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1-1-2006

## Compliance Report and Financial Statements Supplemental Information, 2005

Lemay Fire Protection District

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**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

June 29, 2006

Board of Directors  
Lemay Fire Protection District  
St. Louis County  
1201 Telegraph Road  
St. Louis, MO 63125-1828

Fiscal Period: One Year Ended December 31, 2005 ✓

Dear Directors:

In accordance with Sections 105.145 and 321.690 RSMo, we acknowledge receipt of the audit report of your fire protection district for the above-described fiscal period. We will review this report for compliance with 15 CSR 40-4 and report to you whether or not it complies with these administrative rules.

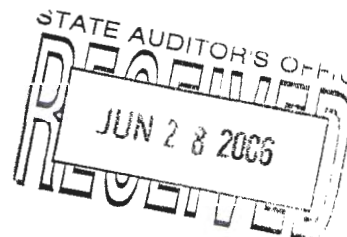
Thank you for your cooperation in sending this information.

Sincerely,

CLAIRE C. McCASKILL  
STATE AUDITOR

Judy Buerky  
Local Government Analyst

*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  
Lemay Fire Protection District  
St. Louis, Missouri

We have audited the financial statements of Lemay Fire Protection District as of and for the year ended December 31, 2005, which was qualified as described therein and have issued our report thereon dated April 21, 2006. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

*Internal Control over Financial Reporting*

In planning and performing our audit, we considered the Commission'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 an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect The Commission's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe the finding described in 2005-01 is a material weakness.

Sailor

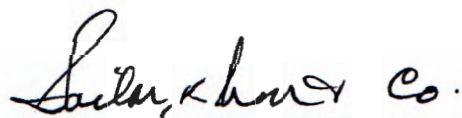
Khan & Co.

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*Compliance and Other Matters*

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

This report is intended solely for the information and use of the board of directors, and management, and is not intended to be and should not be used by anyone other than these specified parties.



Sailor, Khan & Co.

St. Louis, MO

April 21, 2006

## CURRENT YEAR FINDINGS

### MATERIAL WEAKNESS

#### 2005-01 REGARDING COLLECTION OF AMBULANCE FEES AND PAYMENT OF MEDICAL BILLS

CONDITION The district uses outside service providers to process medical fees for its ambulance fund and pay medical bills for its employees. None of the service providers had a service auditor's report on internal controls. Consequently, we cannot determine if the transactions are being processed correctly and we are required to qualify our audit report regarding those transactions.

CRITERIA – Service providers are an extension of the districts accounting system. A service provider should indicate that it has controls in place to detect errors and prevent fraud. In addition, the service provider should have these controls tested. The service provider is not required to have a service auditor's report, however without a service auditor's report, it is not possible to rely on their systems.

EFFECT – We were unable to satisfy ourselves that medical payments or ambulance service fees are complete and accurate and we qualified the opinion.

RECOMMENDATION: The fire district should not engage service providers who do not have service auditor's reports.

RESPONSE OF DISTRICT –The district concurs with all recommendations.

## STATUS OF PRIOR YEAR FINDINGS

#### REGARDING COLLECTION OF AMBULANCE FEES AND PAYMENT OF MEDICAL BILLS

NOT CORRECTED - SEE CURRENT YEAR FINDING 2005-01

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LEMAY FIRE PROTECTION DISTRICT

Financial Statements  
Supplemental Information

December 31, 2005

Sailor

Khan & Co.

St. Louis, Missouri

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Certified Public Accountants

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compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lemay Fire Protection District basic financial statements. The accompanying required supplementary information, budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. The other supplemental information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The required and other supplemental information listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The history of Lemay Fire Protection District has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.



Sailor, Khan & Co.  
St. Louis, MO  
April 21, 2006



*LEMAY FIRE PROTECTION DISTRICT*

*Statement of Net Assets*

*December 31, 2005*

	<u>Governmental Activities</u>
Assets	
Cash	\$ 1,700,578
Accounts receivable	
Property taxes	1,030,254
Ambulance fees	163,200
Other assets	49,694
Property net of accumulated depreciation	<u>1,601,333</u>
Total assets	<u><u>\$ 4,545,059</u></u>
Liabilities and fund equity	
Liabilities:	
Accounts payable & accrued expenses	\$ 127,346
Accrued interest	4,004
Current portion	
Compensated absences	14,548
General obligation bonds	155,000
Long term portion	
Compensated absences	142,221
General obligation bonds	-
Total liabilities	<u>443,119</u>
Net Assets	
Net assets invested in capital assets, net of related debt	1,446,333
Unrestricted net assets	<u>2,655,607</u>
Total net assets	<u>4,101,940</u>
Total liabilities and net assets	<u><u>\$ 4,545,059</u></u>

See notes to the financial statements.

*LEMAY FIRE PROTECTION DISTRICT*  
*Statement of Activities*  
*For The Year Ended December 31, 2005*

Functions/programs	Expenses	Program Charges for Services and Sales	Revenues Operating Grants and Contributions	Net (Expenses) Revenue and Changes in Net Assets Government Activities
Governmental activities:				
Fire fighting and administration	\$ (1,485,745)	\$ -	\$ 1,000	\$ (1,484,745)
Ambulance	(864,828)	456,830	-	(407,998)
Central alarm	(48,649)	-	-	(48,649)
Interest and fiscal charges	(12,419)	-	-	(12,419)
	<u>\$ (2,411,641)</u>	<u>\$ 456,830</u>	<u>\$ 1,000</u>	<u>(1,953,811)</u>
General revenues:				
Taxes levied for:				
General purposes				1,832,450
Ambulance				392,286
Central alarm				83,570
Debt service				89,148
Other income				1,989
Interest and investment earnings				<u>25,337</u>
				<u>2,424,780</u>
Changes in net assets				470,969
Net assets - beginning				<u>3,630,971</u>
Net assets - ending				<u>\$ 4,101,940</u>

See notes to the financial statements.

*LEMAY FIRE PROTECTION DISTRICT*

*Balance Sheet*

*Governmental Funds*

*December 31, 2005*

	General Fund	Central Dispatch Fund	Ambulance Fund	Pension Fund	Debt Service Fund	Total
<b>Assets</b>						
Cash	\$ 1,341,916	\$ 66,358	\$ -	\$ 110,704	\$ 169,765	\$ 1,688,743
Accounts receivable						
Property taxes	715,070	35,835	168,587	72,484	38,278	1,030,254
Ambulance fees	-	-	163,200		-	163,200
Due from other funds	26,000	-	219,708	-	951	246,659
Other assets	23,808	11,187	8,242		-	43,237
Total assets	<u>\$ 2,106,794</u>	<u>\$ 113,380</u>	<u>\$ 559,737</u>	<u>\$ 183,188</u>	<u>\$ 208,994</u>	<u>\$ 3,172,093</u>
<b>Liabilities and fund equity</b>						
Liabilities:						
Accounts payable & accrued expenses	\$ 56,313	\$ 319	\$ 35,769	\$ 2,169	\$ -	\$ 94,570
Due to other funds	221,309	-	-	-	-	221,309
Compensated absences	12,292	-	2,255	-	-	14,547
Deferred ambulance fees	-	-	68,000	-	-	68,000
Deferred taxes	255,735	12,816	60,293	25,923	13,690	368,457
Total liabilities	<u>545,649</u>	<u>13,135</u>	<u>166,317</u>	<u>28,092</u>	<u>13,690</u>	<u>766,883</u>
Fund equity:						
Unreserved	<u>1,561,145</u>	<u>100,245</u>	<u>393,420</u>	<u>155,096</u>	<u>195,304</u>	<u>2,405,210</u>
Total fund equity	<u>1,561,145</u>	<u>100,245</u>	<u>393,420</u>	<u>155,096</u>	<u>195,304</u>	<u>2,405,210</u>
Total liabilities and fund equity	<u>\$ 2,106,794</u>	<u>\$ 113,380</u>	<u>\$ 559,737</u>	<u>\$ 183,188</u>	<u>\$ 208,994</u>	<u>\$ 3,172,093</u>

See notes to the financial statements.

*LEMAY FIRE PROTECTION DISTRICT  
Reconciliation Between Fund Balance Sheet  
and Statement of Net Assets  
December 31, 2005*

Fund equity balance sheet governmental funds	\$ 2,405,210
Fixed assets cost not included in fund financial statements.	1,601,333
General obligation bonds not included in fund financial statements	(155,000)
Long term portion of compensated absences not included in fund financial statements.	(142,221)
Accrued interest on general obligation bonds	(4,004)
Deferred ambulance fees collected after 60 days	68,000
Deferred property taxes collected after 60 days	368,457
Internal service funds net assets and liabilities	(39,828)
Other	<u>(7)</u>
Net assets governmental activities	<u><u>\$ 4,101,940</u></u>

See notes to the financial statements.

*LEMAY FIRE PROTECTION DISTRICT*  
*Revenues, Expenditures, and Changes in Fund Balances*  
*Governmental Funds*  
*For The Year Ended December 31, 2005*

	General Fund	Central Dispatch Fund	Ambulance Fund	Pension Fund	Debt Service Fund	Total
Revenues:						
Property Taxes	\$ 1,621,388	\$ 81,675	\$ 382,584	\$ 168,997	\$ 94,625	\$ 2,349,269
Interest Income	21,541	211	-		3,069	24,821
Ambulance Charges	-	-	447,830		-	447,830
Other Income	10,705	-	410	436	-	11,551
<b>Total Revenues</b>	<b>1,653,634</b>	<b>81,886</b>	<b>830,824</b>	<b>169,433</b>	<b>97,694</b>	<b>2,833,471</b>
Expenditures:						
Fire Fighting and District Administration	1,346,143	-	-		-	1,346,143
Central Alarm	-	48,648	-		-	48,648
Ambulance Services	-	-	744,909		-	744,909
Pension				154,668		154,668
Debt Service	-	-	-		159,580	159,580
Purchase of Fixed Assets	5,691	-	125,396		-	131,087
<b>Total Expenditures</b>	<b>1,351,834</b>	<b>48,648</b>	<b>870,305</b>	<b>154,668</b>	<b>159,580</b>	<b>2,585,035</b>
Excess of Revenues over (under) Expenditures	301,800	33,238	(39,481)	14,765	(61,886)	248,436
Fund Balance Beginning	1,259,345	67,007	432,901	140,331	257,190	2,156,774
<b>Fund Balance Ending</b>	<b>\$ 1,561,145</b>	<b>\$ 100,245</b>	<b>\$ 393,420</b>	<b>\$ 155,096</b>	<b>\$ 195,304</b>	<b>\$ 2,405,210</b>

See notes to the financial statements.

*LEMAY FIRE PROTECTION DISTRICT*  
*Reconciliation Between Revenues, Expenditures, and Changes in Fund Balances*  
*Governmental Funds and the Statement of Activity Governmental Funds*  
*For the year ended December 31, 2005*

Excess of Revenues over (under) Expenditures	\$	248,436
Depreciation not included in fund financial statements		(101,099)
Purchases of fixed assets reclassified as assets		131,087
Principal payment of debt netted against long term debt		145,000
Change in accrued interest		1,686
Change in compensated absences liability		6,643
Deferred ambulance fees not deferred in statement of activity		9,000
Deferred property taxes not deferred in statement of activity		48,185
Internal service funds net change		(17,671)
Miscellaneous adjustment to fixed asset records		(301)
Other		<u>3</u>
Changes in net assets	\$	<u><u>470,969</u></u>

See notes to the financial statements.



*LEMAY FIRE PROTECTION DISTRICT*

*Balance Sheet*

*Internal Service Fund Medical Benefits*

*December 31, 2005*

Assets	
Cash	\$ 11,839
Due from other funds	-
Other assets	<u>6,457</u>
Total Assets	<u>\$ 18,296</u>
Liabilities and net assets	
Liabilities:	
Accounts Payable & Accrued Expenses	\$ 32,774
Due to general fund	<u>25,350</u>
Total Liabilities	<u>58,124</u>
Net assets ( deficit )	<u>(39,828)</u>
Total liabilities and net assets	<u>\$ 18,296</u>

See notes to the financial statements.



*LEMAY FIRE PROTECTION DISTRICT*  
*Statement of Income and Changes in*  
*Net Assets*  
*Internal Service Fund Medical Benefits*  
  
*For the year ended December 31, 2005*

Revenues	
Contributions from general & ambulance funds	\$ 211,698
	<hr/>
Total revenues	211,698
	<hr/>
Operating expenses	
Insurance	61,083
Benefits	165,266
Other	3,100
	<hr/>
Total operating expenses	229,449
	<hr/>
Operating income (loss)	(17,751)
Interest income	80
	<hr/>
Net income ( loss )	(17,671)
Net assets ( deficit )	
Beginning	(22,157)
	<hr/>
Ending	\$ (39,828)
	<hr/>

See notes to the financial statements.

*LEMAY FIRE PROTECTION DISTRICT*  
*Statement of Cash Flows*  
*Internal Service Fund Medical Benefits*

*For the year ended December 31, 2005*

Cash from operations	
Cash from other funds	\$ 237,495
Cash for benefits	(242,652)
Cash paid for other expenses	<u>(3,100)</u>
Cash flows from (used in) operations	<u>(8,257)</u>
Cash flows from investing activities	
Interest income	<u>80</u>
Cash provided by investing activities	<u>80</u>
Net increase (decrease) in cash	<u>(8,177)</u>
Cash	
Beginning of year	<u>20,016</u>
End of year	<u><u>\$ 11,839</u></u>
Cash flows from operations	
Operating income (loss)	\$ (17,751)
Change in prepaid expenses	(6,457)
Change in Interfund accounts	25,797
Change in accounts payable	<u>(9,846)</u>
Cash provided by (used by) operations	<u><u>\$ (8,257)</u></u>

See notes to the financial statements.

LEMAY FIRE PROTECTION DISTRICT  
Notes to the Financial Statements  
December 31, 2005

*1. REPORTING ENTITY*

The District's financial statements include all funds controlled by the District. A component unit is an organization that is included in the District's financial statements for which the District is financially accountable, or for which the District is not accountable, but for which the nature and significance or their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The District has no component units.

*2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The accounting principles of the District conform to accounting principles generally accepted in the United States of America for Governmental Entities. The following is a summary of the more significant accounting policies:

*Basis of Presentation*

*Government-wide Statements:*

The statement of net assets and the statement of activities include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities.

The statement of activities presents a comparison between direct expenses and program revenue for the different functions of the District's activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenue includes (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

LEMAY FIRE PROTECTION DISTRICT  
Notes to The Financial Statements  
December 31, 2005  
(Continued)

*Fund Financial Statements:*

The fund financial statements provide information about the District's funds. Separate statements for each fund are presented. The District has elected to classify all of the funds as major funds.

*Governmental funds:*

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

Special Revenue Fund Types - These funds are used to account for the proceeds of specific revenue sources.

Central Dispatch Fund – This fund accounts for revenues and related expenditures for contributions to South County Fire Alarm Service which is a joint service funded by several fire districts.

Ambulance Fund – The fund accounts for property taxes and fees and related expenditures associated with emergency ambulance services.

Pension Fund - GASB requires that funds previously classified as expendable trust funds be reclassified as special revenue funds. This fund accounts for property taxes assessed to fund pension contributions.

Debt Service Fund - This fund was established to account for property taxes and related expenditures for payment of principal and interest on long-term debt.

*Internal service funds*

The district has one internal service fund whose purpose it is to pay medical benefits through a combination of self- insurance and insurance.

*MEASUREMENT FOCUS*

*Basis of Accounting*

The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.



LEMAY FIRE PROTECTION DISTRICT  
Notes to The Financial Statements  
December 31, 2005  
(Continued)

*Basis of Accounting ( continued)*

Nonexchange transactions, in which the District gives (or receives) value without receiving (or giving) equal value in exchange, include property taxes. On an accrual basis, property taxes are recognized in the fiscal year for which the taxes are levied.

Government Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available.

The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after year-end. Property taxes are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The internal service fund of the District follow FASB Statements and interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

*CASH AND CASH EQUIVALENTS*

For purposes of the accompanying statement of cash flows, the internal service fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The district accounts are entirely insured by collateral therefore there is no custodial credit risk.

*PROPERTY TAXES*

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and payable by December 31. Property taxes not collected by January 1 of the subsequent year are delinquent. The St. Louis County Collector collects the property tax and remits it to the District. The county's fee for this service is 1.5% of the taxes collected.

Property taxes levied for 2005 are recorded as receivable, net of estimated uncollectibles, as are prior year levies which are reevaluated annually. Taxes receivable represent estimated amounts to be collected by the County Collector of Revenue for 2005 and prior tax years, to be remitted to the District subsequent to December 31. The portion of taxes

LEMAY FIRE PROTECTION DISTRICT  
Notes to The Financial Statements  
December 31, 2005  
(Continued)

*PROPERTY TAXES (continued)*

not collected and remitted to the District within 60 days of year-end is recorded as deferred tax revenue.

*AMBULANCE FEES*

Receivables for ambulance fees are subject to review by third parties and are not paid unless approved.

*CAPITAL ASSETS*

The district capitalized property and equipment with a useful life in excess of one year. Property and equipment is depreciated over the estimated useful lives of the related asset using the straight line method. The useful lives are 5 to 10 years for equipment and 39 years for buildings.

The district does not own or control any infrastructure.

*ESTIMATES*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. The district estimates its ambulance fee receivables and the liability for medical claims.

*3. CHANGES IN FIXED ASSETS*

	Beginning Balance	Additions	Retirements	Ending Balance
Land	\$ 323,730	\$ -	\$ -	\$ 323,730
Building	1,485,465	-	-	1,485,465
Equipment	888,966	164,012	161,269	891,709
Total	2,698,161	164,012	161,269	2,700,904
Accumulated Depreciation	(1,126,515)	(101,099)	(128,043)	(1,099,571)
Net Fixed Assets	<u>\$ 1,571,646</u>	<u>\$ 62,913</u>	<u>\$ 33,226</u>	<u>\$ 1,601,333</u>

LEMAY FIRE PROTECTION DISTRICT  
Notes to The Financial Statements  
December 31, 2005  
(Continued)

3. *CHANGES IN FIXED ASSETS (continued)*

Depreciation was allocated as follows:

Fire fighting and district administration	\$ 78,607
Ambulance	22,492
	<hr/>
Total depreciation	<u>\$ 101,099</u>

4. *COMPENSATED ABSENCES*

The District requires that all personnel use vacation days prior to year-end, however the District has an agreement with the union to accrue sick days at a rate of six days per year up to a maximum of 60 days. If the employees are terminated prior to retirement they are entitled to 50 % of their unused sick days, which are accrued at their current hourly rate assuming 24-hour shifts. If the employees retire, they are entitled to 100 % of their unused sick days. The following schedule is based on 50 % of sick pay. The agreement also provides for compensation if an employee does not use sick days

	Beginning	(Decrease)	Ending
Compensated absences			
Current	\$ 42,784	\$ (28,236)	\$ 14,548
Long-term	148,864	(6,643)	142,221
	<hr/>	<hr/>	<hr/>
	\$ 191,648	\$ (34,879)	\$ 156,769

5. *INTERFUND RECEIVABLES AND PAYABLES*

December 31, 2005 inter-fund balances are as follows:

	Due From	Due To
General fund	\$ 26,000	\$ 221,309
Internal service fund	-	25,350
Pension fund	-	
Ambulance fund	219,708	-
Debt service fund	951	-
Central alarm fund	-	-
	<hr/>	<hr/>
Total	\$ 246,659	\$ 246,659

The purpose of the interfund debt is short term financing. Interest has not been charged.



LEMAY FIRE PROTECTION DISTRICT  
Notes to The Financial Statements  
December 31, 2005  
(Continued)

*6. LONG-TERM DEBT*

In 1992, the fire district received authorization from its voters in a special election to issue debt for the construction of a new fire station building. The total bonds authorized were \$ 1,500,000. The bond issue will be paid in 2006. The bonds are funded by property taxes. The bonds have an interest rate of 5.969%.

Changes in long-term debt are as follows:

	Beginning Balance	Proceeds	Payments	Ending Balance
General Obligation Bonds	\$ 300,000	\$ -	\$ 145,000	\$ 155,000

Debt Service Requirements to maturity for the bonds capital leases and bank note are as follows:

Year ended December 31	Principal	Interest	Total
2006	\$ 155,000	\$ 4,805	\$ 159,805
Grand Total	\$ 155,000	\$ 4,805	\$ 159,805

Legal debt margin:

Assessed valuation January 1, 2005	\$172,949,333
Debt limit - 5% of assessed value	\$ 8,647,467
Less general obligation bonds	(155,000)
Add amount available in debt service fund	195,304
Legal debt margin	\$ 8,687,771

*7. COMMITMENTS*

The district has a contract with the South County Fire Alarm Service for dispatching services is renewable from year to year at about \$ 41,000 per year.

## LEMAY FIRE PROTECTION DISTRICT

### Notes to The Financial Statements

December 31, 2005

(Continued)

#### *8. PENSION PLAN*

The district has a defined contribution pension plan funded by a group annuity contract at the Principal Life Insurance Company. The new plan covers substantially all employees of the district. The Principal Life Insurance Company has assumed the liability for defined benefits of the previous plan and the district will have no obligation to make payments to the pension plan. The district will make payments to the new plan on a discretionary basis. Covered payroll for the year was \$ 1,399,363.

Also, the district has an employee savings plan matched by the district.

The district also has a section 457 deferred compensation plan, which covers all employees and independent contractors of the district.

#### *9. CASH*

Cash is restricted for use in the funds for which the taxes were assessed.

The General and ambulance fund cash are pooled.

#### *10. RISK MANAGEMENT*

The district is exposed to various risks such as casualties, workmen's compensation, and litigation. In order to reduce its exposure to loss, the District purchases commercial insurance policies. The district self-insures itself for employee medical benefits. The district purchases stop loss coverage to hedge against catastrophic medical claims the district has not had any insurance settlements in excess of insurance coverage the past three years.

#### *11. MEDICAL CLAIMS INCURRED BUT NOT REPORTED*

The District has estimated claims incurred but not reported for medical claims without the benefit of a formal study. The board of Directors has adopted policies to limit claims however it is not known such policies will actually limit claims if challenged.

*Supplemental Information That Is  
Required by GASB*

LEMAY FIRE PROTECTION DISTRICT  
General Fund  
Budgetary Comparison Schedule  
For the year ended December 31, 2005

	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET
Revenues:				
Property Taxes	\$ 1,621,388	\$ 1,443,000	\$ 1,526,000	\$ 95,388
Interest Income	21,541	8,500	21,000	541
Other Income	10,705	5,000	10,500	205
<b>Total Revenues</b>	<b>1,653,634</b>	<b>1,456,500</b>	<b>1,557,500</b>	<b>96,134</b>
Expenditures:				
Personnel:				
Clothing	7,597	11,000	7,700	(103)
Employee Benefits	134,279	115,168	134,400	(121)
Employee Physical	2,651	4,000	2,700	(49)
Social Security	68,193	61,952	68,221	(28)
Wages	873,899	829,419	879,600	(5,701)
<b>Personnel Subtotal</b>	<b>1,086,619</b>	<b>1,021,539</b>	<b>1,092,621</b>	<b>(6,002)</b>
Administration:				
Directors Fees	26,877	27,500	27,000	(123)
Social Security Directors	2,233	2,104	2,243	(10)
Dues and Subscriptions	2,621	4,000	2,700	(79)
Office Supplies	2,653	4,500	2,700	(47)
<b>Administration Subtotal</b>	<b>34,384</b>	<b>38,104</b>	<b>34,643</b>	<b>(259)</b>
General Overhead:				
Maintenance Building	24,943	30,000	25,250	(307)
Meetings	24	300	100	(76)
Fire Prevention	2,310	1,500	2,375	(65)
Gasoline and Oil	6,821	4,500	6,900	(79)
Insurance and Bonds	87,478	92,275	87,700	(222)
Miscellaneous Expense	(122)	7,500	3,000	(3,122)
Maintenance Equipment	28,550	30,000	28,500	50
Supplies	2,506	4,500	2,600	(94)
Training - EMT	5,115	7,000	5,200	(85)
Telephone	4,919	5,000	5,000	(81)
Utilities	23,896	21,000	23,950	(54)
Election Expense	5,403	5,000	5,450	(47)
<b>General Overhead Subtotal</b>	<b>191,843</b>	<b>208,575</b>	<b>196,025</b>	<b>(4,182)</b>
Debt Service				
Interest Expenses	37	-	50	(13)
<b>Debt Service Subtotal</b>	<b>37</b>	<b>-</b>	<b>50</b>	<b>(13)</b>

See Auditor's Report Regarding This Information

LEMAY FIRE PROTECTION DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the year ended December 31, 2005  
 ( continued )

	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET
Other:				
Legal Settlements	-	25,000	25,000	(25,000)
Other	-	-	(2,775)	2,775
Professional Fees	32,770	35,100	33,050	(280)
Purchase Small Fixed Assets	490	1,000	500	(10)
Purchase . Fixed Assets	5,691	15,750	5,800	(109)
Other Subtotal	38,951	76,850	61,575	(22,624)
Total Expenditures	1,351,834	1,345,068	1,384,914	(33,080)
Excess of Revenue Over (Under)				
Expenditures before other financing sources uses	301,800	111,432	172,586	129,214
Other financing sources Uses				
Proceeds of Capital Lease	-	-	-	-
Excess of Revenue Over (Under)				
Expenditures	301,800	111,432	172,586	129,214
Fund Balance Beginning	1,259,345	1,259,345	1,259,345	-
Fund Balance Ending	\$ 1,561,145	\$ 1,370,777	\$ 1,431,931	\$ 129,214

See Auditor's Report Regarding This Information



*LEMAY FIRE PROTECTION DISTRICT*  
Central Dispatch Fund  
Budgetary Comparison Schedule  
For the year ended December 31, 2005

	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET
Revenues:				
Property Taxes	\$ 81,675	\$ 73,000	\$ 77,000	\$ 4,675
Proceeds from sales	-	-	-	-
Interest Income	211	125	200	11
Total Revenues	81,886	73,125	77,200	4,686
Expenditures:				
Central Dispatch	41,177	47,000	41,500	(323)
Central Dispatch Phone Serv.	4,171	5,500	4,200	(29)
Maintenance of Equipment	3,240	500	3,300	(60)
Miscellaneous	-	-	-	-
Office Supplies	60	300	400	(340)
Purchases of Fixed assets	-	-	-	-
Total Expenditures	48,648	53,300	49,400	(752)
Excess of Revenue Over (Under) Expenditures	33,238	19,825	27,800	5,438
Fund Balance Beginning	67,007	67,007	67,007	-
Fund Balance Ending	\$ 100,245	\$ 86,832	\$ 94,807	\$ 5,438

*See Auditor's Report Regarding This Information*

*LEMAY FIRE PROTECTION DISTRICT*  
Ambulance Fund  
Budgetary Comparison Schedule  
For the year ended December 31, 2005

	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET
Revenues and Other Sources				
Property Taxes	\$ 382,584	\$ 335,000	\$ 354,000	\$ 28,584
Ambulance Charges	447,830	300,000	408,000	39,830
Other Income	410	200	250	160
<b>Total Revenues</b>	<b>830,824</b>	<b>635,200</b>	<b>762,250</b>	<b>68,574</b>
Expenditures:				
Personnel:				
Clothing	4,864	3,500	4,900	(36)
Employee Benefits	45,439	48,931	45,500	(61)
Employee Physical	1,828	2,000	1,900	(72)
Social Security Contrib.	39,803	42,853	39,831	(28)
Wages	525,464	570,000	524,000	1,464
<b>Personnel Subtotal</b>	<b>617,398</b>	<b>667,284</b>	<b>616,131</b>	<b>1,267</b>
General Overhead:				
Gasoline and Oil	7,054	4,200	7,100	(46)
Insurance and Bonds	45,844	31,000	46,000	(156)
Maintenance	9,526	21,500	9,600	(74)
Miscellaneous Expenses	2,064	4,200	2,200	(136)
Medical Supplies	18,110	21,000	18,200	(90)
Office Supplies	4,717	1,500	4,800	(83)
Professional fees	207		250	(43)
Telephone	-			-
Collection Fees Ambulance Charges	36,374	24,000	36,500	(126)
Training - EMT	3,615	3,000	3,700	(85)
<b>General Overhead Subtotal</b>	<b>127,511</b>	<b>110,400</b>	<b>128,350</b>	<b>(839)</b>
Other:				
Purchase of Fixed Assets	125,396	10,500	125,500	(104)
<b>Other Subtotal</b>	<b>125,396</b>	<b>10,500</b>	<b>125,500</b>	<b>(104)</b>
<b>Total Expenditures</b>	<b>870,305</b>	<b>788,184</b>	<b>869,981</b>	<b>324</b>
Excess of Revenues over (under) Expenditures	(39,481)	(152,984)	(107,731)	68,250
<b>Fund Balance Beginning</b>	<b>432,901</b>	<b>432,901</b>	<b>432,901</b>	<b>-</b>
<b>Fund Balance Ending</b>	<b>\$ 393,420</b>	<b>\$ 279,917</b>	<b>\$ 325,170</b>	<b>\$ 68,250</b>

*See Auditor's Report Regarding This Information*



**LEMAY FIRE PROTECTION DISTRICT**  
 Pension Fund  
 Budgetary Comparison Schedule  
 For the year ended December 31, 2005

	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET
Revenues:				
Property Taxes	\$ 168,997	\$ 146,000	\$ 154,000	\$ 14,997
Interest income	436	300	400	36
<b>Total Revenues</b>	<b>169,433</b>	<b>146,300</b>	<b>154,400</b>	<b>15,033</b>
Expenditures:				
Pension Plan Contributions	150,010	142,000	150,500	(490)
Admin Fees	4,658	2,000	4,700	(42)
Death benefits	-	5,000	-	-
<b>Total Expenditures</b>	<b>154,668</b>	<b>149,000</b>	<b>155,200</b>	<b>(532)</b>
Excess of Revenue Over (Under)				
Expenditures	14,765	(2,700)	(800)	15,565
Fund Balance Beginning	140,331	140,331	140,331	-
<b>Fund Balance Ending</b>	<b>\$ 155,096</b>	<b>\$ 137,631</b>	<b>\$ 139,531</b>	<b>\$ 15,565</b>

See Auditor's Report Regarding This Information

LEMAY FIRE PROTECTION DISTRICT  
Notes to Required Supplementary Information  
Budgetary Comparison Schedules.  
December 31, 2005

The budget is prepared in using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available.

The budget is prepared by a third party hired by the District to be the Budget Officer prior to the beginning of the year.

The budget is then approved by the board of directors and amended as necessary.

*Supplemental Information That Is  
Not Required To Be Presented*

**LEMAY FIRE PROTECTION DISTRICT**  
 Debt Service Fund  
 Budgetary Comparison Schedule  
 For the year ended December 31, 2005

	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET
Revenues:				
Property Taxes	\$ 94,625	\$ 167,805	\$ 81,000	\$ 13,625
Interest income	3,069	1,800	3,000	69
<b>Total Revenues</b>	<b>97,694</b>	<b>169,605</b>	<b>84,000</b>	<b>13,694</b>
Expenditures:				
Principal	145,000	135,000	135,000	10,000
Interest	14,069	27,000	24,100	(10,031)
Bank charges	23	15	25	(2)
Admin Fees	488	473	500	(12)
<b>Total Expenditures</b>	<b>159,580</b>	<b>162,488</b>	<b>159,625</b>	<b>(45)</b>
Excess of Revenue Over (Under) Expenditures	(61,886)	7,117	(75,625)	13,739
<b>Fund Balance Beginning</b>	<b>257,190</b>	<b>257,190</b>	<b>257,190</b>	<b>-</b>
<b>Fund Balance Ending</b>	<b>\$ 195,304</b>	<b>\$ 264,307</b>	<b>\$ 181,565</b>	<b>\$ 13,739</b>

See Auditor's Report Regarding This Information

*LEMAY FIRE PROTECTION DISTRICT*

Schedule of Insurance in Force

*December 31, 2005*

<i>POLICY</i>	<i>COMPANY</i>	<i>COVERAGE</i>	
Property & Casualty/Automobile	American Alternative Insurance Company	General Aggregate	\$ 3,000,000
		Each Occurrence	\$ 1,000,000
Umbrella		Each Occurrence	\$ 4,000,000
		Aggregate	\$ 8,000,000
Workers Compensation	Missouri Employees Mutual Insurance Co	Statutory Limits	
Employee Major Medical	Star Mark Self Insured	Stop Loss	

*See Accountant's Report Regarding This Information*

*LEMAY FIRE PROTECTION DISTRICT*  
Tax Years 2001 Through 2005  
Schedule of Assessed Valuation, Tax Rate and Tax Levy  
December 31, 2005

	2001	2002	2003	2004	2005
Assessed Valuation:					
Real Estate	\$ 111,291,497	\$ 110,690,625	\$ 115,248,080	\$ 118,198,135	\$ 140,653,747
Personal Property	34,000,000	34,961,702	31,857,351	30,585,220	32,295,586
Total Valuation	\$ 145,291,497	\$ 145,652,327	\$ 147,105,431	\$ 148,783,355	\$ 172,949,333
Tax Rate per \$100 of					
Assessed Valuation:					
General Fund	0.960	0.960	0.980	0.976	0.878
Ambulance Fund	0.220	0.220	0.230	0.227	0.089
Pension Fund	0.100	0.100	0.100	0.099	0.044
Central Alarm Fund	0.030	0.030	0.050	0.049	0.207
Debt Service	0.090	0.090	0.110	0.086	0.047
Total Tax Rate	1.400	1.400	1.470	1.437	1.265
Tax Levy	\$ 2,034,081	\$ 2,039,133	\$ 2,162,450	\$ 2,138,017	\$ 2,187,809

*See Accountant's Report Regarding This Information*

*LEMAY FIRE PROTECTION DISTRICT*  
Schedule of Delinquent Taxes  
Receivable Not Collected By February 28, 2006  
December 31, 2005

<i>YEAR</i>	<i>REAL ESTATE</i>	<i>PERSONAL PROPERTY</i>	<i>MERCHANTS AND MANUFACTURERS</i>	<i>SURCHARGE</i>	<i>TOTAL</i>	<i>PERCENTAGE OF TOTAL</i>
2005	\$ 173,819	\$ 82,241	\$ -	\$ 18,382	\$ 274,442	74.48%
2004	30,510	23,399	-	557	54,466	14.78%
2003	7,304	12,925	3	555	20,787	5.64%
2002	(537)	9,520	3	190	9,176	2.49%
2001 & Prior	(1,980)	11,553	82	(69)	9,586	2.61%
Total	\$ 209,116	\$ 139,638	\$ 88	\$ 19,615	\$ 368,457	100.00%

*See Accountant's Report Regarding This Information*



*LEMAY FIRE PROTECTION DISTRICT*  
Schedule of Principal Officeholders  
December 31, 2005

<i>OFFICE HOLDER</i>	<i>TERM EXPIRES</i>	<i>AMOUNT PAID</i>	<i>SURETY BOND</i>	<i>EXPENSE REIMBURSEMENTS</i>
John C Bettag Chairman	2007	\$ 8,949	\$ 20,000	
Jerry G Schloss Treasurer	2009	\$ 8,800	\$ 20,000	\$ -
David Meyer Secretary	2011	\$ 6,750	\$ 20,000	\$ -
Neil J. Svetanics Chief	NA	\$ 92,040	\$ 20,000	\$ -

The board of directors is elected and the board determines which of its members will serve as president, treasurer and secretary. The board appoints the chief.

Compensation is \$ 200 a meeting, for each director. In addition, the chairman of the board of directors may receive \$25 for attending each regularly or specially called board meeting, but shall not be paid the additional fee for attending more than two meetings in any calendar month. The secretary and the treasurer, if they are members of the board of directors, may each receive such additional compensation for the performance of their respective duties, as secretary and treasurer, as the board shall deem reasonable and necessary not to exceed \$1,000 per year.

*See Accountant's Report Regarding This Information*

LEMAY FIRE PROTECTION DISTRICT  
History & Organization  
December 31, 2005

Lemay Fire Protection District was initially incorporated as an organization of Luxembourg Volunteer Fire Department, Longwood Fire association and Bismark Heights Volunteer Fire Department in July 1911. The organization bought a lot at the corner of the present Orient and Erskine Avenues and erected a small engine house. In 1917, the Department changed its name from Bismark Heights to Dewey Heights. On December 6, 1920, the Longwood and Luxembourg Departments were invited to consolidate with the Dewey Heights Department. On May 12, 1921, the Luxembourg Department and on July 9, 1921, the Longwood department turned its equipment over to the Dewey Heights Department. On February 9, 1933, the general meeting voted to install the tag system. The department generated revenue from the sale of "fire tags" to homeowners and businesses. Those without fire tags paid a fee to have a fire extinguished. In May 1933, regular volunteer firefighters were housed in the engine house to provide 24-hour service.

The officers of the District were elected yearly and the meetings were open to the public. In 1938, the principals were turned over to the Lemay Volunteer Fire Department.

In the summer of 1942, the Lemay Volunteer Fire Department became the Lemay Fire Protection District, becoming the first fire district to be incorporated in the State of Missouri. Trustees were elected and a \$25,000 bond issue was approved. In March 1949, the district sold \$25,000 in bonds to Lemay Bank and Trust Company. On March 1, 1956, these bonds were retired.

On April 4, 1967, the taxpayers approved a Pension Program tax for the fire fighters and in April of 1978, the taxpayers authorized an ambulance tax. In January of 1979, the first Lemay Fire Protection District ambulance went into service. In May of 1979, the Fire District received a second ambulance through a government subsidy program.

Since the incorporation of the district, it has grown from nine paid fire fighters and two pumpers to over 24 paid fire fighters and paramedics.

The total area that the District protects is approximately 4.5 square miles with a population of approximately 25,000 to 30,000 residents.

In 1991, the District voters passed a \$ 1,500,000 bond issue to construct a new firehouse at 1201 Telegraph Road. The firehouse was completed in the fall of 1993.

*See Accountants Report Regarding This Information*