



## South Area Fire Emergency Response

# OFFICIAL MEETING AGENDA OF THE BOARD OF DIRECTORS

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This regular meeting of the SAFER Board of Directors, composed of a Quorum of members, will convene at **Rib Mountain Town Hall, 227800 Snowbird Ave.** (to allow for social distancing), **Wausau, WI** on Thursday, June 4, 2020 at 18:00.

### A. Opening of Session.

1. Meeting called to order by Chairman Opall at 18:00.
2. Pledge of Allegiance to the Flag.
3. Clerk will take attendance and roll call.

### B. Correspondence/Comments from the public on issues or matters which the SAFER Board of Directors has oversight over.

### C. Consent Items

*(The Consent agenda contains routine items and will be enacted by one motion without separate discussion unless a body member requests an item be removed for separate consideration and vote.)*

4. Approval of prior meeting minutes – May 13, 2020.
5. Approval of vouchers – April 2020.

### D. Business Items

6. Discussion on 2019 Audit with presentation from WIPFLI.
7. 2020 Budget YTD.
8. Appointment of Fire Commission.
9. Discussion and possible action on Fire Protection Contracts.
10. Discussion and possible action of Legal Services RFP.
11. Discussion and possible action of Legal Services Policy.
12. **Motion to adjourn to closed session pursuant to Wisconsin Statute Section 19.85(1) (e), and Wisconsin State Statute Section 19.85(1) (c)** for the purpose of deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, and for the purpose of considering the employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility, including discussion of the following: 2019 Review / 2020 Goals for SAFER Fire Chief.

13. Motion to move to open session: After closed session, the Board may reconvene into open session for possible action on closed session items.

### E. Staff Reports

14. Report from Fire Chief
15. Report from Deputy Chief

### F. Remarks from the Board of Directors to set the next meeting date, as well as discuss items for the next meeting agenda.

### G. Adjourn

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**This notice was revised and posted at the Rib Mountain and Weston Municipal Centers, and on the Village of Weston's website at [www.westonwi.gov](http://www.westonwi.gov), and was emailed to local media outlets at least 24 hours prior to above scheduled meeting.** A quorum of members from other SAFER District, Town of Rib Mountain, and Village of Weston governmental bodies (boards, commissions, and committees) may attend the above noticed meeting to gather information. No actions will be taken by any other board, commission, or committee of SAFER / Town / Village, aside from the SAFER Board of Directors. Should a quorum of other government bodies be present, this would constitute a meeting pursuant to State ex rel. Badke v. Greendale Village Bd., 173 Wis.2d 553,494 N.W.2d 408 (1993). Wisconsin State Statutes require all agendas for public meetings be posted in final form, 24 hours prior to the meeting. Any posted agenda is subject to change up until 24 hours prior to the date and time of the meeting. Any person who has a qualifying disability as defined by the Americans with Disabilities Act requires that meeting or material to be in accessible location or format must contact the Rib Mountain Municipal Center at 715-842-0983, at least 12 hours prior to the meeting so any necessary arrangements can be made to accommodate each request. **All items listed above are for discussion and possible action by the body.**

In addition to attendance in person at the location described above, Board members and the public may attend by video conference. The following is the information for the video/phone conference:

**Please join my meeting from your computer, tablet or smartphone.**

<https://global.gotomeeting.com/join/393066893> You can also dial in using your phone. United States: +1 (872) 240-3212 Access Code: 393-066-893



**OFFICIAL MEETING MINUTES  
SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT  
Board of Directors Meeting**

Wednesday, May 13, 2020 @ 18:00

**A. Call to Order**

The meeting of the South Area Fire and Emergency Response District Board of Directors was called to order at 18:01 by SAFER Chairman Al Opall.

**Members Present**

Board of Directors - Opall, Langenhahn, Schaefer, Sparks and Maloney were all present. Also present: Town of Rib Mountain - Administrator Rhoden and Finance Director Dunbar; Village of Weston – Administrator Donner via video conferencing; SAFER – Chief Savage, Deputy Chief Finke, EMS Division Chief Bechel, BC Lang and BC Lauer. SAFER Fire Commission member Hebbe. There were 3 visitors present at the meeting.

**B. Correspondence/Comments from the public on issues related to the SAFER District**

None

**C. Consent Items**

Board of Directors approval of prior meeting minutes from February 26, 2020.

***Schaefer/Maloney moved to approve prior meeting minutes with discussion from February 26, 2020.***

- Maloney stated 2<sup>nd</sup> page, 2<sup>nd</sup> paragraph, 1<sup>st</sup> motion and 2<sup>nd</sup> motion that has been months and nothing has been done with that. We need to develop a checklist and we need to get the review from the Fire Commission.
- Sparks mentioned referring to the letter from Mr. Dietrich and who contacted the attorney, discussion over the Fire Commission on who was appointed by the municipalities and who was appointed by the Fire Board. Mr. Dietrich recommended he will prepare a memo to the Fire Board explaining how to decipher this and get it straight. The Village Board and the Town Board should designate one Commission member each and the other three members should be appointed by the Fire Board so it is clear and based on seniority. The minutes from February is where this memo came from.
- Maloney mentioned he never got this memo, he got it tonight. This came out very strong and fast, with Allan, Wally, Keith Donner, Gaylene and Matthew Savage on there, is it everyone's opinion that only Wally got this sent to them?
- Rhoden said she received the memo, it was sent from Luanne and wasn't recognized.
- Chief Savage said he received the memo and doesn't have a say in the Commission.
- Donner said he received the memo as well.
- Chairman Opall said he received the memo as well.
- Schaefer questioned the review session and if there is a process for all Full-Time personnel.
- Maloney said the Board is responsible for the Chief's review. The Chief and Deputy Chief are responsible for the rest of the District. We will not eliminate what the Commission had already done, we will have a blended year with the Fire Chief's evaluation.
- Schaefer said we will look and see what the Commission did and we will meet in closed session to decide what we want to do. We will get the information from Chairman Opall, then meet in closed session next month.

***Maloney/Schaefer moved to approve prior meeting minutes from February 26, 2020. Motion carried unanimously.***

Board of Directors approval of vouchers from February and March 2020.

*Schaefer/Maloney moved to approve vouchers from February and March 2020. Motion carried unanimously.*

#### **D. Business Items**

Appointment of Fred Schaefer to the Board of Directors.

- Chairman Opall introduced Mr. Schaefer with 23 full years of experience on the Rib Mountain Town Board and one of the initial Charter members.

Fire Commission Membership.

- Chairman Opall looked back into the last meeting and it was noticed and revealed the Commission appointments have 2- and 1-year terms that was lost over the years. Also, who serves in which capacity. We can put that on the agenda for the next meeting in June. Mr. Dietrich SAFER's attorney mentioned we already have 3 members serving and the 2 members with the most seniority should get the 2-year term and the 1 with the least seniority should get the 1-year term. There are 2 additional members that have not been added yet and they are up for approval at the next Board meeting.
- Sparks reviled the May 7, 2020 Legal Memo from SAFER's attorney Mr. VanderWaal. This was emailed to Chairman Opall and Sparks, though Mr. Opall had not read/received the memo. The Legal opinion should be sent to all the Board members and we should follow the recommendations from the SAFER attorney.
- Schaefer pointed out that SAFER is at 70% of the budgeted amount for Legal in 2020. There are a lot of requests for Mr. VanderWaal and the invoices show many conversations with Sparks and others. This was noticed with other Boards and Groups and we need to have control of this and who is directing counsel to do what and should have protocol that would either have Board approval or Administration asking for legal consult and not coming from an individual Board member asking counsel for advice.
- Langenhahn mentioned no Board member should be going straight to the attorney, you go through the President and he speaks to the attorney.
- Sparks mentioned there are two municipalities representing SAFER, it's appropriate the two heads of the governing bodies should be able to converse with the attorney.
- Maloney stated the answer would always include the other head of the governing bodies. Then both heads are aware with what is going on.
- Mr. Opall would have like to been notified about this Legal Memo instead of hearing about this weeks later at the meeting.
- Schaefer disagrees and believes any legal advice should collectively come from the five Board members, and the Administration can go for their day to day operation.
- Mr. Opall said when he looked at the minutes from the Village of Weston of May 2019, you had approved Mr. Jackan to the Fire Commission for the 2-year term.
- Schaefer said the Town of Rib Mountain approved Mr. Campbell for the 2-year term. Then Hebbe, Fiene and Phelps would need to be approved for the 1-year term. We have to go back to the minutes and we can't undo the term of Jackan and Campbell.
- Mr. Opall said this will be voted on at the next Board meeting, so everyone can review the minutes from last years approved 2-year term Fire Commission member.

**Action: Moved to next month's agenda.**

First Quarter budget review.

- Chief Savage stated the Year to Date Budget was included in the packet. We are at 37% of the year, and currently in our check book we have \$588,042.00. Revenue we are ahead of where we should be at 63.95%. With collections, we are where we should be. We received the 2019 draft audit with errors that needed to be fixed. There were duplicate line items that threw the whole audit off. Wipfli and the audit company will clean up the audit and we will have that for the next Board meeting.
- Maloney asked for the prior year to be on the budget review. It was asked many times in the past and we have no idea where we are coming from. Only asking for prior year to be on the budget review, then at the end of the year we can have two to three years on the budget review tacked on.
- Schaefer asked if SAFER does any Interfacility at this point.
- Chief Savage said Interfacility has some weeks that are busy and other weeks are not busy and is figured into the Ambulance fees. We are steady and that is all included in the Ambulance fees.

- On the expenditure side, line 242 – Repairs/Maintenance Other Machinery at 77%, most of this is done in the beginning of the year, then sits dormant for the rest of the year. Line 290 – Other Outside Contracted Service at 60%, due to our Ambulance runs are higher. Line 297 – Refuse Collection Services at -238% has a credit in there from Advance Disposal.
- Other points of interest, line 48302 – Sale of Equipment-Fire we have not sold the one Heavy Rescue yet. Line 804 Capital Equipment-Heavy Motorized at 135% is off because of the fire trucks, only 30% was paid in 2019. This should have been a complete 50/50 split for 2019 and 2020. We are sitting well on the budget.

Discussion and possible action on Sale of Airpacks to Hewitt Fire Department.

- Chief Savage mentioned that we took the Tanker and Rescue off-line. Operationally it has been perceived fairly well. We have extra Airpacks and the vendor we bought them from gave us the fair market value at \$3,000.00. The vendor informed us there is a Fire Department in our area looking for used SCBAs. Normally equipment like this would go to auction and what we are asking is that Hewitt Fire is looking to buy 8 used Airpacks with a fair market value at \$3,000.00 they were fine with that and it brings it to \$24,000.00 for the sale. In this case because they are one of our mutual aid Fire Departments, I would like to sell it to them instead of having to go through auction because we interface with them and all of our equipment is the same. What I would request from the Board that the \$24,000.00 that we would get from the sale would be turned into turn-out gear. Turn-out gear is only good for 10 years by NFPA standards. We have put that into Capital as a reoccurring item, though if we could by the 12 sets with the \$24,000.00 it would help the years in advance with the CIP. Currently the CIP has 7 turn-out sets a year.
- Maloney stated last year the conversation on bringing in revenue and then putting it towards. Sparks mentioned, because we didn't have revenue lines for a lot of items, so what did we budget for the Airpacks and is there a revenue line that you anticipated to sell the used Airpacks for.
- Chief Savage said we didn't anticipate selling Airpacks this year, because we didn't anticipate taking those two trucks off-line. We are trying to get ahead of the curve with the purchase of the turn-out gears.
- Sparks mentioned we have the 7 sets of turn-out gear budgeted for this year, and at the end of the year if the budget is looking good then great. If we're running a deficit again, then that money should be used to off-set the deficit instead of going to the communities and asking for more money.
- Schaefer, we will hold the proceeds in advance until November where the Board will consider possible purchase of turn-out gear.

***Action: Schaefer/Sparks moved to approve Sale of Airpacks to Hewitt Fire. Motion carried unanimously.***

Discussion and possible action on EMS contracts.

- Chief Savage, we did go back at the request of the Board and look at what it costs. This is for contracted areas, which is not the Village of Weston and Town of Rib Mountain. We have fixed costs for operating. To get a better number, we took our total budget, minus fixed costs, and EMS budget of 85%. Cost per call is \$579.56, the actual cost is \$380.83. The total revenue of contracted area is \$667.68. The remaining revenue clear of any costs is \$286.85.
- Deputy Chief Finke said the \$811.00 is without any EMS revenue taken into place. If you take the Ambulance revenue into consideration that gives you the \$579.56. This is why the cost per call changed from \$811.00 to \$579.56. Taking out the fixed cost at \$380.83. Which brings in \$286.85 to the District.
- Chief Savage mentioned this brings us to the new contracts. They have been updated a bit and are still 10, 5- or 3-year contracts. These are all expiring at the end of this year. This year currently they are paying \$5.51 per capita, these new contracts are \$5.60 per capita which would start in 2021. The 3-year is a 5% increase each calendar year, the 5-year is a 2.5% increase and the 10-year is a 1.5% increase. The Quarterly Processing Fee of \$50.00 per patient remains on the contract.

***Action: Schaefer/Maloney moved to approve EMS Contracts. Motion carried unanimously.***

Discussion and possible action on Marathon Fire Contract.

- Chief Savage mentioned we put this on for a place holder for open communication. If we could systematically try to figure out a way with Board input to come to something that is appeasable for bringing them up just a little at a time, to help cover some of our costs. The increase will be 35% for next year.

- Sparks mentioned the formulas used for other Towns should be taken into the contract for the Town of Marathon.

***Action: Moved to next month's agenda.***

Discussion and possible action on Wausau Fire MOU – US Digital Designs for Installation of Phoenix alerting system.

- Chief Savage mentioned the contract is combined with SAFER, City of Wausau and Riverside Fire which will be based on call volume. The percentage is 62.62% for City of Wausau, 28.95% for SAFER and 8.42% for Riverside Fire. The agreement is with SAFER and Riverside Fire to work with City of Wausau, if additional municipalities would like to be a part of this, they would pay in their share and 62% would go to City of Wausau, 28% to SAFER and 8% to Riverside. Because we had the initial payment. This MOU was drafted by the City of Wausau. Shane looked at it and reverbed some items. This is the agreement that everyone has agreed on. Tracey contacted us and it sometimes takes dispatch 3 minutes to page SAFER, City of Wausau or Riverside. This system it hooks right into CAAD, once the button is pushed, we get an automated message at the fire house within 0.2 seconds.

***Action: Maloney/Langenhahn moved to approve Phoenix alerting system. Motion carried unanimously.***

#### **E. Staff Reports**

Report from Fire Chief

- To date we have transported one known positive Covid patient. We had another suspected today, we get suspected ones a lot. Everyone has been in PPE, we don't have any issues with lacking in PPE right now. Actually, we have given PPE to Kronenwetter First Responders. We have an ambulance that is lined in plastic for Covid, if we have anyone with the symptoms, we spray it down with a special solution. We wear surgical masks when we go into the home, the one patient we had everyone in full PPE. There has been no testing of our staff, if we have a patient that we don't have PPE on that has the symptoms and tested positive, we would test our staff, but that hasn't happened. We have enough N95 masks that we haven't had to reuse any. We have surgical masks that we wear and keep in our pockets. Dispatch lets us know because they are contacted by the Health Department, so we actually know if they're positive before we leave the station.
- The one thing to touch on is the self-harm cases. This time last year we had seven cases, and this year to date with the Covid we have had seventeen cases. We've had a lot more overdoses. We don't wear masks at the fire house, though we screen all personnel.

Report from Deputy Fire Chief

- We had a house fire in Rib Mountain two weeks ago, luckily the crew was at the station and where on-scene in two and a half minutes. Our new Battalion Chief Andy Lohman did an excellent job.
- The last meeting the Board wanted us to look into overdraft fees, there were two overdraft fees in the vouchers. One from Peoples and one from Intercity, the one from Intercity I will take credit for. We changed banks from Intercity to Peoples and when I filled out the form for our Payroll company and sent it back, I assumed they would handle the WRS. When WRS went to pull the money out of Intercity there was none there and that's where the overdraft fee came from. The one from Peoples was their fault, an accounting error, they corrected it and went back.

#### **F. Remarks from the Board of Directors to set the next meeting date as well as discuss items for the next meeting agenda.**

- RFP for Legal Services.
- The next meeting date is set for Thursday, June 4, 2020 at 18:00 at SAFER Station #1.

#### **G. Adjourn**

***Maloney/Langenhahn moved to adjourn. Opall adjourned at 20:09***

## South Area Fire & Emergency Response District

11112 CHECKING-PEOPLES STATE BANK Ending Balance: \$848.24

Date	Ref No.	Payee	Memo	Class	Payment	Deposit	Stat	Balance
	Type	Account		Division			Auto	
04/30/2020			To record April sweep activity that is on May statement.			\$21,310.14	R	\$95,070.33
	Journal	-Split-						
04/30/2020			To record April sweep activity.			\$29,023.73	R	\$73,760.19
	Journal	-Split-						
04/30/2020			WRS Payment - March 2020		\$17,290.32		R	\$44,736.46
	Journal	-Split-						
04/30/2020			AFLAC Insurance		\$110.14		R	\$62,026.78
	Journal	-Split-						
04/29/2020			36 TREAS 310 MISC PAY			\$3,586.25	R	\$62,136.92
	Journal	-Split-						
04/27/2020						\$230.00	R	\$58,550.67
	Deposit	-Split-						
04/24/2020			Payroll Processing Fee		\$194.45		R	\$58,320.67
	Journal	-Split-						
04/24/2020	PR 04.24.20		PR - DD		\$35,553.07		R	\$58,515.12
	Journal	-Split-						
04/24/2020	PR 04.24.20		PR - Garnishments		\$219.23		R	\$94,068.19
	Journal	-Split-						
04/24/2020	PR 04.24.20		PR - Garnishments		\$27.39		R	\$94,287.42
	Journal	-Split-						
04/24/2020	PR 04.24.20		PR - Live Checks		\$627.11			\$94,314.81
	Journal	-Split-						
04/24/2020	PR 04.24.20		PR - Garnishments			\$0.00	R	\$94,941.92
	Journal	-Split-						
04/24/2020	PR 04.24.20		PR - EE Taxes		\$10,542.87		R	\$94,941.92
	Journal	-Split-						
04/24/2020	PR 04.24.20		PR- ER Taxes		\$3,994.21		R	\$105,484.79
	Journal	-Split-						
04/23/2020	3204	Zoll Medical Corporation			\$417.86		R	\$109,479.00
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3203	Village of Marathon			\$8,948.74		R	\$109,896.86
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						

Date	Ref No.	Payee	Memo	Class	Payment	Deposit	Stat	Balance
Type	Account			Division			Auto	
04/23/2020	3202	The Village of Weston			\$2,777.15		R	\$118,845.60
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3201	Super Lettering & Signs			\$650.00			\$121,622.75
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3200	Sterling Water, Inc.			\$119.50		R	\$122,272.75
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3199	Securian Financial Group, Inc.			\$241.64		R	\$122,392.25
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3198	Sara Mattke			\$33.01		R	\$122,633.89
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3197	RMM Solutions Inc.			\$217.50		R	\$122,666.90
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3196	Patriot Auto Repair LLC			\$248.44			\$122,884.40
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3195	NRS - Attention Payroll Processing			\$1,778.11		R	\$123,132.84
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3194	Mississippi Welders Supply Co., Inc.			\$245.79		R	\$124,910.95
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3193	McKesson Medical			\$650.93		R	\$125,156.74
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3192	Life-Assist			\$325.53		R	\$125,807.67
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3191	John Jones	Voided		\$0.00		R	\$126,133.20
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3190	ITU AbsorbTech, Inc.			\$116.74		R	\$126,133.20
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3189	Group Heath Cooperative			\$7,728.30		R	\$126,249.94
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3188	Fuelman	BG2420605		\$728.74		R	\$133,978.24
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						

Date	Ref No.	Payee	Memo	Class	Payment	Deposit	Stat	Balance
	Type	Account		Division			Auto	
04/23/2020	3187	Fire Safety USA, Inc.			\$551.00		R	\$134,706.98
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3186	Family Heritage			\$1,574.30		R	\$135,257.98
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3185	Everest Metro Police Department			\$2,740.08			\$136,832.28
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3184	Emergency Medical Products			\$266.54		R	\$139,572.36
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3183	Dillon Cook			\$204.76		R	\$139,838.90
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3182	Dietrich VanderWaal, S.C.			\$1,720.00		R	\$140,043.66
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3181	Complete Office of Wisconsin			\$44.62		R	\$141,763.66
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3180	Cintas			\$61.56		R	\$141,808.28
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3179	Christopher Passow			\$203.92		R	\$141,869.84
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3178	Charter Communications			\$403.79		R	\$142,073.76
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3177	Cally Gordon			\$250.00			\$142,477.55
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3176	Batteries Plus			\$9.36		R	\$142,727.55
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3175	AT&T Mobile			\$557.04		R	\$142,736.91
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3174	Ascension Saint Clare's Hospital			\$339.04			\$143,293.95
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3173	Andy Lohman			\$197.60		R	\$143,632.99
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						

Date	Ref No.	Payee	Memo	Class	Payment	Deposit	Stat	Balance
	Type	Account		Division			Auto	
04/23/2020	3172	Ace Hardware Center			\$26.50		R	\$143,830.59
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020	3171	5 Alarm Fire and Safety Equipment, LLC			\$750.00		R	\$143,857.09
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/23/2020						\$10,934.29	R	\$144,607.09
	Deposit	-Split-						
04/16/2020			To record CARES Act Provider Relief Funds received.			\$22,816.40	R	\$133,672.80
	Journal	-Split-						
04/16/2020			AFLAC Insurance		\$165.21		R	\$110,856.40
	Journal	-Split-						
04/10/2020			36 TREAS 310 MISC PAY			\$289.47	R	\$111,021.61
	Journal	-Split-						
04/10/2020			Payroll Processing Fee		\$474.81		R	\$110,732.14
	Journal	-Split-						
04/10/2020	PR 04.10.20		PR - DD		\$35,894.86		R	\$111,206.95
	Journal	-Split-						
04/10/2020	PR 04.10.20		PR - Garnishments		\$219.23		R	\$147,101.81
	Journal	-Split-						
04/10/2020	PR 04.10.20		PR - Garnishments		\$119.84		R	\$147,321.04
	Journal	-Split-						
04/10/2020	PR 04.10.20		PR - Garnishments		\$0.00		R	\$147,440.88
	Journal	-Split-						
04/10/2020	PR 04.10.20		PR - Garnishments		\$0.00		R	\$147,440.88
	Journal	-Split-						
04/10/2020	PR 04.10.20		PR - EE Taxes		\$10,449.82		R	\$147,440.88
	Journal	-Split-						
04/10/2020	PR 04.10.20		PR- ER Taxes		\$3,932.49		R	\$157,890.70
	Journal	-Split-						
04/06/2020			To record KSB Payment.		\$63,927.42		R	\$161,823.19
	Journal	-Split-						
04/06/2020			To record LifeQuest Ambulance Fee Revenue & Expenses - March 2020			\$38.00	R	\$225,750.61
	Journal	-Split-						

Date	Ref No.	Payee	Memo	Class	Payment	Deposit	Stat	Balance
Type	Account	Type	Division				Auto	
04/06/2020			To record LifeQuest EMS fees and expenses - March 2020			\$96,903.72	R	\$225,712.61
	Journal	-Split-						
04/06/2020	3170	NRS - Attention Payroll Processing			\$1,206.58		R	\$128,808.89
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/06/2020	3169	Brickner's of Wausau			\$31,304.00		R	\$130,015.47
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/06/2020		Dylan O'Connor		Operational:Fire Dept		\$112.90	R	\$161,319.47
	Deposit	346-000 OPERATING SUPPLIES- CLOTHING						
04/01/2020			Delta Dental Premium		\$185.60		R	\$161,206.57
	Journal	-Split-						
04/01/2020	3168	Zoll Medical Corporation			\$533.00		R	\$161,392.17
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3167	Wisconsin Public Service			\$1,368.52		R	\$161,925.17
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3166	WFSAA			\$75.00			\$163,293.69
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3165	Wipfli LLP			\$951.00		R	\$163,368.69
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3164	Vorpahl Fire & Safety			\$33.63		R	\$164,319.69
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3163	T&D Truck Repair, Inc.			\$299.40		R	\$164,353.32
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3162	Streich Equipment Co., Inc			\$322.80		R	\$164,652.72
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3161	Sterling Water, Inc.			\$69.20		R	\$164,975.52
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3160	Spectrum Insurance Group			\$17.00		R	\$165,044.72
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						

Date	Ref No.	Payee	Memo	Class	Payment	Deposit	Stat	Balance
	Type	Account		Division			Auto	
04/01/2020	3159	RMM Solutions Inc.			\$290.00		R	\$165,061.72
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3158	McKesson Medical			\$1,152.31		R	\$165,351.72
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3157	Marquardt Stamp & Sign			\$27.95		R	\$166,504.03
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3156	Life-Assist			\$930.02		R	\$166,531.98
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3155	Josh Finke			\$28.00		R	\$167,462.00
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3154	Hawkins Ash CPAs			\$3,605.00		R	\$167,490.00
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3153	Graphics Plus			\$5,895.76		R	\$171,095.00
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3152	Fuelman	BG2420605		\$913.64		R	\$176,990.76
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3151	Frontier			\$470.48		R	\$177,904.40
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3150	Fire Safety USA, Inc.			\$797.50		R	\$178,374.88
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3149	Emergency Medical Products			\$954.58		R	\$179,172.38
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3148	EJ Metals, Inc			\$9,225.00		R	\$180,126.96
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3147	E O Johnson			\$613.00		R	\$189,351.96
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3146	DASH Medical Gloves			\$125.80		R	\$189,964.96
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3145	Confidential Records, Inc.			\$85.00		R	\$190,090.76
	Bill	21111 VOUCHERS						
	Payment	PAYABLE						
04/01/2020	3144	Complete Office of Wisconsin			\$229.66		R	\$190,175.76

Date	Ref No.	Payee	Memo	Class	Payment	Deposit	Stat	Balance
	Type	Account		Division			Auto	
	Bill	21111	VOUCHERS					
	Payment	PAYABLE						
04/01/2020		Town of Rib				\$108,994.44	R	\$190,405.42
	Deposit	-Split-						

South Area Fire and Emergency Response District  
Management Advisory Comment Responses  
December 31, 2019

Credit Card Transactions (12/31/17)

The sampling that was taken in 2019 consisted of 86 transactions on the credit card statement totaling \$8,739.90. Of the 86 transactions on the credit card bill, 4 of the receipts were unable to be located. In conversation with Hawkins Ash, this is a vast improvement from the prior year audit. In 2020, it has been noted that the credit card is being minimally used. The receipts are being kept and we anticipate no issues going forward.

General Fund and Capital Equipment Fund Budget and Actual Financial Information (12/31/18)

In 2019, the auditor was provided two separate budgets – the general fund budget as well as the capital equipment fund budget. The funds allocated for the capital fund budget were commingled with the general fund information. In January of 2020, this has been rectified by creating additional general ledger accounts to show the funds earmarked for the capital fund budget separate from the general fund figures. By doing so, this clearly differentiates what funds are allocated to which budget.

Original and Final Budgeted Amounts (12/31/18)

The information provided to the auditor on the budget contained the final budget figures. It appears as though there were changes that were made to the original budget in 2019. Due to change in the Administrative staff multiple times throughout the year, it seems as though the revised budget figures may not have been communicated to the auditor therefore them documenting the concern of the budget differences. In 2020, this will not be a concern as any changes to the budget have been properly documented and will be presented to the auditor at year-end.

Fixed Asset Activity (12/31/18)

This was a circumstantial issue. When working on the year-end entries, Wipfli LLP noticed that the depreciation schedule provided by Hawkins Ash was incorrect. The fixed assets were not depreciated properly on the schedule and needed to be corrected. In conversation with Hawkins Ash regarding the corrections, it was noted that all of the fixed asset activity (including disposals) entries should not be made until after the depreciation schedule was fixed. All fixed asset activity entries were provided at year-end by Hawkins Ash once they had corrected their depreciation schedule. Going forward this will not be an issue.

Fund Balance Descriptions (12/31/18)

Wipfli LLP and South Area Fire & Emergency Response District will work together on this issue to determine which fund balances are nonspendable, restricted, committed, assigned and unassigned per the GASB Statement No. 54.

General Fund Nonspendable Prepaid Fund Balance Account (12/31/18)

Going forward, this account will be reconciled on an annual basis as suggested by Hawkins Ash. We anticipate no further concerns.

Written Year-End Closing Procedures (12/31/18)

The auditor makes reference to the number of entries that needed to be made at year-end. This is due to the issues with the depreciation schedules being incorrect and ultimately making entries to make prior period adjustments to reflect the corrections they made. As noted above, we were directed to hold off on making some of our year-end entries until they had rectified the error. The other entries made were typical entries the auditor provides from year to year. No further concerns on this going forward.

New Standard – GASB Statement No. 87 – Leases (12/31/18)

This statement is concerning any future leases that South Area Fire and Emergency Response District may have and will be noted at that time. There is nothing to address at this point.

**HAWKINS | ASH**  
*Part of your business. Part of your life.* **CPAs**

One East Waldo Boulevard, Suite 5  
Manitowoc, WI 54220-2912  
920.684.7128 | fax: 920.684.3709  
[www.HawkinsAshCPAs.com](http://www.HawkinsAshCPAs.com)

May 26, 2020

Mr. Josh Finke  
South Area Fire & Emergency Response District  
224225 Hummingbird Road  
Wausau, WI 54401

Dear Josh,

Enclosed are the adjusting journal entries, trial balance, financial statements, communication with those charged with governance letter and management advisory comment letter. Electronic versions are available on your Portal.

Please contact Kevin Behnke or myself if you have any questions regarding the reports.

Thank you for the opportunity to serve you again this year. It is a pleasure assisting you and the South Area Fire & Emergency Response District.

Sincerely,  
HAWKINS ASH CPAS, LLP

Randall L. Miller, Partner

**SOUTH AREA FIRE &  
EMERGENCY RESPONSE DISTRICT  
MARATHON COUNTY, WISCONSIN**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS' REPORT**

**DECEMBER 31, 2019**

DRAFT

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
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**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
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**MEMBERS OF THE DISTRICT BOARD**

Chairman  
Vice Chair  
Member  
Member  
Member  
Member  
Member

Allen Opall  
Barbara Ermeling  
Keith Langenhahn  
Jim Legner  
Hooshang Zeyghami  
Wallace Sparks  
Mark Maloney

Chief  
Deputy Chief

Matt Savage  
Josh Finke

**INDEPENDENT AUDITORS' REPORT**

To the District Board  
South Area Fire & Emergency Response District  
Marathon County, Wisconsin

**Report on the Financial Statements**

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

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the South Area Fire & Emergency Response District, as of December 31, 2019, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

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

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the South Area Fire & Emergency Response District's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The detailed statement of revenue - budget to actual - general fund, detailed statement of expenditures - budget to actual - general fund, and budgetary comparison schedule for the capital equipment fund - budget and actual have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated APPROVAL DATE, on our consideration of the South Area Fire & Emergency Response District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the South Area Fire & Emergency Response District's internal control over financial reporting and compliance.

HAWKINS ASH CPAS, LLP

Manitowoc, Wisconsin

APPROVAL DATE

DRAFT

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**

**BASIC  
FINANCIAL STATEMENTS**

**DRAFT**

**DRAFT**

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**

**STATEMENT OF NET POSITION**

**DECEMBER 31, 2019**

**ASSETS**

Cash	\$ 4,226
Accounts and other receivables, net	339,886
Prepays	30,969
Capital assets (net of accumulated depreciation)	
Capital assets not being depreciated	180,000
Capital assets being depreciated	<u>1,859,606</u>
<b>TOTAL ASSETS</b>	<u><b>2,414,687</b></u>

**DEFERRED OUTFLOWS OF RESOURCES**

Wisconsin Retirement System pension	1,422,827
Wisconsin Retirement System LRLIF	<u>5,275</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>1,428,102</b></u>

**TOTAL ASSETS AND DEFERRED  
OUTFLOWS OF RESOURCES**

**3,842,789**

**LIABILITIES**

Accounts payable	49,579
Accrued liabilities	
Payroll	110,611
Interest	7,369
Due to other governments	671,912
Current portion of long-term obligations	99,644
Noncurrent portion of long-term obligations	<u>515,985</u>
<b>TOTAL LIABILITIES</b>	<u><b>1,455,100</b></u>

**DEFERRED INFLOWS OF RESOURCES**

Wisconsin Retirement System pension	1,020,551
Wisconsin Retirement System LRLIF	<u>6,929</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u><b>1,027,480</b></u>

**NET POSITION**

Net investment in capital assets	1,812,185
Unrestricted	<u>(451,976)</u>
<b>TOTAL NET POSITION</b>	<u><b>1,360,209</b></u>

**TOTAL LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES AND NET POSITION**

**\$ 3,842,789**

The accompanying notes are an integral part of these statements.

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSES)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUES AND CHANGES IN NET POSITION
				GOVERNMENTAL ACTIVITIES
<b>GOVERNMENTAL ACTIVITIES</b>				
Public safety	\$ 2,976,326	\$ 1,360,651	\$ 88,998	\$ (1,526,677)
Interest and fiscal charges	15,572	-	-	(15,572)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 2,991,898</b>	<b>\$ 1,360,651</b>	<b>\$ 88,998</b>	<b>(1,542,249)</b>
<b>General revenues</b>				
Intergovernmental revenues not restricted to specific programs				1,786,166
Interest and investment income				358
Miscellaneous				58,519
Total general revenues				<u>1,845,043</u>
CHANGE IN NET POSITION				302,794
NET POSITION - BEGINNING OF YEAR				1,731,009
PRIOR PERIOD ADJUSTMENT				(673,594)
NET POSITION - END OF YEAR				<u>\$ 1,360,209</u>

The accompanying notes are an integral part of these statements.

**DRAFT**

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**

**FUND  
FINANCIAL STATEMENTS**

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2019**

	GENERAL FUND	CAPITAL EQUIPMENT	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 4,226	\$ 4,226
Accounts and other receivables, net	339,886	-	339,886
Due from other funds	-	287,406	287,406
Prepays	30,969	-	30,969
<b>TOTAL ASSETS</b>	<b>370,855</b>	<b>291,632</b>	<b>662,487</b>
<b>LIABILITIES</b>			
Accounts payable	49,579	-	49,579
Accrued expenses			
Payroll	110,611	-	110,611
Due to other funds	287,406	-	287,406
Due to other governments	671,912	-	671,912
<b>TOTAL LIABILITIES</b>	<b>1,119,508</b>	<b>-</b>	<b>1,119,508</b>
<b>FUND BALANCES</b>			
Nonspendable	30,969	-	30,969
Assigned	1,000	291,632	292,632
Unassigned (deficit)	(780,622)	-	(780,622)
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>(748,653)</b>	<b>291,632</b>	<b>(457,021)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 370,855</b>	<b>\$ 291,632</b>	

**Total net position reported for governmental activities in the statement of net position are different from the amount reported above as total governmental funds fund balance because:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position are:

Governmental capital asset	\$ 4,237,582	
Governmental accumulated depreciation	(2,197,976)	2,039,606

Wisconsin Retirement System asset, deferred outflows of resources, and deferred inflows of resources are not current financial resources and are not reported in fund statements.

400,622

Long term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements. Long term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:

Long-term debt	(227,421)	
Accrued interest	(7,369)	
Vested employee benefits	(46,770)	
Wisconsin Retirement System liability	(341,438)	(622,998)

**Total net position - governmental activities** **\$ 1,360,209**

The accompanying notes are an integral part of these statements.

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2019**

	GENERAL FUND	CAPITAL EQUIPMENT	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>			
Intergovernmental	\$ 1,225,200	\$ 643,148	\$ 1,868,348
Public charges for services	1,163,963	-	1,163,963
Intergovernmental charges for services	196,675	-	196,675
Miscellaneous	65,706	-	65,706
<b>TOTAL REVENUES</b>	<b>2,651,544</b>	<b>643,148</b>	<b>3,294,692</b>
<b>EXPENDITURES</b>			
Current			
Public safety	2,605,451	-	2,605,451
Debt service			
Principal	-	201,864	201,864
Interest	-	15,086	15,086
Capital outlay	-	199,283	199,283
<b>TOTAL EXPENDITURES</b>	<b>2,605,451</b>	<b>416,233</b>	<b>3,021,684</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>46,093</b>	<b>226,915</b>	<b>273,008</b>
<b>NET CHANGE IN FUND BALANCE</b>	46,093	226,915	273,008
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	(813,133)	64,717	(748,416)
<b>PRIOR PERIOD ADJUSTMENT</b>	18,387	-	18,387
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<b>\$ (748,653)</b>	<b>\$ 291,632</b>	<b>\$ (457,021)</b>

The accompanying notes are an integral part of these statements.

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2019**

Net change in fund balances - total governmental funds \$ 273,008

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

The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

Capital outlay reported in governmental fund statements	\$ 199,283	
Capital outlay reported as other expenses in governmental fund statements	220,142	
Depreciation expense reported in the statement of activities	(300,925)	
Less cost of capital assets disposed	<u>(240,124)</u>	
Amount by which capital outlays are less than depreciation in the current period:		(121,624)

Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits increased by: (3,274)

Wisconsin Retirement System pension asset, deferred outflows of resources, liability, and deferred inflows of resources changes: (44,836)

Wisconsin Retirement System LRLIF asset, deferred outflows of resources, liability, and deferred inflows of resources changes: (1,858)

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.  
 The amount of long-term debt principal payments in the current year is: 201,864

In governmental funds interest payments and other debt costs on outstanding debt are reported as an expenditure when paid. In the statement of activities it is reported as it accrues.  
 The amount of interest and other debt costs paid during the current period \$ 15,086  
 The amount of interest and other debt costs accrued during the current period (15,572)  
 Interest paid is less than interest accrued by: (486)

**Change in net position - governmental activities \$ 302,794**

The accompanying notes are an integral part of these statements.

**DRAFT**

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**

**NOTES TO THE BASIC  
FINANCIAL STATEMENTS**

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 1 - Summary of Significant Accounting Policies**

The financial statements of the South Area Fire & Emergency Response District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below.

**Reporting Entity** - The South Area Fire & Emergency Response District was created January 1, 2014 as a joint venture between the Town of Rib Mountain and Village of Weston. The two fire departments were consolidated into one District in order to provide more economical and efficient emergency response services for the Rib Mountain-Weston area. Each municipality pays a proportionate share of the District costs for the services. The District is overseen by a five member board of directors and provides fire, emergency medical services, and rescue operations services.

The District's basic financial statements do not include any components units, as defined in GASB 14 and amended by GASB 39 and GASB 61, as there are no organizations which meet the criterion. The criterion for including a legally separate organization as a component unit is the degree of financial accountability the District has with the organization. A financial benefit or burden relationship needs to be present between the primary government and that organization for it to be included in the reporting entity as a component unit.

The following circumstances set forth the District's financial accountability for a legally separate organization: the District is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the District. The District may be financially accountable if an organization is fiscally dependent on the District regardless of whether the organization has (1) a separately-elected governing body, (2) a governing body appointed by a higher level of government, or (3) a jointly-appointed governing body. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading.

**Basis of Presentation**

**Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2019

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

identifiable with a specific function or segment. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported as general revenues.

**Fund Financial Statements**

The fund financial statements provide information about the government's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

General Fund - is used for all financial activity that is not required to be accounted for in another fund. This is the District's primary operating fund.

Capital Equipment Fund - is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated.

**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2019

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government 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, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Grants are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

**Accounts Receivable** - Accounts receivable have been adjusted for all uncollectible accounts. The allowance for uncollectible accounts was \$577,987 at December 31, 2019.

**Due To/From Advance To/From Other Funds** - During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as due to and from other funds. Long-term interfund loans (noncurrent portion) are reported as advances from and to other funds. In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance amount which indicates it is not expendable available financial resources and, therefore, are not available for appropriation. Eliminations have been made for amounts due to/from and advance to/from on the government-wide statements.

**Interfund Transactions** - Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as operating transfers, and exchange transactions are recorded as revenues and expenses. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

**Prepays** - Prepaid items represent payments for goods or services for which benefits extend beyond December 31.

A nonspendable fund balance has been recognized in governmental funds for these non-liquid assets to signify a portion of fund balance is not available for other subsequent expenditures.

**Capital Assets** - In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$1,500 for general capital assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2019

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset for governmental activities is as follows: land improvements 20 - 50 years, buildings 25 - 50 years, and equipment 5 - 50 years.

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**Compensated Absences** - The District's policy permits employees to accumulate earned, but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the government funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary related benefits where applicable.

**Pensions** - For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from the WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Other Post Employment Benefits (OPEB)** - The fiduciary net position of the local retiree life insurance fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to other post employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Deferred Outflows and Inflows of Resources** - In addition to assets, the statement of net 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 future periods and will not be recognized as an outflow of resources (expenditure) until then. The District has two items that qualify for reporting in this category. They are the Wisconsin Retirement System pension and Wisconsin Retirement System local retiree life insurance fund (LRLIF) reported in the government-wide statement of net position. The Wisconsin Retirement System pension and Wisconsin Retirement System LRLIF result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2019

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The District has two types of items, Wisconsin Retirement System pension and Wisconsin Retirement System LRLIF which qualify for reporting in this category. The Wisconsin Retirement System pension and Wisconsin Retirement System LRLIF result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

**Estimates** - The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Net Position Classifications** - Net position represents the difference between the total assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Fund Balance Classifications** - The District classifies its fund equity as follows: 1) nonspendable fund balance consists of equity that is not in a spendable form or is legally or contractually required to be maintained intact, 2) restricted fund balance consists of equity constrained to specific purposes by their providers, externally imposed by creditors, constitutional provisions or by enabling legislation, 3) committed fund balance consists of equity constrained to specific purposes by the District itself, using its highest level of decision making authority - District Board resolutions, 4) assigned fund balance consists of equity the governing body intends to use for a specific purpose, intent can be expressed by the governing body, the District Board has delegated the authority to assign fund balances to the Fire Chief and Deputy Fire Chief and 5) unassigned fund balance consists of equity available for any purpose.

When net losses occur, it is the District's policy to record the net loss against unassigned fund balance, then assigned fund balance, and lastly to committed fund balance. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**NOTE 2 - Cash and Investments**

State statutes permit the District to invest available cash balances in time deposits of authorized depositories, state obligations, U.S. Treasury obligations, U.S. agency issues, repurchase agreements and other investments secured by federal securities, high grade commercial paper, and the local government pooled-investment fund administered by the state investment board. No significant violations of these restrictions occurred during the year.

As of December 31, 2019, the District had no investments.

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2019

**NOTE 2 - Cash and Investments - Continued**

**Determining Fair Value** - The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The District has no items that require recurring fair value measurements.

**Custodial Credit Risk - Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy in place for custodial credit risk. The State of Wisconsin's Public Deposit Guarantee Fund created under Chapter 34 of the Wisconsin Statutes protects the municipality's designated public depositories against any losses of public funds up to \$400,000 subject to the total amount of the Guarantee Fund available. As of December 31, 2019, \$4,878 of the District's bank was insured.

**NOTE 3 - Capital Assets**

Capital asset balances and activity for the year ended December 31, 2019 are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Construction in progress	\$ 234,646	\$ 180,000	\$ (234,646)	\$ -	\$ 180,000
Capital assets being depreciated:					
Equipment	3,901,523	239,426	(361,367)	278,000	4,057,582
Less accumulated depreciation for:					
Equipment	(1,282,958)	(300,925)	355,888	(969,981)	(2,197,976)
Total capital assets being depreciated, net of accumulated depreciation	2,618,565	(61,499)	(5,479)	(691,981)	1,859,606
Governmental activities capital assets, net of accumulated depreciation	\$ 2,853,211	\$ 118,501	\$ (240,125)	\$ (691,981)	\$ 2,039,606

\$300,925 depreciation expense was charged to the public safety governmental function.

**NOTE 4 - Long-Term Obligations**

Long-term obligations are as follows:

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2019**

**NOTE 4 - Long-Term Obligations - Continued**

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Notes payable - direct borrowing	\$ 271,879	\$ -	\$ (44,458)	\$ 227,421	\$ 52,874
Leases payable - direct placement	157,406	-	(157,406)	-	-
Vested compensated absences	43,496	3,274	-	46,770	46,770
Wisconsin Retirement System					
Net pension liability	-	324,725	-	324,725	-
LRLIF	18,145	-	(1,432)	16,713	-
<b>Total</b>	<b>\$ 490,926</b>	<b>\$ 327,999</b>	<b>\$ (203,296)</b>	<b>\$ 615,629</b>	<b>\$ 99,644</b>

In prior years, the general fund liquidated vested employee benefits. Interest cost incurred during the year totaled \$15,572 for governmental activities. Total interest paid during the year aggregated \$15,086 for governmental activities.

**General Obligation Debt** - The general obligation debt is expected to be repaid with intergovernmental revenue. General obligation debt at December 31, 2019 is comprised of the following individual issues:

<u>Issue Description</u>	<u>Issue Dates</u>	<u>Interest Rates</u>	<u>Dates of Maturity</u>	<u>Balance</u>
Notes payable - direct borrowing	11/13/18	4.9%	4/13/23	\$ 227,421

**Maturities of Long-Term Obligations** - Aggregate cash flow requirements for the retirement of long-term debt principal and interest are as follows:

<u>Year Ending December 31</u>	<u>Notes Payable - Direct Borrowing and Placement</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 52,874	\$ 11,053	\$ 63,927
2021	55,444	8,483	63,927
2022	58,139	5,789	63,928
2023	60,964	2,963	63,927
	<u>\$ 227,421</u>	<u>\$ 28,288</u>	<u>\$ 255,709</u>

**NOTE 5 - Wisconsin Retirement System Pension**

**General Information about the Pension Plan**

**Plan Description** - The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2019

**NOTE 5 - Wisconsin Retirement System Pension - Continued**

provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>

**Vesting** - For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

**Benefits Provided** - Employees who retire at or after age 65 (54 for protective occupation employees and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earning periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**Post-Retirement Adjustments** - The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2019

**NOTE 5 - Wisconsin Retirement System Pension - Continued**

Year	Core Fund Adjustment	Variable Fund Adjustment
2008	6.6	-
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	.5	(5)
2017	2	4
2018	2.4	17

**Contributions** - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$131,673 in contributions from the employer.

Contribution rates as of December 31, 2019 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

At December 31, 2019, the District reported a liability (asset) of \$324,725 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the District's proportion was 0.00912743%, which was an increase of 0.00187835% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the District recognized pension expense of \$182,873.

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2019

**NOTE 5 - Wisconsin Retirement System Pension - Continued**

At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 252,911	\$ 447,057
Net differences between projected and actual earnings on pension plan investments	474,239	-
Changes in assumptions	54,736	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,937	81,237
Employer contributions subsequent to the measurement date	140,745	-
<b>Total</b>	<b>\$ 930,568</b>	<b>\$ 528,294</b>

\$140,745 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	\$ 460,889	\$ 376,183
2021	304,785	310,632
2022	298,878	248,012
2023	217,527	85,723
Thereafter		

**Actuarial Assumptions** - The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7%
Discount Rate:	7%
Salary Increases:	
Inflation	3%
Seniority/Merit	.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2019

**NOTE 5 - Wisconsin Retirement System Pension - Continued**

*\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

**Long-Term Expected Return on Plan Assets** - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns  
 As of December 31, 2018

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49	8.1	5.5
Fixed Income	24.5	4	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
Variable Fund Asset Class			
U.S. Equities	70	6.7	5
International Equities	30	8.5	5.9
Total Variable Fund	100	8	5.4

New England Pension Consultants Long-Term US CPI (Inflation) Forecast 2.5%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

**Single Discount Rate** - A single discount rate of 7% was used to measure the total pension liability, as opposed to a discount rate of 7.2% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7% and a municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7% expected rate of return implies

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2019

**NOTE 5 - Wisconsin Retirement System Pension - Continued**

that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate** - The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6 percent) or 1-percentage-point higher (8 percent) than the current rate:

	1% Decrease to Discount Rate (6%)	Current Discount Rate (7%)	1% Increase to Discount Rate (8%)
District's proportionate share of the net pension liability (asset)	\$ 1,290,492	\$ 324,725	\$ (393,397)

**Pension Plan Fiduciary Net Position** - Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>

**Payables to the Pension Plan** - The District reported a payable of \$32,717 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2019.

**NOTE 6 - Wisconsin Retirement System Local Retiree Life Insurance Fund**

**General Information about the Other Post Employment Benefits**

**Plan Description** - The LRLIF is a multiple-employer defined-benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post employment life insurance benefits for all eligible employees.

**OPEB Plan Fiduciary Net Position** - ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>

**Benefits Provided** - The LRLIF plan provides fully paid life insurance benefits for post age 64 retired employees and pre-65 retirees who pay for coverage.

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2019

**NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued**

**Contributions** - The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with basic coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2018 are:

Coverage Type	Employer Contribution
50% post retirement coverage	40% of employee contribution
25% post retirement coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are as listed below:

Attained Age	Basic	Supplemental
Under 30	\$.05	\$.05
30-34	.06	.06
35-39	.07	.07
40-44	.08	.08
45-49	.12	.12
50-54	.22	.22
55-59	.39	.39
60-64	.49	.49
65-69	.57	.57

\*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$124 in contributions from the employer.

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEBs**

At December 31, 2019, the District reported a liability (asset) of \$16,713 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the OPEB plan relative to the

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2019

**NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued**

contributions of all participating employers. At December 31, 2018, the District's proportion was 0.006477%, which was an increase of .000446% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the District recognized OPEB expense of \$1,386.

At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 848
Net differences between projected and actual earnings on OPEB plan investments	399	-
Changes in assumption	1,595	3,623
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,045	2,458
Employer contributions subsequent to the measurement date	2,236	-
Total	\$ 5,275	\$ 6,929

\$2,236 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	\$ 572	\$ 1,175
2021	572	1,175
2022	572	1,175
2023	516	1,175
Thereafter	807	2,229

**Actuarial Assumptions** - The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2019

**NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued**

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax Exempt Municipal Bond Yield:	4.1%
Long-Term Expected Rate of Return:	5%
Discount Rate:	4.22%
Salary Increases:	
Inflation	3%
Seniority/Merit	.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the total OPEB liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The total OPEB liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

**Long-Term Expected Return on Plan Assets** - The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Local OPEB Life Insurance  
 Asset Allocation Targets and Expected Returns  
 As of December 31, 2018

Asset Class	Index	Target Allocation %	Long-Term Expected Geometric Real Rate of Return %
US Government Bonds	Barclays Government	1	1.44
US Credit Bonds	Barclays Credit	40	2.69
US Long Credit Bonds	Barclays Long Credit	4	3.01
US Mortgages	Barclays MBS	54	2.25
US Municipal Bonds	Bloomberg Barclays Muni	1	1.68
Inflation			2.3
Long-term Expected Rate of Return			5

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2019

**NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued**

**Single Discount rate** - A single discount rate of 4.22% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.63% for the prior year. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate** - The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.22 percent, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22 percent) or 1-percentage-point higher (5.22 percent) than the current rate:

	1% Decrease to Discount Rate (3.22%)	Current Discount Rate (4.22%)	1% Increase to Discount Rate (5.22%)
District's proportionate share of the net OPEB liability (asset)	\$ 23,775	\$ 16,713	\$ 11,266

**OPEB Plan Fiduciary Net Position** - Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>

**Payables to the Pension Plan** - The District reported a payable of zero for the outstanding amount of contributions to the OPEB plan required for the year ended December 31, 2019.

**NOTE 7 - Interfund Balance and Activity**

Interfund receivable and payable balances on December 31, 2019, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Equipment	General	\$ 287,406

The above balances resulted from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. All amounts are due within one year. For the statement of net position, interfund balances which are owed within the governmental and business activities are netted and eliminated.

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2019

**NOTE 8 - Fund Balance and Net Position**

Portions of fund balances and net position are not available for current appropriation or expenditure as follows:

<u>Governmental Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable		
General	Prepaid expense	\$ 30,969
Assigned		
General	EMS donated	\$ 1,000
Capital equipment	Equipment	\$ 291,632

Deficits

The general fund had a \$748,653 deficit which will be funded by future revenues.

The District has adopted a minimum fund balance policy to maintain an unassigned fund balance in the general fund.

**NOTE 9 - Risk Management**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. For all risks of loss, the District's policy is to purchase commercial insurance. Settled claims have not exceeded commercial insurance coverage in any of the past three years and there has been no significant reduction in insurance coverage from the prior year.

**NOTE 10 - Operating Leases**

The District has leased fire stations from the Town of Rib Mountain and the Village of Weston since January 1, 2014. The two municipalities have not charged the District any lease expense.

**NOTE 11 - Transfer of Operations**

The District is a separate municipal corporation, organized as a regional fire district. Under an intergovernmental agreement (charter) between the Town of Rib Mountain and the Village of Weston, the municipalities have determined that it is in their best interest to create a fire department and ambulance service pursuant to Wisconsin Statutes 60.55 and 66.031. When the District was created the Town of Rib Mountain and Village of Weston transferred fire engines, trucks, ambulances, and various other equipment having a carrying value of \$1,380,744 and \$973,865, respectively. The District did not assume any of the Town's or Village's long-term debt related to the fire and ambulance service operations.

**NOTE 12 - Commitment**

On August 7, 2019 the District entered into an estimated \$687,172 purchase agreement for a fire truck and pumper. There is \$507,172 remaining to be completed on this agreement.

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2019

**NOTE 13 - Prior Period Adjustment**

The District recorded a prior period adjustment to the Statement of Activities for \$673,594. The adjustment decreased net position at the end of the year for unrecorded accounts receivable, fixed assets, and accumulated depreciation.

The District also recorded a prior period adjustment to the Statement of Revenues, Expenditures and Changes in Fund Balances for \$18,387. The adjustment increased fund balance at the end of the year for unrecorded accounts receivable.

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**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**DRAFT**

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2019**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 1,225,200	\$ 1,225,200	\$ 1,225,200	\$ -
Public charges for services	1,450,000	1,450,000	1,163,963	(286,037)
Intergovernmental charges for services	-	-	196,675	196,675
Miscellaneous	-	-	65,706	65,706
<b>TOTAL REVENUES</b>	<u>2,675,200</u>	<u>2,675,200</u>	<u>2,651,544</u>	<u>(23,656)</u>
<b>EXPENDITURES</b>				
Current				
Public safety	2,675,200	2,675,200	2,605,451	69,749
<b>TOTAL EXPENDITURES</b>	<u>2,675,200</u>	<u>2,675,200</u>	<u>2,605,451</u>	<u>69,749</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>46,093</u>	<u>46,093</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>46,093</u>	<u>46,093</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>(813,133)</u>	<u>(813,133)</u>	<u>(813,133)</u>	<u>-</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>18,387</u>	<u>18,387</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (813,133)</u>	<u>\$ (813,133)</u>	<u>\$ (748,653)</u>	<u>\$ 64,480</u>

The accompanying notes are an integral part of these statements.

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
ON BUDGETARY ACCOUNTING AND CONTROL  
DECEMBER 31, 2019

**NOTE 1 - Budgetary Information** - Budgets are adopted each fiscal year for the general fund in accordance with Section 65.90 of the Wisconsin Statutes. The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Starting in June of each year, the battalion chiefs, captains, and lieutenants submit requests for appropriations to management. Then the chief, deputy chief, and EMS division chief prepare the operating and capital budgets. They then present the budgets to the District Board for the fiscal year commencing the following January 1. The operating and capital budgets include proposed expenditures and the means of financing them.
2. A public hearing is conducted for taxpayers to approve the budget. This includes all required public notifications and publications prior to the public hearing.
3. The budget is forwarded to the Town of Rib Mountain and Village of Weston to be included in their enacted budgets.
4. The chief, deputy chief, and EMS division chief are authorized to transfer budget amounts within departmental operating expenses; however, any other revisions that alter the total expenditures of any fund or department must be approved by the District Board.
5. Formal budgetary integration is employed as a management control device during the year for the general fund.
6. Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles in the United States of America.
7. Budgetary expenditure control is exercised at the department level within the fund.
8. Budgeted amounts are as authorized in the original budget resolution and subsequent revisions authorized by the District Board.
9. Appropriations lapse at year-end, except those specifically carried forward by Board action.
10. Encumbrance accounting is not used.

**NOTE 2 - Excess of Actual Expenditure Over Budget** - None of the expenditure classifications were in excess of \$1,000 over budget.

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
**WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2019**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**Last 10 Fiscal Years \***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the net pension liability (asset)	0.00912743%	0.00724908%	0.00601053%
Proportionate share of the net pension liability (asset)	\$ 324,725	\$ (215,233)	\$ 49,541
Covered payroll	\$ 1,231,244	\$ 787,720	\$ 618,082
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	26.37%	-27.32%	8.02%
Plan fiduciary net position as a percentage of the total pension liability (asset)	96.45%	102.93%	99.12%

**SCHEDULE OF CONTRIBUTIONS**  
**Last 10 Fiscal Years \***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 131,673	\$ 83,498	\$ 58,099
Contributions in relation to the contractually required contributions	<u>(131,673)</u>	<u>(83,498)</u>	<u>(58,099)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,231,244	\$ 787,720	\$ 618,082
Contributions as a percentage of covered payroll	10.69%	10.60%	9.40%

\* The amounts presented for each fiscal year were determined as of the calendar year end which occurred within the fiscal year.

The District implemented the Government Accounting Standards Board Statement No. 68 for the year ended December 31, 2017. The District began participating as a separate employer in 2017. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the 7 preceding years.

**Notes to Required Supplementary Information for the Year Ended December 31, 2019**

Changes of benefit terms - there were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes of assumptions - actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 - 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop total pension liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
**WISCONSIN RETIREMENT SYSTEM LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2019**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)**  
**Last 10 Fiscal Years \***

	<u>2019</u>	<u>2018</u>
Proportion of the net OPEB liability (asset)	0.00647700%	0.00603100%
Proportionate share of the net OPEB liability (asset)	\$ 16,713	\$ 18,145
Covered payroll	\$ 611,000	\$ 253,621
Proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	2.74%	7.15%
Plan fiduciary net position as a percentage of the total pension liability (asset)	48.69%	44.81%

**SCHEDULE OF CONTRIBUTIONS**  
**Last 10 Fiscal Years \***

	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 124	\$ 114
Contributions in relation to the contractually required contributions	(124)	(114)
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 611,000	\$ 253,621
Contributions as a percentage of covered payroll	0.02%	0.04%

\* The amounts presented for each fiscal year were determined as of the calendar year end which occurred within the fiscal year.

The District implemented the Government Accounting Standards Board Statement No. 75 for the year ended December 31, 2018. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the 8 preceding years.

**Notes to Required Supplementary Information for the Year Ended December 31, 2019**

Changes of benefit terms - there were no changes of benefit terms for any participating employer in the local retiree life insurance fund.

Changes of assumptions - actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 - 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop total OPEB liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**

**SUPPLEMENTARY INFORMATION**

**DRAFT**

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**

DETAILED STATEMENT OF REVENUES

BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED DECEMBER 31, 2019

	<u>FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Intergovernmental			
Fire dues - Town of Rib Mountain	\$ -	\$ 32,652	\$ 32,652
Fire dues - Village of Weston	-	49,530	49,530
Town of Rib Mountain	411,177	361,372	(49,805)
Village of Weston	<u>814,023</u>	<u>781,646</u>	<u>(32,377)</u>
TOTAL	<u>1,225,200</u>	<u>1,225,200</u>	<u>-</u>
Public Charges for Services			
Ambulance	1,450,000	1,147,010	(302,990)
Fire	-	9,934	9,934
Training registration fees	-	<u>7,019</u>	<u>7,019</u>
TOTAL	<u>1,450,000</u>	<u>1,163,963</u>	<u>(286,037)</u>
Intergovernmental Charges for Service			
Other municipalities	-	<u>196,675</u>	<u>196,675</u>
TOTAL	<u>-</u>	<u>196,675</u>	<u>196,675</u>
Miscellaneous			
Donations	-	6,448	6,448
Fund raiser	-	368	368
Interest income	-	358	358
Sale of assets	-	38,192	38,192
Other miscellaneous	-	<u>20,340</u>	<u>20,340</u>
TOTAL	<u>-</u>	<u>65,706</u>	<u>65,706</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 2,675,200</u></b>	<b><u>\$ 2,651,544</u></b>	<b><u>\$ (23,656)</u></b>

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**

DETAILED STATEMENT OF EXPENDITURES

BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED DECEMBER 31, 2019

EXPENDITURES	FINAL BUDGETED AMOUNTS	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Public Safety			
Salaries and wages	\$ 1,888,550	\$ 1,815,252	\$ 73,298
Insurance	321,000	270,477	50,523
Legal fees	10,500	7,325	3,175
Accounting and auditing	6,000	15,937	(9,937)
Other contacted services	108,750	141,313	(32,563)
Section fees	-	23,104	(23,104)
Office supplies	9,200	6,947	2,253
Telephone	8,100	10,752	(2,652)
Postage and printing	2,500	447	2,053
Training and education	5,000	4,408	592
Travel and lodging	6,000	6,924	(924)
Meetings	1,000	475	525
Membership dues and fees	14,400	17,805	(3,405)
Utilities	37,000	47,584	(10,584)
Repairs and maintenance	124,000	107,976	16,024
Bank and credit card fees	-	441	(441)
Operating supplies	127,500	124,642	2,858
Uniforms	5,700	3,621	2,079
Miscellaneous	-	21	(21)
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,675,200</b>	<b>\$ 2,605,451</b>	<b>\$ 69,749</b>

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE FOR THE CAPITAL EQUIPMENT FUND**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2019**

	FINAL BUDGETED AMOUNTS	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>			
Intergovernmental - Town of Rib Mountain	\$ 247,355	\$ 162,438	\$ (84,917)
Intergovernmental - Village of Weston	502,333	480,710	(21,623)
<b>TOTAL REVENUES</b>	<u>749,688</u>	<u>643,148</u>	<u>(106,540)</u>
<b>EXPENDITURES</b>			
Debt service			
Principal	-	201,864	(201,864)
Interest	-	15,086	(15,086)
Capital outlay	811,000	199,283	611,717
<b>TOTAL EXPENDITURES</b>	<u>811,000</u>	<u>416,233</u>	<u>394,767</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(61,312)</u>	<u>226,915</u>	<u>288,227</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(61,312)</u>	<u>226,915</u>	<u>288,227</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>64,717</u>	<u>64,717</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 3,405</u>	<u>\$ 291,632</u>	<u>\$ 288,227</u>

**DRAFT**

**SOUTH AREA FIRE & EMERGENCY RESPONSE DISTRICT**

**OTHER REPORTS**

**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 District Board  
South Area Fire & Emergency Response District  
Marathon County, Wisconsin

We have audited 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, the financial statements of the governmental activities and each major fund of the South Area Fire & Emergency Response District as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise South Area Fire & Emergency Response District's basic financial statements, and have issued our report thereon dated APPROVAL DATE.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the South Area Fire & Emergency Response 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 South Area Fire & Emergency Response District's internal control. Accordingly, we do not express an opinion on the effectiveness of the South Area Fire & Emergency Response District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described below, that we consider to be material weaknesses.

**2019-001 - Preparation of Financial Statements**

Program: Government-Wide.

Criteria: Adequate internal controls necessitate personnel (management or others) of the District have adequate training and knowledge that would enable you to prepare financial statements (and footnotes) in accordance with generally accepted accounting principles (GAAP).

Condition: The training and knowledge of your personnel limits your ability to prepare GAAP basis financial statements.

Questioned Costs: Not applicable.

Context: Personnel have adequate knowledge and experience in governmental accounting and interim reporting requirements; however, their limited knowledge and lack of training limits their ability to prepare GAAP basis financial statements.

Effect: This weakness could result in the possibility of undetected errors and irregularities.

Information: Isolated instance.

Prior Year Finding: This was a prior year audit finding numbered 2018-001.

Recommendation: Obtain adequate training or continue to hire a certified public accounting (CPA) firm to prepare GAAP basis financial statements.

Management's Response: Due to the complexities involved with preparing GAAP basis financial statements, management has weighed the cost-benefit of training personnel or hiring a CPA firm. Management has concluded to hire a CPA firm.

#### **2019-002 - Material Audit Adjustments**

Program: Government-Wide.

Criteria: Generally accepted accounting principles.

Condition: Material audit adjustments were required to prevent the District's financial statements from being materially misstated.

Questioned Costs: Not applicable.

Context: Internal controls did not identify that an adjustment should be recorded.

Effect: This weakness could result in undetected errors and irregularities and misstated interim financial reports.

Information: Systemic problem.

Prior Year Finding: This was a prior year audit finding numbered 2018-002.

Recommendation: Improve the District's financial reporting internal controls to prevent these types of adjustments from occurring in the future. Document which accounting procedures are needed to be completed on a recurring basis to detect material adjustments.

Management's Response: The District will incorporate financial reporting internal controls to detect material adjustments, prevent materially misstated financial statements and increase the accuracy of the interim financial reports used by management.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the South Area Fire & Emergency Response 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 one instance of noncompliance or other matters, described below, that are required to be reported under *Government Auditing Standards*.

#### **2019-003 - Debt Service Fund**

Program: Government-Wide.

Criteria: Wisconsin Statute 67.11(1) requires a debt service fund be used for all general long-term debt.

Condition: The District currently uses the general fund's general checking account for debt service payments.

Questioned Cost: Not applicable.

Context: The District makes very few debt service related transactions.

Effect: The District is not in compliance with Wisconsin Statute 67.11(1).

Information: Isolated instance.

Prior Year Finding: This was not a prior year finding.

Recommendation: We recommend the District use a separate debt service fund.

Management's Response: We are aware of the situation, but it is not practical to set up a separate fund for debt service related transactions.

#### **South Area Fire & Emergency Response District's Responses to Findings**

The South Area Fire & Emergency Response District's responses to the findings identified in our audit are described above. The South Area Fire & Emergency Response District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

#### **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.

HAWKINS ASH CPAS, LLP

Manitowoc, Wisconsin  
APPROVAL DATE

DRAFT

**South Area Fire & Emergency Response District**  
**General Fund Budget**  
 January - December 2020

	Total				
Revenue	Actual	Budget	over Budget	% of Budget	2019 YTD
46220-0 FIRE FEES - CALLS/RUNS	2,351.00		2,351.00		\$ 418.00
46230-0 AMBULANCE FEES	478,686.02	1,100,000.00	-621,313.98	43.52%	\$ 458,410.96
46250-0 PUB SAFETY-AHA CLASS REGIS FEE	980.00		980.00		\$ 5,708.00
47314-5 INTERGOVT-TOWN/RINGLE					
47314-1 EMS STANDBY	9,331.79	9,331.79	0.00	100.00%	
47314-2 EMS ADMIN FEE	1,950.00	2,450.00	-500.00	79.59%	
Total 47314-5 INTERGOVT-TOWN/RINGLE	\$ 11,281.79	\$ 11,781.79	-\$ 500.00	95.76%	\$ 10,839.40
47315-5 INTERGOVT-TOWN/EASTON					
47315-1 EMS STANDBY	6,059.39	6,059.39	0.00	100.00%	
47315-2 EMS ADMIN FEE	1,400.00	1,400.00	0.00	100.00%	
Total 47315-5 INTERGOVT-TOWN/EASTON	\$ 7,459.39	\$ 7,459.39	\$ 0.00	100.00%	\$ 6,499.40
47316-5 INTERGOVT-TOWN/GUENTHER					
47316-1 EMS STANDBY	1,859.81	1,859.81	0.00	100.00%	
47316-2 EMS ADMIN FEE	300.00	450.00	-150.00	66.67%	
47316-3 FR STANDBY FEE	1,500.00	1,500.00	0.00	100.00%	
47316-4 EMR SERVICES	0.00		0.00		
Total 47316-5 INTERGOVT-TOWN/GUENTHER	\$ 3,659.81	\$ 3,809.81	-\$ 150.00	96.06%	\$ 3,691.40
47317-5 INTERGOVT-TOWN/MARATHON					
47317-1 EMS STANDBY	5,685.49	5,685.49	0.00	100.00%	
47317-2 EMS ADMIN FEE	250.00	2,300.00	-2,050.00	10.87%	
47317-3 FIRE STANDBY FEE	8,561.03	8,561.03	0.00	100.00%	
Total 47317-5 INTERGOVT-TOWN/MARATHON	\$ 14,496.52	\$ 16,546.52	-\$ 2,050.00	87.61%	\$ 23,981.26
47318-5 INTERGOVT-TOWN/RIB MOUNTAIN					
47318-3 OPERATIONS REVENUE	217,988.88	435,977.77	-217,988.89	50.00%	
Total 47318-5 INTERGOVT-TOWN/RIB MOUNTAIN	\$ 217,988.88	\$ 435,977.77	-\$ 217,988.89	50.00%	\$ 359,450.08
47319-5 INTERGOVT-VILLAGE/WESTON					
47319-3 OPERATIONS REVENUE	862,734.69	862,734.69	0.00	100.00%	

Total 47319-5 INTERGOVT-VILLAGE/WESTON	\$	862,734.69	\$	862,734.69	\$	0.00	100.00%	\$	729,347.84
47320-5 INTERGOVT-TOWN/WESTON									
47320-1 EMS STANDBY		3,686.90		3,686.90		0.00	100.00%		
47320-2 EMS ADMIN FEE		450.00		1,300.00		-850.00	34.62%		
47320-3 FIRE STANDBY FEE		27,827.95		27,827.95		0.00	100.00%		
Total 47320-5 INTERGOVT-TOWN/WESTON	\$	31,964.85	\$	32,814.85	-\$	850.00	97.41%	\$	31,828.35
47321-5 INTERGOVT-VILLAGE OF KRONENWETTER									
47321-1 EMS STANDBY		37,209.37		41,554.03		-4,344.66	89.54%		
47321-2 EMS ADMIN FEE		6,550.00		12,350.00		-5,800.00	53.04%		
Total 47321-5 INTERGOVT-VILLAGE OF KRONENWETTER	\$	43,759.37	\$	53,904.03	-\$	10,144.66	81.18%	\$	47,042.60
47322-5 INTERGOVT-TOWN/STETTIN									
47322-1 EMS STANDBY		15,047.15		15,047.15		0.00	100.00%		
47322-2 EMS ADMIN FEE		1,200.00		2,250.00		-1,050.00	53.33%		
47322-3 FIRE STANDBY FEE		26,172.00		26,172.00		0.00	100.00%		
Total 47322-5 INTERGOVT-TOWN/STETTIN	\$	42,419.15	\$	43,469.15	-\$	1,050.00	97.58%	\$	47,077.09
48210-1 ADMINISTRATION FEE - FIRE		25.00				25.00		\$	2.25
47324-0 INTERGOVT-TOWNS/EMS SERVICES								\$	1,200.00
Total Revenue	\$	1,717,806.47	\$	2,568,498.00	-\$	850,691.53	66.88%	\$	1,725,496.63
Gross Profit	\$	1,717,806.47	\$	2,568,498.00	-\$	850,691.53	66.88%		
Expenditures									
105-000 SALARIES-FIRE COMMISSION		210.00		2,000.00		-1,790.00	10.50%	\$	-
110-000 SALARIES-REGULAR		103,137.54		249,488.00		-146,350.46	41.34%	\$	102,163.38
120-000 HOURLY WAGES-REGULAR		221,323.11		540,300.00		-318,976.89	40.96%	\$	218,426.26
122-000 HOURLY WAGES-OVERTIME		3,221.59		25,000.00		-21,778.41	12.89%	\$	15,067.36
125-000 PART TIME WAGES-REGULAR		187,734.54		514,584.00		-326,849.46	36.48%	\$	233,694.13
126-000 PART TIME WAGES-OVERTIME		4,493.92		15,000.00		-10,506.08	29.96%	\$	3,165.53
128-000 PART TIME WAGES-3RD SHIFT PAY		53,420.66		150,923.00		-97,502.34	35.40%	\$	60,998.09
130-000 INSTRUCTOR PAY		965.60		2,000.00		-1,034.40	48.28%	\$	-
134-000 HOLIDAY PAY		13,048.95		59,000.00		-45,951.05	22.12%	\$	28,493.58
136-000 IFT PAY		609.40		5,000.00		-4,390.60	12.19%	\$	537.85
141-000 EDUCATION REIMBURSEMENT PAY		408.68		5,000.00		-4,591.32	8.17%	\$	-
151-000 SOCIAL SECURITY		43,074.64		112,000.00		-68,925.36	38.46%	\$	49,052.73

152-000 RETIREMENT-EMPLOYER SHARE	60,750.69	125,000.00	-64,249.31	48.60%	\$	57,960.02
153-000 DENTAL INSURANCE	8,372.70		8,372.70		\$	5,214.42
154-000 HEALTH INSURANCE	72,373.43	217,322.00	-144,948.57	33.30%	\$	74,816.30
155-000 LIFE INSURANCE	307.99	1,200.00	-892.01	25.67%	\$	213.18
156-000 WORKER'S COMP INSURANCE	21,060.00	71,500.00	-50,440.00	29.45%	\$	41,165.00
157-000 EMPLOYEE EDUCATION & TRAINING	250.00		250.00		\$	2,034.00
158-000 UNEMPLOYMENT INSURANCE	38.07		38.07			
164-000 EMPLOYEE HEALTH TESTS	502.50	5,000.00	-4,497.50	10.05%	\$	789.75
166-000 ACCIDENT/HEALTH/DEATH-INS		5,200.00	-5,200.00	0.00%	\$	-
167-000 INCOME CONTINUATION INSURANCE		3,600.00	-3,600.00	0.00%	\$	-
212-000 LEGAL SERVICES	5,680.00	8,500.00	-2,820.00	66.82%	\$	1,900.00
213-000 AUDITING/HR/PAYROLL	8,929.47	7,500.00	1,429.47	119.06%	\$	11,000.14
214-000 DATA CENTER FEES-FIRE SOFTWARE	6,661.95	17,000.00	-10,338.05	39.19%	\$	11,934.00
220-000 WATER	343.50	3,000.00	-2,656.50	11.45%		
221-000 SEWER/STORMWATER	1,764.81	1,000.00	764.81	176.48%	\$	3,222.82
222-000 ELECTRICITY	9,533.51	18,000.00	-8,466.49	52.96%	\$	12,276.95
224-000 NATURAL GAS	5,214.79	11,000.00	-5,785.21	47.41%	\$	8,676.41
225-000 TELEPHONE	2,692.42	7,500.00	-4,807.58	35.90%	\$	1,707.97
241-000 REPAIRS/MAINT-MOTOR VEHICLES	13,730.17	55,000.00	-41,269.83	24.96%	\$	12,350.65
242-000 REPAIRS/MAINT-OTHER MACHINERY	13,657.02	15,000.00	-1,342.98	91.05%	\$	14,430.38
247-000 REPAIRS/MAINT-BUILDINGS	994.69	5,000.00	-4,005.31	19.89%	\$	780.97
278-000 RADIO MAINT/REPAIR SERVICES	144.50	5,500.00	-5,355.50	2.63%	\$	4,135.92
280-000 COPIER LEASE/MAINT	613.00	750.00	-137.00	81.73%	\$	(373.00)
283-000 INTERNET SERVICES	1,995.88	4,000.00	-2,004.12	49.90%	\$	593.82
284-000 EMAIL SERVICES	2,091.94	4,800.00	-2,708.06	43.58%	\$	851.78
285-000 STATION PHONES	1,310.97	2,100.00	-789.03	62.43%	\$	171.31
286-000 WEBSITE MAINTENANCE		500.00	-500.00	0.00%	\$	(182.95)
290-000 OTHER OUTSIDE CONTRACTED SERVICE	72,729.89	100,000.00	-27,270.11	72.73%	\$	16,078.81
291-000 SECTION FEE PAYMENTS TO MARATHON CITY	8,948.74		8,948.74		\$	10,650.50
297-000 REFUSE COLLECTION SERVICES	-1,192.70	500.00	-1,692.70	-238.54%	\$	1,351.44
310-000 OFFICE SUPPLIES	1,715.00	4,000.00	-2,285.00	42.88%	\$	1,403.74
311-000 POSTAGE & BOX RENTAL	301.24	1,000.00	-698.76	30.12%	\$	157.77
312-000 OUTSIDE PRINTING/STATIONERY		1,000.00	-1,000.00	0.00%	\$	-
315-000 FIRE INSPECTION OFFICE		5,000.00	-5,000.00	0.00%	\$	241.00



48302-2 SALE OF EQUIPMENT-EMS	296.00			296.00			
48510-0 CONTRIBUTIONS-FIREMENS DONATIONS	22.50			22.50			
48511-0 CONTRIBUTIONS-EMS DIVISION	127.50			127.50			
48700-0 MISC OTHER REV-UNBUDGETED	21,804.68			21,804.68			
Total Other Revenue	\$ 104,973.24	\$ 35,000.00		\$ 69,973.24		299.92%	
Net Other Revenue	\$ 104,973.24	\$ 35,000.00		\$ 69,973.24		299.92%	
Net Revenue	\$ 791,871.76	\$ 0.00		\$ 791,871.76			

Friday, May 29, 2020 07:31:08 AM GMT-7 - Accrual Basis

May 29, 2020

RE: Fire Service Contracts

Currently SAFER has contracts with 3 municipalities for fire services, all 3 of these municipalities have contracts with different language. In an effort to make contracts fair to each municipality we would like to use the same contract for each similar to what is done with our EMS contracts. Our proposal is to use the current contract that is in place with the Town of Weston however, change the fee. Below I have listed each municipality and what their current contract costs are.

**Marathon-** \$503.59 per section for 36 sections totaling \$18,129.24. This amount is split 50/50 between SAFER and Marathon Fire Department as we respond jointly to incidents.

**Weston-** \$50.00 per \$100,000 of assessed value the current cost for Weston is \$27,827.95

**Stettin-** SAFER responds to 13 sections of the Town of Stettin the total cost is \$52,344. This amount is split 50/50 with the Village of Maine Fire Department as we respond jointly to incidents. This contract was in place well before SAFER was started. It is unknown how this total was calculated.

Cost at \$20.00 per \$100,000 of assessed value

**Marathon-** \$21,488 an increase of \$3,359

**Weston-** \$12,085 a decrease of \$15,743

**Stettin-** \$54,960 an increase of \$2,616

Total Revenue Change (\$9,768)

Cost at \$22.50 per \$100,000 of assessed value

**Marathon-** \$24,175 an increase of \$6,046

**Weston-** \$13,596 a decrease of \$14,232

**Stettin-** \$61,830 an increase of \$9,486

Total Revenue Change \$1,300

Cost at \$25.00 per \$100,000 of assessed value

**Marathon-** \$26,861 an increase of \$8,732

**Weston-** \$15,106 a decrease of \$12,722

**Stettin-** \$68,700 an increase of \$16,356

Total Revenue Change \$12,366



# South Area Fire District

## Request for Proposals

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**Date:** June 5<sup>th</sup> 2020

**From:** South Area Fire District

**Respond To:** Fire Chief Matt Savage

**Request:** Proposal for South Area Fire District Legal Counsel

### **Project Overview**

South Area Fire District invites proposals for contracted Fire District Legal Counsel services. Proposals are due to the Fire District Headquarters Office by 1600 on Friday, July 10, 2020.

The Fire District seeks services encompassing the traditional scope of work including legal counsel, opinions, litigation, consultation and coordination with special counsel. Attendance at a variety of meetings may be required, including staff meetings and Board of Directors or Fire Commission meetings as specified.

Please carefully read the following information in this request for proposals (RFP). If you have further questions, you may contact Fire Chief Matt Savage at 715-581-6782 or e-mail [msavage@safedistrict.org](mailto:msavage@safedistrict.org)

**Delivery:** Proposals may be mailed or hand-delivered to South Area Fire District Headquarters Station 1. Electronic delivery will not be accepted. Postmarks will not be accepted. Proposals must be physically delivered to South Area Fire District Headquarters Station 1 (224225 Hummingbird Road, Wausau, WI 54401) by the due date and time.

**Communications:** All communications are to be directed to Fire Chief Matt Savage

### **Minimum Qualifications:**

- a) Each attorney on the proposed team must possess a Juris Doctorate degree and have graduated from a law school accredited by the American Bar Association;
- b) Each attorney on the proposed team must be a member in good standing of the Wisconsin State Bar Association;
- c) The proposed designated Fire District Attorney must have a minimum five years of experience in the field of municipal law with particular experience in Fire Districts preferred.

\*\*\*The South Area Fire District reserves the right to reject any or all proposals, waive technicalities or irregularities, and to accept any proposal if such action is believed to be in the best interest of the Fire District.

### **Scope of Work**

The Fire District Attorney and assisting attorneys in her/his law firm will provide the following legal services including, but not limited to:

- a) Provides legal advice, counsel, training, consultation, and opinions to the Board of Directors, Fire Commission and Fire Chief on a wide variety of legal topics and assignments.
- b) Contract review, Agreement review, negotiations, and enforcement.
- c) Interlocal Agreement review, negotiations, and enforcement.
- d) Furnishes legal representation as requested at Board of Directors meetings and Fire Commission meetings, and at other meetings when requested.
- e) Appears before courts, hearing examiners, and administrative agencies to represent the Fire District's interests.
- f) Provides strategic legal advice, long range, and current planning issues.
- g) Procedural compliance and preparation and negotiation of purchase and sale agreements.
- h) Prepares and reviews resolutions, agendas, contracts and other documents for legal correctness and acceptability as requested.
- i) Coordinates with other special counsel, as needed, to assure proper management of legal issues, and proper coordination and transition of legal issues among special counsel.
- j) Assists Fire District officials and employees to maintain awareness of ethical standards and appearance of fairness standards, and to avoid potential conflicts of interest, prohibited transactions and the appearance of prohibited transactions.
- k) Assists officials and employees to understand the legal roles and duties of their respective offices and interrelationships with others.
- l) Provides the Chair and Board of Directors with guidance on Rules of Order and related procedural matters for Board of Directors meetings.
- m) Prepares legal opinions at the request of the Fire Chief, Deputy Fire Chief, Board Chairperson or Commission Chairperson.
- n) Provides the Board of Directors and staff legal perspectives and advice on various governmental issues.
- o) Represents the Fire District in lawsuits and other contested administrative proceedings commenced by or against the Fire District.

### **Expectations**

1. The appointed Fire District Attorney could be asked to attend regular Board or Commission meetings as requested. Regular Board of Directors meetings are currently scheduled for the second Tuesday evening of most months, from 6:00 p.m. until close, which could typically be around 8:00 p.m. and sometimes later.
2. The Fire District Attorney may also attend Fire Commission special meetings and study sessions. These are scheduled on an as-needed basis. Attendance is determined by the Board of Directors and is generally requested by the Fire District if there are matters of concern scheduled which could benefit by the Fire District Attorney's attendance. Attendance may be for a portion of or for the entire meeting.
3. The Fire District Attorney must be available by phone, cell phone, text, and email.
4. The Fire District puts a high value on the Fire District Attorney and associates in his/her firm being very accessible and timely in responses. Accessibility includes the ability to be generally available to attend meetings in person or via electronic means on short notice and the ability to be reached promptly by telephone.

### **Contract Term**

The Fire District anticipates a two-year contract, with automatic annual one-year renewals. Renewal beyond year six (6) of the contract will require Board of Directors reauthorization. At any time during the contract, either party may terminate the agreement with sixty (60) days written notice.

### **Schedule**

The Fire District provides the following schedule. This is for information only and will be adjusted as needed.

RFP Release Date: June 8<sup>th</sup> at Noon.

RFP Submission Due: 4:00 p.m. on Friday July 10<sup>th</sup>

Interviews: Scheduled as needed

Anticipated Start: August 1<sup>st</sup> 2020

### **How to Respond**

Please provide six (6) copies of a written proposal, responding to each inquiry in the order below:

**1) Firm Experience**

- a. Provide a narrative description of the firm.
- b. Describe the general experience of the firm.
- c. Identify other municipal and special district clients.
- d. Identify experience with municipal issues including complicated agreements including development agreements and Interlocal agreements, capital projects, personnel, and other Fire District specialties.

**2) Proposed Fire District Attorney and Team**

- a. Name and describe the attorney(s) and/or team proposed. Clearly identify the lead Fire District Attorney and name assisting attorney(s).
- b. Provide a resume or similar description for each team member, with considerable attention given to the experience and qualifications of the lead Fire District Attorney and any significant assisting attorney(s).
- c. Specify the organization structure applicable to this contract, including who the lead Fire District Attorney is, and the relationship of any assisting attorney(s) to that lead Fire District Attorney.
- d. If specialty attorney(s) or additional resources are available through your firm (in addition to the named team) to meet special or unusual needs, please briefly identify such individuals and specialties as well.

**3) Accessibility and Responsiveness**

- a. Identify the accessibility of the proposed designated Fire District Attorney, and the response time that the individual offers to the Fire District. Specifically identify the lead-time required for attending scheduled and ad-hoc meetings. Identify how quickly the Fire District Attorney can arrive in person to attend an unscheduled, urgent meeting. Attendance via electronic means may be approved on a case by case basis.
- b. Identify the same for any assisting attorney(s).

**4) Proposed Fee Structure**

- a. Propose a compensation package, inclusive of all service costs. The Fire District is open to a variety of approaches, including hourly rates or a flat monthly rate with add-ons. The Fire District will select the finalist by considering the proposed compensation as a "best and final offer," although the Fire District reserves the right to negotiate rates and terms as needed to improve elements of the proposal to best meet the needs of the Fire District.

**5) References**

- a. Provide three references for the lead Fire District Attorney.
  - i. References shall include municipal government experience, fire district experience, and other special purpose district experience. o Inclusion of the reference in your proposal is also agreement that the Fire District may contact the named reference.
  - ii. The Fire District may contact any companies or individuals, whether offered as references or otherwise, to obtain information that will assist the Fire District in evaluating the Proposer.
  - iii. The Fire District retains the right to use such information to make selection decisions.
  - iv. Submittal of a proposal is agreement that the Fire District may contact references.
  - v. Identify any potential conflicts of interest or other entities in Marathon County.

## **Evaluation and Selection**

The Fire District reserves the right to award the contract to the proposal that best meets the needs and interest of the Fire District. The following steps are anticipated:

- Step 1: Receipt and review of minimum qualifications
- Step 2: Review and evaluation of written proposals
- Step 3: Board of Directors interviews (As needed)
- Step 4: Reference and information checks
- Step 5: Finalize Fire District Attorney Contract
- Step 6: Board of Board authorizes and executes the contract

## **Evaluation of the Written Proposal**

Written proposals will be evaluated qualitatively according to the criteria below. Those Proposers that meet the minimum qualifications and provide the best written proposal will be invited to interview.

- Experience of proposed designated Fire District Attorney, particularly Fire District law experience
- Depth and stability of firm or practice
- Attorney(s) knowledge of special municipal, fire district or other special purpose legal issues
- Cost
- Accessibility and responsiveness of Fire District Attorney
- Presentation of the written proposal
- As determined from the written materials and the interactions and discussions during the interviews, overall cultural fit with the Fire District organization, including the Fire District Mission, Vision, and Values.

## **Contract Negotiations**

South Area Fire District reserves the right to negotiate all elements which comprise the apparent successful proposal to ensure that the best possible consideration is afforded to all concerned. Fire District representatives and the selected finalist will review in detail all aspects of the requirements and the proposal. During the review and discussion of the most favorable, apparent successful proposal, the Proposer may offer and the Fire District may consider revisions to the proposal.