

Shawnee County Fire District No.2

Financial Statement

For the Year Ended December 31, 2018

Shawnee County Fire District No.2
Financial Statement
Regulatory Basis
For the Year Ended December 31, 2018

Table of Contents

Independent Auditor's Report	1-2
------------------------------	-----

FINANCIAL SECTION

Statement 1	
Summary Statement of Receipts, Expenditures and Unencumbered Cash	3
Notes to the Financial Statement	4-8

SUPPLEMENTARY INFORMATION

Schedule 1	
Summary of Expenditures – Actual and Budget	9
Schedule 2	
Schedule of Receipts and Expenditures - Actual and Budget	
General	
Schedule 2 A General	10-11
Special Purpose Funds:	
Schedule 2 B Fire Protection Reserve	12

JOHN R WELCH C.P.A.

3709 SW Kiowa Street
Topeka, Kansas 66610-2307
785-230-3054

INDEPENDENT AUDITOR'S REPORT

January 8, 2019

To the Board
Shawnee County Fire District No. 2
Auburn, Kansas

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances, of the Shawnee County Fire District No. 2 (Fire District) as of and for the year ended December 31, 2018 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note C; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statement based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 Fire District's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note C of the financial statement, the financial statement is prepared by the Fire District on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Fire District as of December 31, 2018, or changes in financial position and cash flows thereof for the year then ended.


Unmodified Opinion on Regulatory Basis of Accounting

In my opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Fire District as of December 31, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note C.

Other Matter

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1, and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.


John R. Welch C.P.A.
Topeka, Kansas

Shawnee County Fire District No.2

Statement 1

Summary Statement of Receipts, Expenditures and Unencumbered Cash Regulatory Basis For the Year Ended December 31, 2018

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General	\$ 49,862.41	\$ -	\$ 331,336.77	\$ 327,037.63	\$ 54,161.55	\$ 14,167.89	\$ 68,329.44
Special Purpose Funds:							
Fire Protection Reserve	<u>239,733.39</u>	<u>-</u>	<u>65,000.00</u>	<u>-</u>	<u>304,733.39</u>	<u>-</u>	<u>304,733.39</u>
Total District	<u>\$ 289,595.80</u>	<u>\$ -</u>	<u>\$ 396,336.77</u>	<u>\$ 327,037.63</u>	<u>\$ 358,894.94</u>	<u>\$ 14,167.89</u>	<u>\$ 373,062.83</u>
Composition of Cash							
Checking Accounts							<u>\$ 373,062.83</u>
Total District							<u>\$ 373,062.83</u>

Shawnee County Fire District No.2

Notes to Financial Statement

December 31, 2018

NOTE A. MUNICIPAL REPORTING ENTITY

The Shawnee County Fire District No.2 was organized in 1967 under K.S.A 19-3601 to provide fire suppression services to areas in Shawnee County, Kansas. The Fire District includes all of Auburn Township. The Fire District has one fire station, which is manned by part-time duty officers. The governing board of the Shawnee County Fire District No.2 is composed of the Auburn Township's elected board and two additional appointed members. The Fire District has authority to levy taxes, purchase real estate and issue bonds in its own name.

This financial statement presents the Shawnee County Fire District No.2 (Fire District) only. The Fire District is a related municipal entity of Shawnee County, Kansas.

NOTE B. REGULATORY BASIS FUND TYPES

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

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payments of general long-term debt.

Capital Project Fund - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

Shawnee County Fire District No.2

Notes to Financial Statement

December 31, 2018

When regulatory basis financial statements are released for general use, generally accepted auditing standard AU-C-800.21, requires the auditor to express an opinion about whether the financial statement has been prepared in accordance with the special purpose framework. The auditor is also required in a separate paragraph to express an opinion about whether the regulatory, special purpose financial statement is presented fairly, in all material respects, in accordance with GAAP.

The Shawnee County Fire District No.2 has approved a resolution that is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the Fire District to use the regulatory basis of accounting.

NOTE D. BUDGETARY INFORMATION

Kansas statutes require than an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by stature), bond and interest funds, and business funds. Although directory rather than mandatory, the statues provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget
3. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment for Qualifying Budget Credits - Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by Fire District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

Shawnee County Fire District No.2

Notes to Financial Statement

December 31, 2018

A legal operating budget is not required for the special purpose fund, Fire Protection Reserve Fund, established under K.S.A 80-1558.

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the Fire District board.

NOTE E. CASH AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the Fire District. The statute requires banks eligible to hold the Fire District's funds have a main or branch bank in the county in which the Fire District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The Fire District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Fire District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Fire District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk - State statutes place no limit on the amount the Fire District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The Fire District has no investments.

Custodial Credit Risk - deposits: Custodial credit risk is the risk that in the event of a bank failure, the Fire District's deposits may not be returned to it. State statutes require the Fire District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year.

At December 31, 2018, the Fire District's carrying amount of deposits was \$373,062.83 and the bank balance was \$373,950.36. The difference between the carrying amount and the bank balance is outstanding checks and deposits. Of the bank balance, \$250,000.00 was covered by FDIC insurance and the remaining \$123,950.36 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name.

NOTE F. INTERFUND TRANSFERS

The Fire District is allowed under K.S.A 80-1558 to transfer up to twenty five percent of General Fund receipts to a Fire District Reserve Fund. The board approved a resolution to transfer \$65,000.00 of General Fund receipts in 2018 to the Fire District Reserve Fund.

Shawnee County Fire District No.2

Notes to Financial Statement December 31, 2018

NOTE G. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post-Employment Benefits:

The Fire District does not provide any other post-employment benefits

NOTE H. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description - The Shawnee County Fire District No.2 participates in the Kansas Public Employees Retirement System (KPERS) which is a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901. et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and requires supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

The Fire District's part-time employees have never reached the 1,000 hour annual eligibility requirement to participate in the Kansas Public Employees Retirement System Pension Plan.

Contributions –

The Fire District has no current or former employees participating in the KPERS Pension Plan.

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.39% for KPERS and 22.11% for KP&F for the fiscal year ended December 31, 2018. Contributions to the pension plan from the Fire District was \$0.00 for KPERS and \$0.00 for KP&F for the year ended December 31, 2018.

Shawnee County Fire District No.2

Notes to Financial Statement December 31, 2018

Net Pension Liability

Since no employees of the Fire District are eligible for KPERS retirement benefits, at December 31, 2018, the Fire District's proportionate share of the collective net pension liability reported to KPERS was \$0.00. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The Fire District's proportion of the net pension liability was based on the ratio of the Local subgroup within KPERS. Since the KMAAG regulatory basis accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE I. COMPLIANCE, STEWARDSHIP AND ACCOUNTABILITY

The Fire District is not aware of any other statute violations for the year ended December 31, 2018.

NOTE J. SUBSEQUENT EVENTS

In preparing this financial statement, the Fire District has evaluated events and transactions for potential recognition or disclosure through January 8, 2019 the date the financial statement was available for issue.

Shawnee County Fire District No.2

Notes to Financial Statement

December 31, 2018

When regulatory basis financial statements are released for general use, generally accepted auditing standard AU-C-800.21, requires the auditor to express an opinion about whether the financial statement has been prepared in accordance with the special purpose framework. The auditor is also required in a separate paragraph to express an opinion about whether the regulatory, special purpose financial statement is presented fairly, in all material respects, in accordance with GAAP.

The Shawnee County Fire District No.2 has approved a resolution that is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the Fire District to use the regulatory basis of accounting.

NOTE D. BUDGETARY INFORMATION

Kansas statutes require than an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by stature), bond and interest funds, and business funds. Although directory rather than mandatory, the statues provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget
3. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment for Qualifying Budget Credits - Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by Fire District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

Shawnee County Fire District No.2

Notes to Financial Statement

December 31, 2018

A legal operating budget is not required for the special purpose fund, Fire Protection Reserve Fund, established under K.S.A 80-1558.

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the Fire District board.

NOTE E. CASH AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the Fire District. The statute requires banks eligible to hold the Fire District's funds have a main or branch bank in the county in which the Fire District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The Fire District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Fire District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Fire District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk - State statutes place no limit on the amount the Fire District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The Fire District has no investments.

Custodial Credit Risk - deposits: Custodial credit risk is the risk that in the event of a bank failure, the Fire District's deposits may not be returned to it. State statutes require the Fire District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year.

At December 31, 2018, the Fire District's carrying amount of deposits was \$373,062.83 and the bank balance was \$373,950.36. The difference between the carrying amount and the bank balance is outstanding checks and deposits. Of the bank balance, \$250,000.00 was covered by FDIC insurance and the remaining \$123,950.36 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name.

NOTE F. INTERFUND TRANSFERS

The Fire District is allowed under K.S.A 80-1558 to transfer up to twenty five percent of General Fund receipts to a Fire District Reserve Fund. The board approved a resolution to transfer \$65,000.00 of General Fund receipts in 2018 to the Fire District Reserve Fund.

Shawnee County Fire District No.2

Notes to Financial Statement

December 31, 2018

NOTE G. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post-Employment Benefits:

The Fire District does not provide any other post-employment benefits

NOTE H. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description - The Shawnee County Fire District No.2 participates in the Kansas Public Employees Retirement System (KPERS) which is a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901. et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and requires supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

The Fire District's part-time employees have never reached the 1,000 hour annual eligibility requirement to participate in the Kansas Public Employees Retirement System Pension Plan.

Contributions –

The Fire District has no current or former employees participating in the KPERS Pension Plan.

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.39% for KPERS and 22.11% for KP&F for the fiscal year ended December 31, 2018. Contributions to the pension plan from the Fire District was \$0.00 for KPERS and \$0.00 for KP&F for the year ended December 31, 2018.

Shawnee County Fire District No.2

Notes to Financial Statement

December 31, 2018

Net Pension Liability

Since no employees of the Fire District are eligible for KPERS retirement benefits, at December 31, 2018, the Fire District's proportionate share of the collective net pension liability reported to KPERS was \$0.00. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The Fire District's proportion of the net pension liability was based on the ratio of the Local subgroup within KPERS. Since the KMAAG regulatory basis accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE I. COMPLIANCE, STEWARDSHIP AND ACCOUNTABILITY

The Fire District is not aware of any other statute violations for the year ended December 31, 2018.

NOTE J. SUBSEQUENT EVENTS

In preparing this financial statement, the Fire District has evaluated events and transactions for potential recognition or disclosure through January 8, 2019 the date the financial statement was available for issue.

Shawnee County Fire District No.2

Regulatory - Required

Supplementary Information

Summary of Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

Fund	Beginning Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget	Expenditures Chargeable to Current Year	Variance Over (Under)
General	\$ 353,692.00	\$ -	\$ 353,692.00	\$ 327,037.63	\$ (26,654.37)
Special Purpose Funds:					
Fire Protection Reserve	-	-	Non Budgeted	101,896.28	
Total District	<u>\$ 353,692.00</u>	<u>\$ -</u>	<u>\$ 353,692.00</u>	<u>\$ 428,933.91</u>	

See the independent auditor's report on required supplementary information

General**Schedule of Receipts and Expenditures - Actual and Budget****Regulatory Basis****For the Year Ended December 31, 2018**

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	\$ 264,726.44	\$ 266,127.00	\$ (1,400.56)
Delinquent Tax	4,713.57		4,713.57
Motor Vehicle Tax	46,669.17	43,792.00	2,877.17
Recreational Vehicle Tax	791.47	725.00	66.47
16/20M Vehicle Tax	643.72	630.00	13.72
Commercial Vehicle Tax	673.77	576.00	97.77
Watercraft	-	354.00	(354.00)
Equipment Sold	150.00	-	150.00
Williamsport Reimbursement	10,000.00	10,000.00	-
Other Reimbursement	1,880.36	-	1,880.36
Interest	1,088.27	800.00	288.27
Receipts Total	331,336.77	323,004.00	8,332.77
Expenditures			
Duty Officer	51,082.11	47,082.00	4,000.11
Board Compensation	6,000.00	6,000.00	-
Officer	7,800.00	10,716.00	(2,916.00)
Volunteer	25,088.50	46,077.00	(20,988.50)
FICA & Medicare Expense	6,976.42	8,405.00	(1,428.58)
Unemployment Tax	113.66	840.00	(726.34)
Accounting	13,798.16	13,900.00	(101.84)
Legal Fees	5,512.50	5,600.00	(87.50)
Insurance	8,134.00	7,090.00	1,044.00
Workers Comp Insurance	5,746.00	9,878.00	(4,132.00)
Publications	4,400.83	3,584.00	816.83
Other Utilities	-	4,195.00	(4,195.00)
Natural Gas	1,477.98	1,759.00	(281.02)
Water	575.66	681.00	(105.34)
Electricity	5,288.00	5,633.00	(345.00)
Telephone	2,429.94	1,918.00	511.94
Trash Service	222.00	222.00	-
Exterminator	764.00	700.00	64.00

See the independant auditor's report on required supplementary information

Shawnee County Fire District No.2**Schedule 2 A****General****Schedule of Receipts and Expenditures - Actual and Budget****Regulatory Basis****For the Year Ended December 31, 2018**

	Actual	Budget	Variance Over (Under)
Office Supplies	2,784.63	2,238.00	546.63
Public Relations	56.11	1,630.00	(1,573.89)
Fuel	2,965.67	3,043.00	(77.33)
Tires	574.35	5,594.00	(5,019.65)
Vehicle Purchase & Repair	16,413.27	15,623.00	790.27
Fire Equipment Purch & Repair	39,253.90	24,006.00	15,247.90
EMS Equip Purch & Repair	12,697.26	17,795.00	(5,097.74)
Protective Clothing	11,510.24	24,874.00	(13,363.76)
Communications Equipment	5,891.80	4,631.00	1,260.80
Building Repair & Improvements	13,863.26	4,709.00	9,154.26
Other Maintenance & Repair	2,561.43	4,550.00	(1,988.57)
Other Improvements	1,733.20	4,951.00	(3,217.80)
Miscellaneous	619.78	600.00	19.78
Training	2,447.50	-	2,447.50
Mileage Reimbursements	505.76	-	505.76
Uniforms & Insignia	1,162.46	-	1,162.46
Other Employee Service	1,587.25	-	1,587.25
Nondesignated/Cash Forward		65,168.00	(65,168.00)
Transfer to Fire Protection Reserve	65,000.00	-	65,000.00
Expenditures Total	327,037.63	353,692.00	(26,654.37)
Receipts Over (Under) Expenditures	4,299.14	\$ (30,688.00)	\$ 34,987.14
Unencumbered Cash, Beginning	49,862.41		
Unencumbered Cash, Ending	\$ 54,161.55		

See the independent auditor's report on required supplementary information

Fire Protection Reserve
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	<u>Actual</u>
Receipts	
Transfer from General	<u>\$ 65,000.00</u>
Receipts Total	65,000.00
Expenditures	
New Equipment	<u>-</u>
Expenditures Total	<u>-</u>
Receipts Over (Under) Expenditures	65,000.00
Unencumbered Cash, Beginning	<u>239,733.39</u>
Unencumbered Cash, Ending	<u><u>\$ 304,733.39</u></u>