,923</u>	210,351	<u>\$ 182,428</u>
Fund balance, beginning of year			11,736,639	
Fund balance, end of year			<u>\$ 11,946,990</u>	

BLACK JACK FIRE PROTECTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
DISPATCH FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 281,712	\$ 287,716	\$ 287,716	\$ -
Investment income	150	1,580	1,580	-
Total revenues	281,862	289,296	289,296	-
Expenditures				
Public safety				
Supplies	-	24,938	24,938	-
Dispatch expense	253,190	249,167	249,167	-
Capital outlay	28,672	45,130	45,130	-
Total expenditures	281,862	319,235	319,235	-
Net change in fund balance	\$ -	\$ (29,939)	(29,939)	\$ -
Fund balance, beginning of year			654,252	
Fund balance, end of year			\$ 624,313	

BLACK JACK FIRE PROTECTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
EMERGENCY MEDICAL SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 2,246,807	\$ 4,143,493	\$ 4,143,493	\$ -
Investment income	2,500	6,220	6,220	-
Total revenues	<u>2,249,307</u>	<u>4,149,713</u>	<u>4,149,713</u>	<u>-</u>
Expenditures				
Public safety				
Dues and subscriptions	2,500	2,500	25	2,475
Advertising and public relations	5,000	5,000	-	5,000
Equipment and vehicle maintenance	25,000	25,000	4,781	20,219
Training and education	40,000	40,000	17,637	22,363
Supplies	40,000	40,000	17,933	22,067
Total expenditures	<u>112,500</u>	<u>112,500</u>	<u>40,376</u>	<u>72,124</u>
Revenues over (under) expenditures	2,136,807	4,037,213	4,109,337	72,124
Other financing sources (uses)				
Transfers	<u>(2,136,807)</u>	<u>(2,136,807)</u>	<u>(2,136,807)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,136,807)</u>	<u>(2,136,807)</u>	<u>(2,136,807)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,900,406</u>	1,972,530	<u>\$ 72,124</u>
Fund balance, beginning of year			<u>5,345,205</u>	
Fund balance, end of year			<u>\$ 7,317,735</u>	

BLACK JACK FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

The District prepares and legally adopts an annual budget for all governmental funds and the pension expendable trust (fiduciary) fund. The Board of Directors approves the budget at the end of the year, for the subsequent year. Periodically during the year, the District amends the budget.

The District prepares the fund budgets on the modified accrual basis.

NOTE 2 - EXPENDITURES IN EXCESS OF BUDGET

	<u>Budget</u>	<u>Actual</u>
Capital projects fund	\$ 349,555	\$ 439,609

BLACK JACK FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Calendar Years

Fiscal year ending December 31,

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability										
Service cost	\$ 369,468	\$ 365,802	\$ 386,440	\$ 439,330	\$ 276,569	\$ 276,010	\$ 271,647	\$ 237,862	\$ 214,312	
Interest on the total pension liability	1,677,544	1,573,141	1,510,822	1,448,197	1,030,804	981,033	918,435	870,856	889,546	
Benefit changes	2,674,895	-	-	-	4,636,631	-	-	-	-	
Actuarial losses/(gains)	223,676	251,621	(397,830)	114,605	575,447	(197,511)	239,435	(251,731)	(1,003,377)	
Assumption changes	-	-	-	(523,345)	-	196,770	-	310,477	-	
Benefit payments and refunds	(767,881)	(645,013)	(572,517)	(571,108)	(553,038)	(537,536)	(532,978)	(442,557)	(292,400)	
Net change in total pension liability	4,177,702	1,545,551	926,915	907,679	5,966,413	718,766	896,539	724,907	(191,919)	
Total pension liability - beginning	24,348,855	22,803,304	21,876,389	20,968,710	15,002,297	14,283,531	13,386,992	12,662,085	12,854,004	
Total pension liability - ending (a)	\$ 28,526,557	\$ 24,348,855	\$ 22,803,304	\$ 21,876,389	\$ 20,968,710	\$ 15,002,297	\$ 14,283,531	\$ 13,386,992	\$ 12,662,085	
Plan Fiduciary Net Position										
Contributions - employer	\$ 2,138,577	\$ 1,392,160	\$ 1,380,653	\$ 955,207	\$ 1,367,995	\$ 1,317,458	\$ 1,198,247	\$ 481,862	\$ 541,033	
Contributions - member	-	-	-	-	-	-	-	-	-	
Pension plan net investment income	(4,225,123)	1,627,294	2,121,250	2,607,767	(973,802)	1,831,163	1,008,178	(234,203)	659,808	
Benefit payments and refunds	(767,881)	(645,013)	(572,517)	(560,375)	(553,038)	(537,536)	(532,978)	(442,557)	(292,400)	
Other	-	(10,704)	(9,923)	(10,733)	(9,213)	(9,794)	(12,796)	-	-	
Net change in plan fiduciary net position	(2,854,427)	2,363,737	2,919,463	2,991,866	(168,058)	2,601,291	1,660,651	(194,898)	908,441	
Plan fiduciary net position - beginning	23,855,808	21,492,071	18,572,608	15,580,742	15,748,800	13,147,509	11,486,858	11,681,756	10,773,315	
Plan fiduciary net position - ending (b)	\$ 21,001,381	\$ 23,855,808	\$ 21,492,071	\$ 18,572,608	\$ 15,580,742	\$ 15,748,800	\$ 13,147,509	\$ 11,486,858	\$ 11,681,756	
Net pension liability - ending (a) - (b)	\$ 7,525,176	\$ 493,047	\$ 1,311,233	\$ 3,303,781	\$ 5,387,968	\$ (746,503)	\$ 1,136,022	\$ 1,900,134	\$ 980,329	
Net position as a percentage of pension liability	73.62%	97.98%	94.25%	84.90%	74.30%	104.98%	92.05%	85.81%	92.26%	
Covered-employee payroll	\$ 4,864,066	\$ 4,573,930	\$ 4,503,939	\$ 4,170,827	\$ 4,171,965	\$ 3,945,589	\$ 3,813,757	\$ 3,739,428	\$ 3,749,971	
Net pension liability as a percentage of payroll	154.71%	10.78%	29.11%	79.21%	129.15%	-18.92%	29.79%	50.81%	26.14%	

Notes to schedule:

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

BLACK JACK FIRE PROTECTION DISTRICT
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 434,301	\$ 522,249	\$ 759,658	\$ 1,030,900	\$ 194,607	\$ 400,739	\$ 451,007	\$ 330,398	\$ 410,715	\$ 474,168
Contributions in relation to the actuarially determined contribution	2,138,577	1,392,160	1,380,653	1,513,409	1,367,995	1,317,458	1,198,247	481,862	541,033	602,101
Contribution deficiency (excess)	<u>\$ (1,704,276)</u>	<u>\$ (869,911)</u>	<u>\$ (620,995)</u>	<u>\$ (482,509)</u>	<u>\$ (1,173,388)</u>	<u>\$ (916,719)</u>	<u>\$ (747,240)</u>	<u>\$ (151,464)</u>	<u>\$ (130,318)</u>	<u>\$ (127,933)</u>
Covered-employee payroll	\$ 4,864,066	\$ 4,573,930	\$ 4,503,939	\$ 4,170,827	\$ 4,171,965	\$ 3,945,589	\$ 3,813,757	\$ 3,739,428	\$ 3,749,971	\$ 3,939,550
Contributions as a percentage of covered-employee payroll	43.97%	30.44%	30.65%	36.29%	32.79%	33.39%	31.42%	12.89%	14.43%	15.28%

Notes to Schedule

Valuation date:

December 31, 2022

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal

Asset valuation method	Actuarial value of assets equals the market value
------------------------	---

Inflation 2.75% per annum

Salary increases 4.50% per annum: compounded annually (includes 1.75% merit component)

Investment rate of return	7.00% per annum, compounded annually
---------------------------	--------------------------------------

Retirement age	Age 60 and the completion of 30 years of participation
----------------	--

Mortality PRI-2012 Blue Collar Employee Tables for males and females, with projected mortality improvements based on Scale MP 2021.

Other information:

Notes There were no benefit changes during the year.

Other Information

BLACK JACK FIRE PROTECTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 1,012,761	\$ 1,034,866	\$ 1,034,866	\$ -
Investment income	150	1,900	1,900	-
Total revenues	<u>1,012,911</u>	<u>1,036,766</u>	<u>1,036,766</u>	<u>-</u>
Expenditures				
Debt service				
Principal	725,000	725,000	725,000	-
Interest and other fiscal charges	<u>227,158</u>	<u>227,158</u>	<u>226,834</u>	<u>324</u>
Total expenditures	<u>952,158</u>	<u>952,158</u>	<u>951,834</u>	<u>324</u>
Net change in fund balance	<u>\$ 60,753</u>	<u>\$ 84,608</u>	84,932	<u>\$ 324</u>
Fund balance, beginning of year			<u>1,707,376</u>	
Fund balance, end of year			<u>\$ 1,792,308</u>	

BLACK JACK FIRE PROTECTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 300	\$ 405	\$ 4,537	\$ 4,132
Total revenues	300	405	4,537	4,132
Expenditures				
Capital outlay	750,000	349,555	354,609	(5,054)
Total expenditures	750,000	349,555	354,609	(5,054)
Revenues over (under) expenditures	(749,700)	(349,150)	(350,072)	(922)
Other financing sources (uses)				
Bond proceeds	-	4,076,178	4,169,624	93,446
Bond issuance costs	-	-	(85,000)	(85,000)
Total other financing sources (uses)	-	4,076,178	4,084,624	8,446
Net change in fund balance	<u>\$ (749,700)</u>	<u>\$ 3,727,028</u>	3,734,552	<u>\$ 7,524</u>
Fund balance, beginning of year			<u>1,796,461</u>	
Fund balance, end of year			<u>\$ 5,531,013</u>	

BLACK JACK FIRE PROTECTION DISTRICT
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2022

<u>INSURANCE IN FORCE</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
Commercial automobile policy	Selective Insurance Company of America	
Liability		\$1,000,000 liability
Auto medical payments		\$5,000/person
Uninsured motorists		\$1,000,000/accident
Underinsured motorists		\$1,000,000/accident
Comprehensive coverage		Agreed Value or ACV
Collision		Agreed Value or ACV
Commercial excess liability	Selective Insurance Company of America	\$2,000,000/occurrence \$4,000,000/product completed operation \$4,000,000 general aggregate \$0 Retained Limit
Commercial general liability	Selective Insurance Company of America	\$1,000,000/occurrence \$10,000,000/products completed operations \$10,000,000 general aggregate \$1,000,000 personal injury/advertising injury \$1,000,000/damage to premises \$5,000 medical expense
Commercial property	Selective Insurance Company of America	
Property and contents		Guaranteed replacement costs
Business income		24 months actual loss sustained
Flood & EQ		Full Flood & EQ
Cyber liability	Selective Insurance Company of America	\$1,000,000
Commercial crime policy	Travelers Casualty & Surety Co.	\$800,000 - employee theft - coverage for district and pension plans
employee theft		\$800,000 - employees required by law to be individually bonded
Portable equipment	Selective Insurance Company of America	Guaranteed replacement costs
Emergency Services	Selective Insurance Company of America	\$1,000,000 aggregate/\$1,000,000 occurrence
Management Liability		\$0 retained limit
Fiduciary Liability	Travelers Casualty & Surety Co.	\$1,000,000 w/ \$5,000 deductible
Worker's compensation	MoFAD	Statutory limits
Public employees position	Travelers	\$1,000/each
Public Officials bonds (3)		
Notary Bonds (3)	Travelers	\$10,000/each

BLACK JACK FIRE PROTECTION DISTRICT
SCHEDULE OF PRINCIPAL OFFICE HOLDERS
DECEMBER 31, 2022

<u>OFFICE HOLDER</u>	<u>TITLE</u>	<u>ANNUAL COMPENSATION</u>
David Calhoun	Chairman	\$ 10,811
Kenneth Schmalbeck	Treasurer	\$ 10,600
Orlanda Smith	Secretary	\$ 10,611

Federal Compliance Section

📍 **Saint Louis, Missouri**
6240 S. Lindbergh Blvd Ste 101
Saint Louis, MO 63123

📞 (314) 845-7999
📠 (314) 845-7770
🌐 www.afewcpas.com



📍 **Columbia, Illinois**
205 S. Main
Columbia, IL 62236

📞 (618) 281-4999
📠 (618) 281-9533
🌐 www.afewcpas.com

**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
Black Jack Fire Protection District
St. Louis, 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 aggregate remaining fund information of the Black Jack Fire Protection District, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Black Jack Fire Protection District's basic financial statements, and have issued our report thereon dated May 23, 2023.

Report On Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Black Jack Fire Protection District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Black Jack Fire Protection District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Black Jack 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Black Jack 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Fick, Eggemeyer & Williamson

Fick, Eggemeyer, & Williamson, CPA's
Saint Louis, Missouri
May 23, 2023

BLACK JACK FIRE PROTECTION DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified _____ Yes X No

Reportable conditions identified that are
not considered to be material weaknesses _____ Yes X No

Noncompliance material to
financial statements noted? _____ Yes X No

Federal Awards - NA

Internal control over major programs:

Material weaknesses identified? _____ Yes _____ No

Reportable conditions identified that are
not considered to be material weaknesses _____ Yes _____ No

Type of auditors' report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be
reported in accordance with Uniform Guidance _____ Yes _____ No

Identification of major program:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
---------------------	---

None

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
---	------------

Auditee qualified as low risk auditee? _____ Yes _____ No

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Findings relating to financial statements which are required to be reported in accordance with
Government Auditing Standards:

N/A