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1-1-2008

## Annual Report, 2007

Wentzville Fire Protection District

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**WENTZVILLE FIRE PROTECTION DISTRICT**

**ANNUAL REPORT**

**YEAR ENDED DECEMBER 31, 2007**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Wentzville Fire Protection District  
209 West Pearce Blvd  
Wentzville, Missouri 63385

We have audited the accompanying financial statements of the governmental activities, and each major fund of

### WENTZVILLE FIRE PROTECTION DISTRICT

as of and for the year ended December 31, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wentzville Fire Protection District's management. 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. 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 opinions.

As discussed in Note 1(C), Wentzville Fire Protection District prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities and each major fund of Wentzville Fire Protection District as of December 31, 2007 and the respective changes in financial position - modified cash basis thereof for the year then ended in conformity with the basis of accounting described in Note 1(C).

The management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

*Ross, Spinner & Kimmey, P.C.*

Certified Public Accountants

June 4, 2008

## MANAGEMENT'S DISCUSSION AND ANALYSIS

An objective and easily readable analysis of the District's financial activities. The Management's Discussion and Analysis presents an analytical overview of both short-term and long-term financial information.

## WENTZVILLE FIRE PROTECTION DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2007

The discussion and analysis of the Wentzville Fire Protection District's financial performance provides an overview of the District's financial activities for the year ended December 31, 2007, within the limitations of the District's modified cash basis of accounting. Please read it in conjunction with the District's financial statements.

#### FINANCIAL HIGHLIGHTS

- The net assets for the Governmental Activities increased by \$1,974,048.
- Governmental Activities revenue was \$8,193,138.
- Property taxes represented \$4,784,442 of the Governmental Activities revenue total or 58%.
- Expenses for the Governmental Activities were \$6,219,090.
- The District issued \$2,750,000 in Certificates of Participation.
- House #3 is under construction and a ladder truck is on order.

#### USING THIS ANNUAL FINANCIAL REPORT

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's modified cash basis of accounting.

#### Report Components

This annual report consists of four parts as follows:

**Government-Wide Financial Statements:** The Statement of Net Assets and the Statement of Activities provide information about the activities of the District government-wide (or "as a whole") and present a longer-term view of the District's finances.

**Fund Financial Statements:** Fund financial statements focus on the individual parts of the District's government. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant ("major") funds. For *governmental activities*, these statements tell how these services were financed in the short term as well as what remains for future spending.

**Notes to the Financial Statements:** The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Required Supplementary Information:** This Management Discussion and Analysis and the Budgetary Comparison Schedules represent financial information required to be presented by the GASB. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as "the basic financial statements").



## **Basis of Accounting**

The District has elected to present its financial statements on a modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to *when* financial events are recorded, such as the timing for recognizing revenues, expenses and their related assets and liabilities. Under the District's modified cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from cash transactions.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (*such as general fixed assets and accumulated depreciation; accounts receivable and revenue for billed or provided services not yet collected*) and certain liabilities and their related expenses (*such as long-term debt attributable to general fixed assets and depreciation expense; accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities*) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

## **Reporting the District as a Whole**

### ***The District's Reporting Entity Presentation***

This annual report includes all activities for which the Wentzville Fire Protection District is fiscally responsible.

The primary government includes the following legal entity:

- Wentzville Fire Protection District

### ***The Government-Wide Statement of Net Assets and the Statement of Activities***

One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all of the District's assets and liabilities resulting from the use of the modified cash basis of accounting.

These two statements report the District's net assets and changes in them. Keeping in mind the limitations of the modified cash basis of accounting, you can think of the District's net assets - the difference between assets and liabilities - as one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base.

In the Statement of Net Assets and the Statement of Activities, we have one kind of activity:

*Governmental activities* - All of the District's basic services are reported here. Property taxes, permit fees, investment earnings and grants finance all of the activities.



**Reporting the District's Most Significant Funds**

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, the District Officials establish certain other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

**Governmental funds** - All of the District's basic services are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. The governmental fund's statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the District's program. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements. The District considers the General Fund to be its significant or major governmental fund.

**A FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Assets - Modified Cash Basis**

The District's combined net assets, resulting from modified cash basis transactions, increased from \$1,337,124 to \$3,311,172 between years 2006 and 2007.

	<b><u>Governmental Activities</u></b>		<b><u>Total</u></b>
	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>Percentage Change</u></b>
			<b><u>2007 - 2006</u></b>
Current and other assets	\$ 3,313,986.	\$ 1,339,924.	147%
Total assets	\$ 3,313,986.	\$ 1,339,924.	147%
Other liabilities	\$ 2,814.	\$ 2,800.	—
Total liabilities	\$ 2,814.	\$ 2,800.	—
Net assets			
Restricted for capital improvements	\$ 2,238,288.	\$ 0.	—
Unrestricted	1,072,884.	1,337,124.	(20%)
Total net assets	\$ 3,311,172.	\$ 1,337,124.	148%

Net assets of the District's governmental activities increased 148% to \$3,311,172. However, \$2,238,288 of those net assets are restricted as to the purposes they can be used. Consequently, unrestricted net assets showed \$1,072,884 at the end of this year. Changes in unrestricted net assets between 2007 and 2006 reflect a decrease of 20%.

**Changes in Net Assets - Modified Cash Basis**

For the year ended December 31, 2007, net assets of the primary government (resulting from modified cash basis transactions) changed as follows:

	<u>Governmental Activities</u>		<u>Total Percentage Change 2007 - 2006</u>
	<u>2007</u>	<u>2006</u>	
<b><u>Revenues</u></b>			
Program revenues:			
Permits	\$ 433,820.	\$ 491,182.	(11%)
Grant revenue	4,246.	60,893.	(93%)
General revenues:			
Taxes	4,784,443.	4,537,585.	5%
Interest revenue	202,380.	112,697.	79%
Miscellaneous revenue	7,463.	5,865.	27%
Insurance claims	10,786.	15,194.	(29%)
St. Charles Co. alarm & dispatching allotment	0.	15,119.	—
Certificates of Participation	<u>2,750,000.</u>	<u>0.</u>	—
Total revenues	<u>\$ 8,193,138.</u>	<u>\$ 5,238,535.</u>	56%
<b><u>Expenses</u></b>			
Public safety - fire protection	<u>\$ 6,219,090.</u>	<u>\$ 5,103,253.</u>	21%
Total expenses	<u>\$ 6,219,090.</u>	<u>\$ 5,103,253.</u>	21%
Increase/decrease in net assets	<u>\$ 1,974,048.</u>	<u>\$ 135,282.</u>	1,359%

**Governmental Activities**

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed first with revenues from that particular program reported below it. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the District's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees. All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

For the year ended December 31, 2007, total expenses for governmental activities, resulting from modified cash basis transactions, amounted to \$6,219,090. Of these total expenses, taxpayers and other general revenues funded \$5,781,024, while those directly benefiting from the program funded \$4,246 from grants and other contributions and \$433,820 from charges for services.



**Net Cost of Wentzville Fire Protection District's Governmental Activities - Modified Cash Basis**

	<u>Total Cost of Services</u>		<u>Percentage</u>	<u>Net Cost of Services</u>		<u>Percentage</u>
	<u>2007</u>	<u>2006</u>	<u>Change</u>	<u>2007</u>	<u>2006</u>	<u>Change</u>
			<u>2007 - 2006</u>			<u>2007 - 2006</u>
Public safety	\$ 6,219,090.	\$ 5,103,253.	22%	\$ 5,781,025.	\$ 4,551,178.	27%

**A FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

Certain funds experienced noteworthy changes from the prior year and are highlighted as follows:

- The General Fund reported revenues of \$8,193,138 and expenditures of \$6,219,090, resulting in an increase in fund balance of \$1,974,048.

**General Fund Budgetary Highlights**

Over the course of the year, the Board of Directors revised the General Fund budget at various times. The final adjusted budget, however, was consistent with the prior year budget.

For the year ended December 31, 2007, General Fund expenditures were \$254,192 below final appropriations, while actual resources available for appropriation were \$2,766,029 above the final budgeted amount.

**DEBT ADMINISTRATION**

**Long-Term Debt - Modified Cash Basis**

At December 31, 2007, the District had \$2,750,000 in long-term debt arising from modified cash basis transactions, compared to \$217,088 at December 31, 2006. This represents an increase of 1,167%. All of the debt is related to governmental activities.

**Primary Government Long-Term Debt - Modified Cash Basis**

	<u>Balance at</u>	<u>Balance at</u>
	<u>December 31, 2007</u>	<u>December 31, 2006</u>
Certificates of Participation, Series 2007	\$ 2,750,000.	\$ 0.
Lease obligation payable – truck	<u>0.</u>	<u>217,088.</u>
Total	<u>\$ 2,750,000.</u>	<u>\$ 217,088.</u>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

For the year ending December 31, 2008, the budget is fairly consistent with the December 31, 2007 budget.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions concerning this report or need additional information, contact Chief Randy Bornhop at 209 West Pearce Blvd, Wentzville, Missouri.

## BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide financial statements
- Fund financial statements
  - Governmental funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**WENTZVILLE FIRE PROTECTION DISTRICT**

**STATEMENT OF NET ASSETS - MODIFIED CASH BASIS  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2007**

**ASSETS**

Cash and cash equivalents \$ 3,313,986.13

TOTAL ASSETS \$ 3,313,986.13

**LIABILITIES**

Payroll tax liabilities \$ 2,814.24

TOTAL LIABILITIES \$ 2,814.24

**NET ASSETS**

Restricted for capital improvements \$ 2,238,288.27

Unrestricted 1,072,883.62

TOTAL NET ASSETS \$ 3,311,171.89

See accompanying notes to the basic financial statements.

**WENTZVILLE FIRE PROTECTION DISTRICT**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
GOVERNMENTAL ACTIVITIES  
YEAR ENDED DECEMBER 31, 2007**

**EXPENSES**

Public safety - fire protection:

Personal services - wages and fringe benefits	\$ 4,042,545.24
Materials, supplies and maintenance	245,321.90
Principal and interest	283,348.62
Insurance	200,068.00
Communications - dispatching, telephone and paging	68,267.89
General and administrative	404,149.51
Capital outlay	<u>975,389.27</u>

TOTAL PROGRAM EXPENSES \$ 6,219,090.43

**PROGRAM REVENUES**

Charges for services (permits and fees)	\$ 433,819.50
Grant revenues	<u>4,245.60</u>

TOTAL PROGRAM REVENUE \$ 438,065.10

NET PROGRAM EXPENSE \$ 5,781,025.33

**GENERAL REVENUES**

Property taxes	\$ 4,784,442.71
Investment earnings	202,380.97
Miscellaneous revenue	18,249.27
Sale of Certificates of Participation	<u>2,750,000.00</u>

TOTAL GENERAL REVENUES \$ 7,755,072.95

CHANGE IN NET ASSETS \$ 1,974,047.62

**NET ASSETS - Beginning of year** 1,337,124.27

**NET ASSETS - End of year** \$ 3,311,171.89

See accompanying notes to the basic financial statements.



**WENTZVILLE FIRE PROTECTION DISTRICT**

**BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2007**

	<b><u>General Fund</u></b>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 3,313,986.13
TOTAL ASSETS	<u>\$ 3,313,986.13</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>	
Liabilities:	
Payroll withholdings	\$ 2,814.24
TOTAL LIABILITIES	<u>\$ 2,814.24</u>
Fund Balance -	
Reserved for capital improvements	\$ 2,238,288.27
Board Designated	782,359.22
Unreserved	<u>290,524.40</u>
TOTAL FUND BALANCE	<u>\$ 3,311,171.89</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,313,986.13</u>

See accompanying notes to the basic financial statements.

**WENTZVILLE FIRE PROTECTION DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2007**

	<b><u>General Fund</u></b>
<b><u>REVENUES</u></b>	
Taxes, penalties and interest	\$ 4,784,442.71
Permits and fees	433,819.50
Interest revenue	202,380.97
Miscellaneous revenue	7,463.19
Insurance claims	10,786.08
Grant revenue	<u>4,245.60</u>
TOTAL REVENUES	\$ <u>5,443,138.05</u>
<b><u>EXPENDITURES</u></b>	
Current:	
General and administration	\$ 4,960,352.54
Capital outlay:	
Current expenditures	975,389.27
Debt Service:	
Principal retirement	217,087.86
Lease interest and fees	<u>66,260.76</u>
TOTAL EXPENDITURES	\$ <u>6,219,090.43</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (775,952.38)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>	
Proceeds from sale of Certificates of Participation	\$ <u>2,750,000.00</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ <u>2,750,000.00</u>
<b><u>NET CHANGE IN FUND BALANCE</u></b>	\$ 1,974,047.62
<b><u>FUND BALANCE - Beginning of year</u></b>	<u>1,337,124.27</u>
<b><u>FUND BALANCE - End of year</u></b>	\$ <u>3,311,171.89</u>

See accompanying notes to the basic financial statements.

**NOTES TO FINANCIAL STATEMENTS**

**WENTZVILLE FIRE PROTECTION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 1(C), these financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

**A. Financial Reporting Entity**

The District's financial reporting entity is comprised of the following:

Primary Government:                      Wentzville Fire Protection District

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

**B. Basis of Presentation**

Government-Wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5% of the corresponding total for all governmental funds combined.

The funds of the financial report entity are described as follows:

## Governmental Funds

### General Fund

The General Fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

## **C. Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

### Measurement Focus

In the government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined in item (b) following.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. Governmental activities utilize an “economic resources” measurement focus in the Statement of Net Assets and in the Statement of Activities. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows.

### Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as general fixed assets, accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as long-term debt, accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements.



If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

**D. Assets, Liabilities and Equity**

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposits or short-term investments with an original maturity of three months or less.

Compensated Absences

As a result of the use of the modified cash basis of accounting, liabilities related to accrued compensated absences are not recorded in the government-wide or fund financial statements. Expenditures/expenses related to compensated absences are recorded when paid.

Equity Classification

*Government-Wide Statements:*

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets. The District does not maintain its general fixed assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

It is the District's policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

*Fund Financial Statements:*

Governmental fund equity is classified as fund balance.

**E. Property Tax**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. St. Charles County bills, collects and remits the taxes to the District. The District records the revenues from property taxes when they are received, since the District uses the modified cash basis of accounting.



**F. Revenues, Expenditures and Expenses**

Program Revenues

In the Statement of Activities, modified cash basis revenues that are derived directly from each activity or from parties outside the District's taxpayers are reported as program revenues. The District has the following program revenues in each activity:

Public Safety

Inspections and permits

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

Operating Revenue and Expenses

Operating revenue and expenses include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

**G. Use of Estimates**

The preparation of financial statements in conformity with the other comprehensive basis of accounting (OCBOA) used by the District requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**H. Post - Employment Health Care Benefits**

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured to the District. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the District under this program, and there were no participants in the program as of December 31, 2007.

**2. CASH AND CASH EQUIVALENTS**

The District has determined that interest bearing checking accounts, certificates of deposit, repurchase agreements, United States Government Obligations, bonds, notes or other obligations of the State of Missouri, and any other securities or investments that are lawful for the investment of monies held in such funds or accounts under the law of the State of Missouri are appropriate types of investments for its needs.

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 992,562.85
Collateralized:	
Collateral held by District's agent in the District's name	0.00
Collateral held by pledging bank's trust department in the District's name	0.00
Collateral held by pledging bank's trust department not in the District's name	0.00
Uninsured and uncollateralized	0.00
Total	<u>\$ 992,562.85</u>

**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 for custodial credit risk. As of December 31, 2007, \$0.00 of the District's bank balance of \$992,562.85 was exposed to credit risk as follows:

<b><u>Type of Deposit</u></b>	<b><u>Custody Credit Risk Amount</u></b>
Uninsured and uncollateralized	\$ 0.00
Uninsured and collateralized by pledging bank's trust department not in the District's name	<u>0.00</u>
Total	<u>\$ 0.00</u>

**Investments**

As of December 31, 2007, the District had the following investments:

<b><u>Investment</u></b>	<b><u>Maturities</u></b>	<b><u>Fair Value</u></b>	<b><u>Cost</u></b>
FNMA Discount Note	3/03/08	\$ 679,929.29	\$ 679,813.41
FNMA Note	11/07/08	273,249.45	269,304.86
FNMA Discount Note	1/02/08	391,953.79	391,898.67
FHLMC Discount Note	2/04/08	390,466.22	390,120.00
FNMA Discount Note	2/20/08	178,716.90	178,742.40
FNMA Discount Note	2/28/08	<u>473,688.00</u>	<u>473,560.00</u>
Total		<u>\$ 2,388,003.65</u>	<u>\$ 2,383,439.34</u>

**3. LONG-TERM DEBT**

**Governmental Activities**

As of December 31, 2007, the long-term debt, arising from cash transactions, payable from the general revenue fund resources consisted of the following:

• Certificates of Participation – Series 2007, payable in semi-annual installments with interest from 4.05% to 4.875%, final payment due July 1, 2022.	<u>\$ 2,750,000.00</u>
Total	<u>\$ 2,750,000.00</u>

**Changes in Long-Term Debt**

The following is a summary of changes in long-term debt for the year ended December 31, 2007:

<b>Governmental Activities:</b>	<b>Balance</b>	<b>Additions</b>	<b>Payments</b>	<b>Balance</b>	<b>Amount Due Within One Year</b>
	<b>Jan 1, 2007</b>			<b>Dec. 31, 2007</b>	
Capital lease obligation	\$ 217,087.86	\$ 0.00	\$ 217,087.86	\$ 0.00	\$ 0.00
Certificates of participation – series 2007	0.00	2,750,000.00	0.00	2,750,000.00	235,000.00
<b>Total Governmental Activities</b>	<b>\$ 217,087.86</b>	<b>\$2,750,000.00</b>	<b>\$ 217,087.86</b>	<b>\$ 2,750,000.00</b>	<b>\$ 235,000.00</b>

**Debt Service Requirements to Maturity**

**A) Certificates of Participation – Series 2007**

The annual debt service requirements to maturity, including principal and interest, for long-term debt, as of December 31, 2007, is as follows:

<b>Date of Payment</b>	<b>Interest Rate</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Payment</b>	<b>Balance</b>
					\$ 2,750,000.00
1/01/08		\$	\$ 60,738.75	\$ 60,738.75	
7/01/08	4.050%	235,000.00	60,738.75	295,738.75	2,515,000.00
1/01/09			55,980.00	55,980.00	
7/01/09	4.100%	240,000.00	55,980.00	295,980.00	2,275,000.00
1/01/10			51,060.00	51,060.00	
7/01/10	4.150%	255,000.00	51,060.00	306,060.00	2,020,000.00
1/01/11			45,768.75	45,768.75	
7/01/11	4.200%	260,000.00	45,768.75	305,768.75	1,760,000.00
1/01/12			40,308.75	40,308.75	
7/01/12	4.250%	275,000.00	40,308.75	315,308.75	1,485,000.00
1/01/13			34,465.00	34,465.00	
7/01/13	4.300%	100,000.00	34,465.00	134,465.00	1,385,000.00
1/01/14			32,315.00	32,315.00	
7/01/14	4.350%	105,000.00	32,315.00	137,315.00	1,280,000.00
1/01/15			30,031.25	30,031.25	
7/01/15	4.400%	110,000.00	30,031.25	140,031.25	1,170,000.00
1/01/16			27,611.25	27,611.25	
7/01/16	4.450%	115,000.00	27,611.25	142,611.25	1,055,000.00
1/01/17			25,052.50	25,052.50	
7/01/17	4.550%	115,000.00	25,052.50	140,052.50	940,000.00
1/01/18			22,436.25	22,436.25	
7/01/18	4.600%	120,000.00	22,436.25	142,436.25	820,000.00
1/01/19			19,676.25	19,676.25	
7/01/19	4.650%	125,000.00	19,676.25	144,676.25	695,000.00
1/01/20			16,770.00	16,770.00	
7/01/20	4.700%	135,000.00	16,770.00	151,770.00	560,000.00
1/01/21			13,597.50	13,597.50	
7/01/21	4.800%	140,000.00	13,597.50	153,597.50	420,000.00
1/01/22			10,237.50	10,237.50	
7/01/22	4.875%	420,000.00	10,237.50	430,237.50	0.00
		<b>\$ 2,750,000.00</b>	<b>\$ 972,097.50</b>	<b>\$ 3,722,097.50</b>	



Interest Expense Allocated By Function

Interest expense, including fiscal agent fees, on long-term debt was charged to functions in the Statement of Activities as follows:

Governmental-Type Activities:

General Fund                      \$ 13,197.64

**4. PENSION PLANS**

**A. DEFINED CONTRIBUTION PLAN**

Employees of the Wentzville Fire Protection District may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans With Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the District. All full-time employees, upon hire, are able to contribute up to \$2,500 with the District matching the employees' contribution. After the first full year of employment, the District contributes an additional 10% of salary for each employee. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or hardship. The District contributed \$358,740.22 for the year ended December 31, 2007. The plan assets are held in trust by John Hancock.

**B. DEFINED BENEFIT PLAN**

The District also has a Length of Service Awards Program plan through VFIS that covers the District's 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 \$13,902.80 to this plan in 2007.

As of the date of the last actuarial valuation on December 31, 2007, the pension administrator has advised the District it has an unfunded liability of \$87,173.00 based on the following assumptions of it Length of Service Awards Program.

The following is a series of actuarial values, which are used to measure a plan's funding status.

1. **Present Value of Projected Benefits** – \$340,383.00. The amount of money invested today, inclusive of cash value and based on the Plan's assumed rate of return, sufficient to provide the participants' projected benefits.
2. **Present Value of Accrued Benefits** – \$227,415.00. The amount of money invested today, exclusive of cash value and based on the Plan's assumed rate of return, sufficient to provide the participants' accrued benefits (benefits earned to date) at Entitlement Age.
3. **Present Value of Vested Accrued Benefits** – \$210,430.00. The amount of money invested today, exclusive of cash value and based on the Plan's assumed rate of return, sufficient to provide the participants' vested accrued benefits (vested benefits earned to date) at Entitlement Age.
4. **Assets** – \$75,747.53. The amount currently invested a group annuity contract. If you subtract this amount from the above figures, the result is the net amount needed in a single sum to fund either the projected, accrued, or vested accrued benefits.

5. **Frozen Initial Liability** – \$188,413.00. This is the amount that was established as of the effective date of the plan to fund for service prior to the plan.
6. **Frozen Initial Liability Amortization Period** – 20 years. This is the number of years established as of the effective date to pay off the Frozen Initial Liability.
7. **Frozen Supplemental Liability** – \$0.00. This is a separate liability, which was established due to changes in actuarial assumptions or plan design. It is maintained as a separate item to provide flexibility in funding.
8. **Frozen Supplemental Liability Amortization Period** – 0 years. This is the number of years established to pay off the Frozen Supplemental Liability.

**5. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Volunteer Firemen’s Insurance Services (VFIS), which provides liability insurance coverage under one comprehensive plan for all members. The District pays an annual premium to VFIS for its general liability, public officials’ errors and omissions, and automobile liability. VFIS is self-sustaining through member premiums and reinsures with commercial companies for excess insurance.

The District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**6. ASSESSED VALUATION AND TAX LEVY**

	<u>2 0 0 7</u>	<u>2 0 0 6</u>
Aggregate Assessed Valuation	\$ <u>1,270,866,051.00</u>	\$ <u>1,054,467,789.00</u>
	<u>Tax Levy Per \$100.00 of Assessed Valuation</u>	<u>Tax Levy Per \$100.00 of Assessed Valuation</u>
General Fund	\$ <u>.4299</u>	\$ <u>.4644</u>
Total taxes assessed	\$ <u>5,463,453.15</u>	\$ <u>4,896,948.41</u>
Tax collections (including delinquent taxes)	\$ <u>331,086.75</u>	\$ <u>4,453,355.96</u>

The receipts of current and delinquent property taxes during the year ended December 31, 2007 aggregated approximately 6.1% of the 2007 assessed taxes and 90.9% of the 2006 assessed taxes.

**7. COMMITMENTS AND CONTINGENCIES**

On July 1, 2007, the District issued \$2,750,000.00 of Certificates of Participation. The proceeds will be used for the construction of House #3 and the purchase of a ladder truck. At December 31, 2007, House #3 was under construction and the ladder truck was in the process of being built.

**8. SUBSEQUENT EVENT**

In March 2008, the District purchased a 2008 Chevrolet Tahoe for \$30,807.00.

9. DISTRICT OFFICIALS

2 0 0 7

Director/Chairman

Mark Kaiser

Director/Secretary

E. Robert Dick

Director

Doug Wynn

Fire Chief

Randy Bornhop

Office secretary / Treasurer

Stacy Krieger



## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information (RSI) includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Modified Cash Basis - General Fund
- Notes to RSI - Budgetary Comparison Schedule

**WENTZVILLE FIRE PROTECTION DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b><u>BEGINNING BUDGETARY FUND BALANCE</u></b>	\$ 1,337,124.27	\$ 1,337,124.27	\$ 1,337,124.27
<b><u>RESOURCES (inflows):</u></b>			
Taxes, penalties & interest	4,881,559.00	4,881,559.00	4,784,442.71
Inspections, permits and fees	545,550.00	545,550.00	433,819.50
Interest revenue	0.00	0.00	202,380.97
Miscellaneous	0.00	0.00	7,463.19
Insurance claims	0.00	0.00	10,786.08
Certificates of Participation proceeds	0.00	0.00	2,750,000.00
Grant revenue – FEMA	0.00	0.00	4,245.60
	<u>0.00</u>	<u>0.00</u>	<u>4,245.60</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>\$ 6,764,233.27</u>	<u>\$ 6,764,233.27</u>	<u>\$ 9,530,262.32</u>
<b><u>CHARGES TO APPROPRIATIONS (outflows):</u></b>			
<b><u>Current:</u></b>			
Membership and dues	\$ 16,000.00	\$ 16,000.00	\$ 16,127.75
Accounting and legal	42,500.00	42,500.00	54,276.24
Directors' fees	14,500.00	14,500.00	17,350.00
Surety bonds	800.00	800.00	775.00
Notices and bids	10,000.00	10,000.00	1,478.03
Election expense	100,000.00	0.00	67,171.87
Fire prevention bureau:			
Salaries	317,505.00	317,505.00	311,463.11
Employee benefits	84,900.00	59,900.00	62,851.13
Pension and disability	49,000.00	49,000.00	23,380.47
Office supplies	10,000.00	10,000.00	7,633.59
Vehicle expenses	6,000.00	6,000.00	2,599.68
Membership and dues	10,000.00	10,000.00	2,487.00
Payroll taxes	24,374.00	24,374.00	24,374.00
Professional fees	4,250.00	4,000.00	3,604.80
Building maintenance	1,200.00	1,200.00	1,138.10
Computer supplies	4,600.00	4,600.00	4,600.00
Utilities	6,260.00	6,260.00	6,506.63
Communication	8,700.00	8,700.00	4,588.45
Fuel	7,840.00	7,840.00	5,516.28
Career development	0.00	0.00	697.50
Education and training	0.00	0.00	732.25

See accompanying notes to the Budgetary Comparison Schedule.

**WENTZVILLE FIRE PROTECTION DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b><u>CHARGES TO APPROPRIATIONS (outflows) cont:</u></b>			
Buildings:			
Repairs and maintenance – Station 1	\$ 100,000.00	\$ 100,000.00	\$ 53,462.57
Repairs and maintenance – Station 2	6,800.00	6,800.00	5,656.99
Repairs and maintenance – Station 3	10,000.00	10,000.00	4,978.93
Repairs and maintenance – Station 4	30,000.00	30,000.00	11,660.91
Lawn care	12,000.00	12,000.00	6,474.61
Education and training:			
Fire CEU's	18,000.00	18,000.00	11,532.65
Meals and training	6,000.00	6,000.00	4,212.75
EMS CEU's	3,000.00	3,000.00	2,969.00
Food - other	2,600.00	2,600.00	5,625.44
Career development	2,000.00	2,000.00	4,176.50
Travel	5,000.00	5,000.00	2,453.95
Lodging	8,000.00	8,000.00	7,537.78
Training publications	5,000.00	5,000.00	3,767.73
Local meetings and safety meetings	10,500.00	10,500.00	6,315.16
Training equipment	1,500.00	1,500.00	6,059.62
Convention	0.00	0.00	385.00
Education	0.00	0.00	2,445.00
Employee benefits:			
Health insurance	309,850.00	309,850.00	311,103.69
Dental insurance	32,000.00	32,000.00	28,441.70
Life and disability insurance	31,000.00	31,000.00	32,538.09
Vision insurance	5,500.00	5,500.00	6,350.52
Pension	313,900.00	313,900.00	358,740.22
Fitness program	60,000.00	60,000.00	51,504.33
Employee counseling	2,250.00	2,250.00	2,753.00
Workmen's compensation insurance	187,000.00	187,000.00	147,635.60
Pension – LOSAP	60,000.00	60,000.00	13,902.80
Medical non-work compensation	5,000.00	5,000.00	3,314.40
Employee appreciation	0.00	0.00	3,850.00
Equipment / Vehicle:			
Truck repairs and maintenance	100,000.00	100,000.00	87,491.68
Breathing apparatus	5,000.00	5,000.00	2,904.03
Medical supplies	2,500.00	2,500.00	3,006.81
Fuel	70,560.00	70,560.00	55,831.31

See accompanying notes to the Budgetary Comparison Schedule.



**WENTZVILLE FIRE PROTECTION DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b><u>CHARGES TO APPROPRIATIONS (outflows):</u></b>			
Vehicle / building / liability insurance	\$ 55,000.00	\$ 55,000.00	\$ 49,118.00
Office expense:			
Postage and office supplies	4,000.00	4,000.00	4,908.16
Office and computer equipment	37,400.00	52,480.00	48,603.18
Professional services	0.00	0.00	9,042.40
Salaries	2,391,700.00	2,391,700.00	2,498,105.61
Payroll taxes	168,000.00	168,000.00	353,943.90
Public fire education	10,000.00	10,000.00	8,495.60
Staff uniforms	16,000.00	16,000.00	4,201.59
Turnout gear	15,000.00	15,000.00	31,969.95
Utilities:			
Telephone	32,770.00	32,470.00	32,403.48
Electric / heat	21,702.00	21,162.00	17,948.59
Water / sewer	1,868.00	1,832.00	1,901.47
Wireless communications:			
Pagers	7,200.00	7,200.00	5,928.26
Nextel phones	12,000.00	12,000.00	15,757.82
Radios and repairs	<u>27,000.00</u>	<u>27,000.00</u>	<u>9,589.88</u>
	\$ 4,923,029.00	\$ 4,811,983.00	\$ 4,960,352.54
<b>Capital outlay:</b>			
Vehicles – Fire Prevention Bureau	\$ 10,921.00	\$ 10,921.00	\$ 10,921.00
Equipment	0.00	0.00	48,220.73
Land and buildings – Station 3	0.00	0.00	841,556.57
Building remodeling and improvements	0.00	0.00	30,371.09
Vehicles	94,000.00	94,000.00	44,319.88
Capital reserve funds	<u>169,259.00</u>	<u>1,326,092.84</u>	<u>0.00</u>
	\$ 274,180.00	\$ 1,431,013.84	\$ 975,389.27
<b>Debt Service:</b>			
Lease payments - principal	\$ 168,900.00	\$ 79,641.85	\$ 217,087.86
Interest and fees	61,000.00	150,643.65	13,197.64
Cost of issuance	<u>0.00</u>	<u>0.00</u>	<u>53,063.12</u>
	\$ 229,900.00	\$ 230,285.50	\$ 283,348.62
<b>TOTAL CHARGES TO APPROPRIATIONS</b>	\$ 5,427,109.00	\$ 6,473,282.34	\$ 6,219,090.43
<b><u>ENDING BUDGETARY FUND BALANCE</u></b>	\$ 1,337,124.27	\$ 290,950.93	\$ 3,311,171.89

See accompanying notes to the Budgetary Comparison Schedule.

**WENTZVILLE FIRE PROTECTION DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**YEAR ENDED DECEMBER 31, 2007**

**Budgets and Budgetary Practices**

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

- a. Prior to September 1, the Board of Directors prepares a proposed operating budget for the upcoming year. The operating budget includes proposed expenditures and the means of financing them.
- b. Open meetings of the Board of Directors are held to obtain taxpayer comments.
- c. Prior to December 31, the budget for the upcoming year is adopted by the Board of Directors.
- d. Budgets are adopted on a basis consistent with the modified cash basis of accounting.
- e. Any revisions that alter the total expenditures must be approved by the Board of Directors.
- f. Prior to year-end, the Board of Directors adopts an amended budget approving any additional expenditures, if necessary.
- g. The amended budget for the District is presented in the Budgetary Comparison Schedules - General Fund.
- h. All annual appropriations lapse at fiscal year-end.

**Basis of Accounting**

The budget is prepared on the same modified cash basis of accounting as applied to the governmental funds in the basic financial statements. Revenues and expenditures are reported when they result from cash transactions.