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Financial Statements, 2003

Wentzville Fire Protection District

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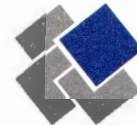
Wentzville Fire Protection District

Wentzville, Missouri

Financial Statements

Year Ended December 31, 2003

Financial Section



Members:

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Independent Auditors' Report

Board of Directors Wentzville Fire Protection District

We have audited the accompanying financial statements of Wentzville Fire Protection District as of and for the year ended December 31, 2003. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards of 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles. In addition, the financial statements referred to above do not include the general fixed asset group, which should be included in order to conform with generally accepted accounting principles. The amount that should be recorded in the general fixed asset account group is not known.

In our opinion, except for the effects on the financial statements of the omission described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Wentzville Fire Protection District at December 31, 2003, and the revenues it received and expenditures it paid for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2004 on our consideration of Wentzville Fire Protection District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of Wentzville Fire Protection District, taken as a whole. The accompanying financial information listed as supporting schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

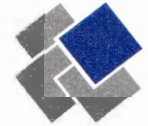
Respectfully submitted,

Wade Stables PC

Wade Stables P.C.

Certified Public Accountants

June 24, 2004
Troy, Missouri



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**Report On Compliance and on Internal Control
Over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors

Wentzville Fire Protection District

We have audited the financial statements of Wentzville Fire Protection District, as of and for the year ended December 31, 2003, and have issued our report thereon dated June 24, 2004 which was qualified because the District prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles. In addition, the financial statements referred to above do not include the general fixed asset group, which should be included in order to conform with generally accepted accounting principles. Except as discussed in the preceding sentence, 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.

Compliance

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

Internal Control over Financial Reporting

In planning and performing our audit, we considered Wentzville Fire Protection District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

Wade Stables PC

Wade Stables P.C.

Certified Public Accountants

June 24, 2004

Hannibal, Missouri

Wentzville Fire Protection District
Wentzville, Missouri
Combined Balance Sheets - All Fund Types and Account Groups
December 31, 2003

	General Fund
Assets:	
Cash	\$ 421,058.50
Total Assets	\$ 421,058.50
Liabilities:	
Payroll Taxes Due	\$ 7,739.03
Notes Payable	573,785.68
Total Liabilities	\$ 581,524.71
Fund Equity:	
Unreserved: Undesignated	\$ (160,466.21)
Total Fund Equity	\$ (160,466.21)
Total Liabilities and Fund Equity	\$ 421,058.50

Wentzville Fire Protection District
Wentzville, Missouri
Statements of Revenues, Expenditures, and Changes in
Fund Balance - All Governmental Fund Types
For the Years Ended December 31, 2003

	<u>General Fund</u>
	<u>2003</u>
Revenues:	
Taxes:	
Current taxes	\$ 3,297,763.06
Miscellaneous Revenues:	
Interest	\$ 13,772.21
Building inspections	360,242.00
Grant revenue	78,603.00
Other	661.17
Donations	15,965.00
Total Miscellaneous Revenues	\$ 469,243.38
Total Revenues	\$ 3,767,006.44
Expenditures:	
General Government:	
Insurance	\$ 42,656.32
Professional fees & commissions	38,465.30
Director fees	12,200.00
Building repairs and maintenance	31,216.66
Office supplies & postage	71,030.96
Utilities	25,893.38
Miscellaneous expense	1,609.64
Total General Government	\$ 223,072.26
Public Safety:	
Fire fighting supplies	\$ 61,989.18
Medical supplies	3,333.39
Salaries	1,678,251.13
Payroll taxes	129,250.02
Employee benefits	555,252.08
Education and training	42,961.83
Equipment repairs and maintenance	31,617.25
Membership Dues	6,796.00
Uniforms and gear	43,655.37
Public fire education and prevention	3,265.36
Radios and communications	33,943.74
Fuel	17,992.97
Total Public Safety	\$ 2,608,308.32
Building Codes and Ordinances:	
Salaries	\$ 171,214.00
Payroll Taxes	11,705.33
Insurance	30,535.61
Office Supplies	5,143.32
Vehicle maintenance & fuel	26,971.27
Training	1,745.00
Miscellaneous	192.91
Total Building Codes and Ordinances	\$ 247,507.44

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

Wentzville Fire Protection District
Wentzville, Missouri
Statements of Revenues, Expenditures, and Changes in
Fund Balance - All Governmental Fund Types
For the Years Ended December 31, 2003

	<u>General Fund</u>
	<u>2003</u>
Capital Expenditures:	
Equipment, vehicles and buildings	\$ 771,906.51
Total Expenditures	\$ 3,850,794.53
Revenues Over (Under) Expenditures	\$ (83,788.09)
Other Financing Sources (Uses)	
Interest expense	\$ (27,901.94)
Revenues Collected and	
Other Sources Over (Under)	
Expenditures and Other Uses	\$ (111,690.03)
Fund Equity, Beginning of Year	(48,776.18)
Fund Equity, End of Year	\$ (160,466.21)

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

Wentzville Fire Protection District
Wentzville, Missouri
Statement of Revenues Collected, Expenditures Paid, and Changes in
Fund Balance - Budget and Actual (Budgetary Basis)
- All Governmental Fund Types
For the Year Ended December 31, 2003

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes:			
Current taxes	\$ 3,182,112.00	\$ 3,297,763.06	\$ 115,651.06
Miscellaneous Revenues:			
Interest	-	13,772.21	13,772.21
Building inspections	358,354.00	360,242.00	1,888.00
Grant revenue	78,603.00	78,603.00	-
Other	-	661.17	661.17
Donations	-	15,965.00	15,965.00
Total Miscellaneous Revenues	<u>\$ 436,957.00</u>	<u>\$ 469,243.38</u>	<u>\$ 32,286.38</u>
Total Revenues	<u>\$ 3,619,069.00</u>	<u>\$ 3,767,006.44</u>	<u>\$ 147,937.44</u>
Expenditures:			
General Government:			
Insurance	\$ 50,000.00	\$ 42,656.32	\$ 7,343.68
Professional fees & commissions	72,500.00	38,465.30	34,034.70
Director fees	16,000.00	12,200.00	3,800.00
Building repairs and maintenance	32,000.00	31,216.66	783.34
Office supplies & postage	64,650.00	71,030.96	(6,380.96)
Utilities	29,500.00	25,893.38	3,606.62
Miscellaneous expense	-	1,609.64	(1,609.64)
Total General Government	<u>\$ 264,650.00</u>	<u>\$ 223,072.26</u>	<u>\$ 41,577.74</u>
Public Safety:			
Fire fighting supplies	\$ -	\$ 61,989.18	\$ (61,989.18)
Medical supplies	3,000.00	3,333.39	(333.39)
Salaries	1,537,921.00	1,678,251.13	(140,330.13)
Payroll taxes	117,000.00	129,250.02	(12,250.02)
Employee benefits	560,259.00	555,252.08	5,006.92
Education and training	51,000.00	42,961.83	8,038.17
Equipment repairs and maintenance	20,000.00	31,617.25	(11,617.25)
Membership Dues	8,200.00	6,796.00	1,404.00
Uniforms and gear	60,000.00	43,655.37	16,344.63
Public fire education and prevention	5,000.00	3,265.36	1,734.64
Radios and communications	49,500.00	33,943.74	15,556.26
Fuel	14,000.00	17,992.97	(3,992.97)
Total Public Safety	<u>\$ 2,425,880.00</u>	<u>\$ 2,608,308.32</u>	<u>\$ (182,428.32)</u>
Building Codes and Ordinances:			
Salaries	\$ 216,563.00	\$ 171,214.00	\$ 45,349.00
Payroll Taxes	10,000.00	11,705.33	(1,705.33)
Insurance	52,541.00	30,535.61	22,005.39
Office Supplies	12,500.00	5,143.32	7,356.68
Vehicle maintenance & fuel	27,210.00	26,971.27	238.73
Training	7,000.00	1,745.00	5,255.00
Miscellaneous	-	192.91	(192.91)
Total Building Codes and Ordinances	<u>\$ 325,814.00</u>	<u>\$ 247,507.44</u>	<u>\$ 78,306.56</u>

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

Wentzville Fire Protection District
Wentzville, Missouri
Statement of Revenues Collected, Expenditures Paid, and Changes in
Fund Balance - Budget and Actual (Budgetary Basis)
- All Governmental Fund Types
For the Year Ended December 31, 2003

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Capital Expenditures:			
Equipment, vehicles and buildings	\$ 827,847.00	\$ 771,906.51	\$ 55,940.49
Total Expenditures	\$ 3,844,191.00	\$ 3,850,794.53	\$ (6,603.53)
Revenues Over (Under) Expenditures	\$ (225,122.00)	\$ (83,788.09)	\$ 141,333.91
Other Financing Sources (Uses)			
Interest expense	\$ (23,000.00)	\$ (27,901.94)	\$ (4,901.94)
Revenues Collected and Other Sources Over (Under) Expenditures and Other Uses	\$ (248,122.00)	\$ (111,690.03)	\$ 136,431.97
Fund Equity, Beginning of Year		(48,776.18)	
Fund Equity, End of Year		\$ (160,466.21)	

Wentzville Fire Protection District
Notes to Financial Statements
Year Ended December 31, 2003

1. Summary of Significant Accounting Policies

Wentzville Fire Protection District (the District) was authorized and established under the constitution of the State of Missouri as a political subdivision in 1971. The District was incorporated upon voter approval. Upon creation, the District assumed responsibilities to provide fire protection within its defined boundaries. Those boundaries have expanded since 1971 to include a service area comprising the Wentzville city limits and surrounding areas totaling approximately 88 square miles. The District operates as a "three director" district as described in RSMo Chapter 162.

The financial statements of Wentzville Fire Protection District have been prepared on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Missouri, which is a comprehensive basis of accounting other than generally accepted accounting principles. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying criteria set forth in GAAP. The basic--but not the only--criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, the District has determined that there were no other agencies or entities, which came under the criteria for inclusion.

B. Fund Accounting

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities and fund balances arising from cash transactions, revenues collected and expenditures paid. The District uses the following single fund:

Governmental Funds

General Fund - Accounts for all activities of the District.

C. Basis of Accounting

Its measurement focus and basis of accounting determine the accounting and financial reporting treatment applied to a fund. The District's policy is to prepare its financial statements on the cash basis of accounting; consequently, revenues are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

D. Budgets and Budgetary Accounting

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

- 1) In accordance with Chapter 67, RSMo, the District adopts a budget for each fund of the political subdivision.
- 2) Prior to December, the Fire Chief, who serves as the budget officer, submits to the Board of Directors a proposed budget for the fiscal year beginning on the following January 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available moneys plus estimated revenues for the year.
- 3) Prior to January 1, the budget was legally enacted by a vote of the Board of Directors.

Wentzville Fire Protection District
Notes to Financial Statements
Year Ended December 31, 2003

1. Summary of Significant Accounting Policies (Concluded)

4) Subsequent to its formal approval of the budget, the Board of Directors has the authority to make necessary adjustments to the budget by formal vote of the board. Adjustments made during the year are reflected in the budget information included in the financial statements.

Budgeted amounts are as originally adopted, or as finally amended by the Board of Directors.

E. Inventories

The District does not maintain inventory cost records. Inventory is deemed to be immaterial and accounted for using the purchase method in which supplies are charged to expenditures when purchased.

F. General Fixed Assets

General fixed assets are recorded as expenditures in the General Fund at the time the expenditures are made. The District does not maintain a record of its general fixed assets, and therefore, no depreciation is provided on general fixed assets.

G. Compensated Absences

Vacation time, personal business days, and sick leave are considered as expenditures in the year paid. Such amounts unused are not vested in the employee upon termination.

H. Use of Estimates

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

2. Cash and Temporary Investments

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2003, the carrying amount of the District's deposits was \$421,058.50 and the bank balance was \$439,866.39. Of the bank balance, \$100,000 was covered by federal depository insurance and \$339,866.39 was covered by collateral in the District's name.

Investments - The District may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within ninety days secured by U. S. Treasury obligations or obligations of U. S. government agencies or instrumentalities of any maturity, as provided by law.

For the year ended December 31, 2003, the District had no investments.

3. Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31. All unpaid taxes become delinquent January 1, of the following year. The county collects the property taxes and remits them to the District on a monthly basis.

The assessed valuation of the tangible taxable property for calendar year 2003 for purposes of local taxation was:

Real Estate:	
Residential	\$ 358,840,170
Agricultural	6,240,783
Commercial	130,955,277
Personal property	146,319,353
State Assessed Railroad & Utilities	23,590,555
	<u>\$ 665,946,138</u>

Wentzville Fire Protection District
Notes to Financial Statements
Year Ended December 31, 2003

4. Notes Payable

The District's long-term debt at December 31, 2003 consisted of the following:

Note payable to a bank, payable in monthly installments of \$8,216.45, including interest at 6%, final payment due April, 2006, collateralized by the District's assets	\$ 214,183.30
Capital lease with a bank, payable in annual installments of \$28,009.79, including interest at 3.75%, final payment due May, 2006, collateralized by a 2003 2,500 gallon freightliner tanker	78,100.00
Capital lease with a bank, payable in annual installments of \$77,551.10 including interest at 3.55%, final payment due November, 2007, collateralized by a 2003 Smeal pumper	<u>281,502.38</u>
Total Long Term Debt	<u><u>573,785.68</u></u>

Maturities of long-term debt, including installment loan interest, are as follows:

Year Ending December 31,	Principal	Interest	Total
2004	\$ 179,516.23	\$ 24,642.06	\$ 204,158.29
2005	188,544.96	15,613.33	204,158.29
2006	131,156.12	7,270.57	138,426.69
2007	74,568.37	2,982.73	77,551.10
Total	<u><u>\$ 573,785.68</u></u>	<u><u>\$ 50,508.69</u></u>	<u><u>\$ 624,294.37</u></u>

5. Pension Plans

The Wentzville Fire Protection District contributes to a 457 plan set up through the Principal Financial Group for full-time employees who have been employed continuously for at least one year. The District contributes \$3,000 for each employee and additionally matches employee deferrals up to \$2,000. The District also has a pension plan through VFIS that covers the district's 46 volunteer firefighters, which begins vesting after five years of continuous service. After age 65, volunteers can draw benefits based on length of service. The District contributed \$137,335.21 to the 457 plan and \$46,319.30 to the VFIS plan in 2003.

6. Commitments and Contingencies

Grant Audit - The District receives Federal grants for specific purposes that is subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for expenditures disallowed under or other noncompliance with the terms of the grants and funding. The District is not aware of any noncompliance with Federal or State provisions that might require the District to provide reimbursement.

Litigation - The District advises that there are no claims or lawsuits pending against the District that would be significant to the District's financial statements.