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Financial Report, 2004

Metro West Fire Protection District

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CLAIRE C. McCASKILL
Missouri State Auditor

June 21, 2005

Robert B. Offerman, CPA
Hochschild, Bloom & Company LLP
16100 Chesterfield Parkway West, Suite 125
Chesterfield, MO 63017-4829

RE: Metro West Fire Protection District of St. Louis County

Fiscal Period: One Year Ended December 31, 2004 ✓

Dear Mr. Offerman:

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,

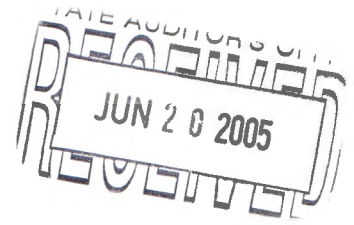
CLAIRE C. McCASKILL
STATE AUDITOR

A handwritten signature in cursive script that reads "Judy Buerky".

Judy Buerky
Local Government Analyst



Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors



June 15, 2005

Ms. Claire C. McCaskill
State Auditor of Missouri
P.O. Box 869
Jefferson City, MO 65102

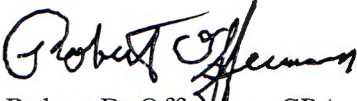
RE: Metro West Fire Protection District

Dear Ms. McCaskill:

Our Firm performed an audit of the financial statements of the Metro West Fire Protection District as of December 31, 2004 and for the year then ended.

Per the requirement of audits of Fire Protection Districts in St. Louis County (15CSR40-4(4)), we are submitting to you a copy of the completed audit report and management letter.

Sincerely yours,


Robert B. Offerman, CPA
Partner

RBO/smm

Enclosures

cc: Chief Vincent T. Loyal

- 16100 Chesterfield Parkway West, Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055
- 1000 Washington Square, P.O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448



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Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

March 18, 2005

Board of Directors
METRO WEST FIRE PROTECTION DISTRICT
P.O. Box 310
Wildwood, MO 63040

In planning and performing our audit of the basic financial statements of **METRO WEST FIRE PROTECTION DISTRICT** (the District) for the year ended December 31, 2004, we considered its internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and improving operating efficiency.

The memorandum that accompanies this letter entitled "Internal Control and Management Comments and Recommendations" summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated March 18, 2005 on the basic financial statements of the District.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel.

We wish to express our appreciation for the cooperation and courtesy extended to us by all personnel. We will be pleased to discuss these recommendations with you in greater detail at your convenience. Should you desire assistance in the implementation of these recommendations, please do not hesitate to contact us.

Hochschild Bloom & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

- 16100 Chesterfield Parkway West, Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055
- 1000 Washington Square, P.O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448



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METRO WEST FIRE PROTECTION DISTRICT
INTERNAL CONTROL AND MANAGEMENT
COMMENTS AND RECOMMENDATIONS

Findings for the year ended December 31, 2004:

1. COMPLIANCE REPORTING POLICY

Finding

The American Institute of Certified Public Accountants (AICPA) Statement on Auditing Standards No. 99, *Consideration of Fraud in a Financial Statement Audit* focuses on the auditor's consideration of fraud in an audit of financial statements. It is District management's responsibility to design and implement programs and internal controls to prevent, detect, and deter fraud. The District leadership sets the proper tone and creates and maintains a culture of honesty and high ethical standards.

Recommendation

In light of the issuance by the AICPA of SAS 99, we recommend the District's management consider developing a fraud detection program that provides for the procedures to be followed should anyone suspect that fraudulent activity is occurring at the District.

Management Response

The District's management has plans to review and assess the need to develop a policy during 2005.

2. INVESTMENT POLICY

Finding

We noted the District does not have a written investment policy.

Recommendation

We recommend the District adopt a written investment policy in order to communicate its policies, reduce risk, and maintain needed liquidity.

Management Response

The District is developing a more formalized policy for documenting and communicating its investment activity.

METRO WEST FIRE PROTECTION DISTRICT
INTERNAL CONTROL AND MANAGEMENT
COMMENTS AND RECOMMENDATIONS

Findings for the year ended December 31, 2003:

1. BUDGETARY PROCEDURES

A. Finding

The District's budget is to be presented in the format detailed in Section 67.010, RSMo, which requires that the annual budget shall present a complete financial plan for the ensuing budget year, and that the budget shall include four specific pieces of information. These are:

- 1) A budget message describing the important features of the budget and major changes from the preceding year. This is a very general portion of the budget and should explain how the budget was developed, who was involved in its development, and why the proposed solutions to acknowledged needs were selected. The goals and objectives of the District should be stated and related to the budget design. There should be a rather detailed explanation of what the activities proposed in the budget are designed to do in regard to the achievement of stated goals and objectives.
- 2) Estimated revenues to be received from all sources for the budget year, with a comparative statement of actual or estimated revenues from the prior two years, itemized by year, fund, and source and intended use.
- 3) Proposed expenditures for the budget year, together with a comparative statement of actual or estimated expenditures for the prior two years for each department, office, commission, or other classification itemized by year, fund, function, and object.
- 4) A schedule detailing the amount required for payment of interest, amortization, and redemption charges on the debt of the political subdivision. A general budget summary and budget transfer summary detail (not a statutory requirement but necessary to determine if expenditures are in line with permitted transfers) which together summarize the budgetary requirements of the District to meet the full statutory requirement of budget detail. The budget summary should include information concerning:
 - a. Assessed valuation
 - b. Unadjusted and adjusted tax levies
 - c. Estimated beginning balances by fund
 - d. Estimated receipts by fund
 - e. Estimated expenditures by fund
 - f. Estimated transfers by fund
 - g. Estimated ending balances by fund
 - h. Estimated restricted fund balance by fund

METRO WEST FIRE PROTECTION DISTRICT
INTERNAL CONTROL AND MANAGEMENT
COMMENTS AND RECOMMENDATIONS

1. BUDGETARY PROCEDURES (Continued)

Recommendation

We continue to recommend that the Board familiarize themselves with the requirements of the budgetary statute and develop procedures to insure compliance therewith.

Management Response

The District's budget was restructured in 2003 to more closely reflect the format detailed in Section 67.010, RSMo. This process was refined and completed in the preparation of the 2004 budget approved by the Board of Directors.

B. Finding

The District's Pension Trust Fund consists of both tax collections to fund future retirement contributions and accumulated plan benefits from contributions made to the defined benefit plan in prior years. The Board's current budgeting practice is to adopt a budget only for the portion of the Pension Trust Fund consisting of tax collections for future contributions. No budget is adopted for the other half of the fund that consists primarily of investment return and benefit payments. This practice makes comparisons of budgeted results to actual performance meaningless since a budget was adopted for only half of the fund activity and is compared to total fund activity.

Recommendation

We recommend that the budget include all activity of the fund instead of activity for only a portion of the fund.

Management Response

The District combined all pension activities in the preparation of the 2004 budget.

C. Finding

During the current year audit, we noted that the District budgeted a deficit fund balance in the General and Debt Service Funds. This is not in compliance with state statute.

Recommendation

We recommend that the District closely monitor any beginning monies budgeted for in comparison to the actual results of the audit and amend the budgets accordingly to prevent this from occurring in the future.

METRO WEST FIRE PROTECTION DISTRICT
INTERNAL CONTROL AND MANAGEMENT
COMMENTS AND RECOMMENDATIONS

1. BUDGETARY PROCEDURES (Continued)

Management Response

The District is aware that the General Fund's 2003 budgeted expenditures exceeded revenues. It is exploring various alternatives to correct the deficit.

At the time of the 2003 budget preparation, the debt service expenses were estimated by the underwriters and included in the budget. The tax levy funds were estimated later in the year and, therefore, not included in the budget. Future years should not reflect a deficit balance.

2. FRAUD POLICY

A. Finding

There have been several well publicized frauds involving large organizations in the last few years. Because of this publicity, there may be a misperception that fraud affects only large organizations. However, fraud occurs in organizations of all sizes, and almost any employee may be capable of perpetrating a fraudulent act given the right set of circumstances.

Whereas the highly publicized frauds at large public organizations involved fraudulent financial reporting, for smaller organizations, one of the primary fraud risks is the ever-present risk of misappropriation of assets (theft), particularly fraudulent cash disbursements. The opportunity to commit and conceal fraud exists where there are assets susceptible to misappropriation and inadequate controls to prevent or detect the fraud. To address this risk, we recommend that the District perform a risk assessment to identify, analyze, and manage the risk of asset misappropriation. Risk assessment, including fraud risk assessment, is one element of internal control. Thus, ideally, the District's internal control should include performance of this assessment, even though our annual financial statement audits include consideration of fraud.

Recommendation

The fraud risk assessment can be informal and performed by a management-level individual who has extensive knowledge of the District. Ordinarily, the management-level individual would conduct interviews or lead group discussions with personnel who also have an extensive knowledge of the District, its environment, and its processes. The fraud risk assessment process should consider the District's vulnerability to misappropriation of assets.

Once areas vulnerable to fraud have been identified, a review of the District's systems, procedures, and existing controls relating to the identified areas should be conducted. The District should consider what additional controls need to be implemented to reduce the risk of fraud.

METRO WEST FIRE PROTECTION DISTRICT
INTERNAL CONTROL AND MANAGEMENT
COMMENTS AND RECOMMENDATIONS

2. FRAUD POLICY (Continued)

When assessing the District's internal control, the relationship between the nature and extent of fraud controls recommended and the cost of implementing those controls should be considered.

We would be pleased to provide more information about performing a risk assessment or assist management in performing one.

Management Response

The District has implemented internal control policies to reduce the risk of fraud. As an ongoing practice, these policies are reviewed annually to determine if additional controls are required.



Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

**METRO WEST FIRE
PROTECTION DISTRICT**

FINANCIAL REPORT
(Audited)

Year Ended December 31, 2004

METRO WEST FIRE PROTECTION DISTRICT

FINANCIAL REPORT

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INDEPENDENT AUDITORS' REPORT

March 18, 2005

Board of Directors
METRO WEST FIRE PROTECTION DISTRICT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **METRO WEST FIRE PROTECTION DISTRICT** (the District) as of and for the year ended December 31, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. 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. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of December 31, 2004, and the respective changes in financial position thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 18, 2005 on our consideration of the 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.

- 16100 Chesterfield Parkway West, Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055
- 1000 Washington Square, P.O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448



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The Management's Discussion and Analysis and Required Supplemental Information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Hochschild Bloom & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

METRO WEST FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004

This section of the Metro West Fire Protection District's (the District) financial report presents Management's Discussion and Analysis (MD&A) of the District's financial activities during the fiscal year ended December 31, 2004. The MD&A is designed to focus on current activities, resulting changes, and currently known facts for the current year. Professional standards also require the inclusion of certain comparative information be included in the MD&A. Please read it in conjunction with the District's basic financial statements (pages 8 through 15) and the notes to financial statements (pages 16 through 33). Responsibility for the completeness and fairness of this information rests with the District.

USING THIS ANNUAL REPORT

The financial statements are reported using the reporting model under Governmental Accounting Standards Board Statement No. 34 (GASB 34), which focuses on the District as a whole. The District's basic financial statements are designed to emulate corporate presentation models whereby all District activities are consolidated into one total. The focus of the Statement of Net Assets is designed to be similar to bottom line results for the District. This statement combines and consolidates current financial resources (short-term spendable resources) with capital assets. The Statement of Activities focus on both the gross costs and the net costs of District activities, which are supported mainly by property taxes and by other District revenues. This approach is intended to summarize and simplify the user's analysis of the costs of various District services to the public.

FINANCIAL HIGHLIGHTS

Assets exceeded liabilities (net assets) by \$22.8 million as of December 31, 2004. Of this amount, \$7.2 million is invested in capital assets (net of related debt), \$6.4 million is restricted for specific activities, and \$9.2 million is unrestricted and available to meet current and future obligations of the District.

METRO WEST FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The condensed Statement of Net Assets was as follows:

	<u>December 31</u>	
	<u>2004</u>	<u>2003</u>
ASSETS		
Current assets	\$22,752,092	22,799,270
Capital assets, net of depreciation	<u>8,324,363</u>	<u>7,988,739</u>
Total Assets	<u>31,076,455</u>	<u>30,788,009</u>
LIABILITIES		
Current liabilities	2,227,595	1,435,535
Noncurrent liabilities	<u>6,057,290</u>	<u>6,722,700</u>
Total Liabilities	<u>8,284,885</u>	<u>8,158,235</u>
NET ASSETS		
Invested in capital assets, net of related debt	7,218,925	7,988,739
Restricted	6,394,900	7,254,116
Unrestricted	<u>9,177,745</u>	<u>7,386,919</u>
Total Net Assets	<u>\$22,791,570</u>	<u>22,629,774</u>

As of December 31, 2004, the District's net assets were \$22.8 million, of which 32% represented investment in capital assets and 40% represented resources that are unrestricted and were available for the operation and support of the District. The District's current assets totaled \$22.8 million, of which 69% represented cash and cash equivalents and 30% represented property taxes receivable. Total liabilities were \$8.3 million, of which 27% was current and 73% was noncurrent.

Operating revenues include activities that have the characteristics of exchange transactions, such as commercial and residential inspections and ambulance billings. Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as local property taxes and investment earnings. Operating expenses are those expenses for the purpose of providing fire protection, emergency medical services, and operational activities of the District. The District's operating expenses are funded primarily through nonoperating revenues. Total revenues, net of operating expenses, at December 31, 2004 was \$0.16 million.

Total operating expenses at December 31, 2004 were \$15.6 million. Fire protection and prevention represented 63% of the total operating expenses, while ambulance expenses were 31% and dispatch expenses represented 6%.

Governmental activities. This analysis focuses on the net assets and changes in net assets of the District's governmental activities. The condensed Statement of Activities was as follows:

METRO WEST FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004

	For The Years	
	Ended December 31	
	2004	2003
REVENUES		
Program revenues:		
Charges for services	\$ 308,269	318,350
General revenues:		
Taxes	15,107,640	14,616,770
Investment earnings	163,772	115,160
Other	<u>139,402</u>	<u>-</u>
Total Revenues	<u>15,719,083</u>	<u>15,050,280</u>
EXPENSES		
Fire protection and prevention	9,742,324	9,841,472
Ambulance and EMS services	4,768,635	4,586,681
Dispatch services	890,617	665,895
Interest on long-term debt	<u>155,711</u>	<u>186,661</u>
Total Expenses	<u>15,557,287</u>	<u>15,280,709</u>
CHANGE IN NET ASSETS	161,796	(230,429)
NET ASSETS, JANUARY 1	<u>22,629,774</u>	<u>22,860,203</u>
NET ASSETS, DECEMBER 31	<u>\$22,791,570</u>	<u>22,629,774</u>

FUND ANALYSIS

General Fund. General Fund revenues exceeded expenditures by \$300,561. The largest expenditure in the General Fund related to salaries, which accounted for 70% (\$5.5 million) of the total General Fund expenditures. The fund balance increased from \$7.3 million to \$7.6 million or \$0.3 million.

Ambulance Fund. Ambulance and EMS revenues exceeded expenditures by \$487,255. Over 95% of ambulance expenditures are related to salaries. The fund balance increased from \$4.5 million to \$4.9 million or \$0.4 million.

Capital Projects Fund. The Capital Projects Fund accounts for capital improvement expenditures. During 2004 the fund balance decreased from \$7.3 million to \$6.4 million. The replacement of two staff vehicles and renovation of Engine House #4 accounted for the majority of the capital expenditure.

BUDGET ANALYSIS

The District elected to conserve cash and improve operating cash by reducing capital improvement expenditures funded through the General Fund operating funds. Actual capital expenditures from the General Fund totaling \$32,892 were \$27,813 less than originally budgeted.

**METRO WEST FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004**

CAPITAL ASSETS

The District's capital assets increase is due to an increase in building improvements and equipment. Capital projects currently are in response to expanded growth needs of the District. During the fiscal year ended December 31, 2004, major maintenance projects were completed at Station 2 and Station 3. Complete replacement of Station 4 was approved and construction began with anticipated completion in late 2005. Two new staff vehicles were purchased and 2 quint firefighting vehicles were ordered with delivery expected in the summer of 2005.

As of December 31, 2004, the District had invested \$8,324,363 in capital assets, net of accumulated depreciation, as shown in the following table:

	December 31	
	2004	2003
Land	\$ 472,200	472,200
Buildings and improvements	6,178,798	6,110,594
Vehicles	4,606,835	4,584,514
Equipment	1,200,445	1,031,864
Construction in progress	<u>634,530</u>	<u>127,658</u>
	13,092,808	12,326,830
Less - Accumulated depreciation	<u>4,768,445</u>	<u>4,338,091</u>
Net Capital Assets	<u>\$ 8,324,363</u>	<u>7,988,739</u>

LONG-TERM DEBT

The District received voter approval in 2003 to issue bonds totaling \$14.9 million. The purpose of the bond is to fund apparatus replacement and facility replacement/renovations. Initial bond proceeds of \$7.3 million were received in July 2003 with the remaining bonds to be issued in the future. The outstanding bonds at December 31, 2004 totaled \$6,710,000 and repayment of principal and interest are as follows:

For The Years Ended December 31	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 685,000	146,940	831,940
2006	700,000	133,090	833,090
2007	710,000	118,990	828,990
2008	725,000	104,640	829,640
2009 - 2013	<u>3,890,000</u>	<u>261,730</u>	<u>4,151,730</u>
	<u>\$6,710,000</u>	<u>765,390</u>	<u>7,475,390</u>

**METRO WEST FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004**

PERSONNEL ISSUES

The District's professional staff consists of 100 full-time employees within Administration, Operations, Prevention, and Education Divisions. The District provides emergency services from five (5) fire and emergency medical service stations strategically located through the 57.5 square mile district in west St. Louis County. The District also maintains a reserve staff of approximately 20 firefighters and paramedics and an Explorer Post with 15 members.

Minimal turnover of the professional staff occurred in 2004. One long-term employee (30 years) retired and one 13-year employee accepted disability retirement benefits. The process to replace these employees was conducted in the fall of 2004 and two new employees began work as of January 1, 2005.

The Board of Directors reached agreement with the Professional Firefighters of Eastern Missouri Local 2665 in May of 2004 in the District's first Memorandum of Understanding. The effective dates of the agreement are June 1, 2004 to December 31, 2006.

ECONOMIC FACTORS

The District serves over 125,000 residents and has contractual mutual aid agreements with virtually every fire district and fire department in the east central area of Missouri. While the District includes office buildings and regional and local shopping areas, it is primarily made up of growing bedroom communities and, therefore, is somewhat insulated from major changes in the economy.

CONTACT INFORMATION

This financial report has been prepared in the spirit of full disclosure to provide the reader with an overview of the District's financial operations. If the reader has questions or would like additional information about the District, please direct the request to Chief Vince T. Loyal at 17065 Manchester Road, Wildwood, MO 63040.

METRO WEST FIRE PROTECTION DISTRICT
STATEMENT OF NET ASSETS
DECEMBER 31, 2004

	Governmental Activities
ASSETS	
Cash and investments	\$ 15,812,455
Receivables:	
Taxes, net of allowance for uncollectible amounts	6,807,939
Ambulance billings, net of allowance for uncollectible amounts	83,364
Accrued interest	19,709
Prepaid expenses	28,625
Capital assets:	
Land	472,200
Construction in progress	634,530
Other capital assets, net of accumulated depreciation	7,217,633
Total Assets	31,076,455
LIABILITIES	
Accounts payable	154,641
Accrued interest payable	51,263
Accrued wages and payroll taxes	192,513
Due to Fiduciary Fund - Pension Trust Fund	597,764
Net pension obligation	348,074
Noncurrent liabilities:	
Due within one year	883,340
Due in more than one year	6,057,290
Total Liabilities	8,284,885
NET ASSETS	
Invested in capital assets, net of related debt	7,218,925
Restricted for capital projects	6,394,900
Unrestricted	9,177,745
Total Net Assets	\$ 22,791,570

METRO WEST FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

	Expenses	Program Revenues - Charges For Services	Net Revenues (Expenses) And Change In Net Assets
FUNCTIONS/PROGRAMS			
Governmental Activities			
Fire protection and prevention	\$ 9,742,324	167,628	(9,574,696)
Ambulance and EMS services	4,768,635	140,641	(4,627,994)
Dispatch services	890,617	-	(890,617)
Interest on long-term debt	155,711	-	(155,711)
Total Governmental Activities	\$ 15,557,287	308,269	(15,249,018)
General Revenues			
Taxes			15,107,640
Investment earnings			163,772
Gain on sale of capital assets			95,983
Miscellaneous			43,419
Total General Revenues			15,410,814
CHANGE IN NETS ASSETS			161,796
NET ASSETS, JANUARY 1			22,629,774
NET ASSETS, DECEMBER 31			\$ 22,791,570

See notes to financial statements

METRO WEST FIRE PROTECTION DISTRICT
BALANCE SHEET - ALL GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	<u>General</u>	<u>Ambulance</u>	<u>Pension Revenue</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and investments	\$ 4,771,125	3,351,645	-	6,423,794	1,265,891	15,812,455
Receivables:						
Taxes, net of allowance for uncollectible amounts	3,460,561	1,786,903	659,691	-	900,784	6,807,939
Ambulance billings, net of allowance for uncollectible amounts	-	83,364	-	-	-	83,364
Accrued interest	-	-	-	19,709	-	19,709
Due from other funds	-	146,600	-	90,523	86,268	323,391
Prepaid items	28,625	-	-	-	-	28,625
Total Assets	<u>\$ 8,260,311</u>	<u>5,368,512</u>	<u>659,691</u>	<u>6,534,026</u>	<u>2,252,943</u>	<u>23,075,483</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 13,584	1,931	-	139,126	-	154,641
Accrued wages and payroll taxes	81,419	111,094	-	-	-	192,513
Deferred revenue	439,647	287,422	-	-	154,377	881,446
Due to other funds	139,783	-	659,691	-	121,681	921,155
Total Liabilities	<u>674,433</u>	<u>400,447</u>	<u>659,691</u>	<u>139,126</u>	<u>276,058</u>	<u>2,149,755</u>
Fund Balances						
Reserved for:						
Capital expenditures	-	-	-	6,394,900	-	6,394,900
Prepaid items	28,625	-	-	-	-	28,625
Unreserved, designated for:						
Subsequent year	7,299,570	3,769,367	-	-	622,456	11,691,393
Retirement of long-term debt	-	-	-	-	1,638,332	1,638,332
Unreserved:						
General	257,683	-	-	-	-	257,683
Special revenue	-	1,198,698	-	-	(283,903)	914,795
Total Fund Balances	<u>7,585,878</u>	<u>4,968,065</u>	<u>-</u>	<u>6,394,900</u>	<u>1,976,885</u>	<u>20,925,728</u>
Total Liabilities And Fund Balances	<u>\$ 8,260,311</u>	<u>5,368,512</u>	<u>659,691</u>	<u>6,534,026</u>	<u>2,252,943</u>	<u>23,075,483</u>

See notes to financial statements

METRO WEST FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2004

Total Fund Balance - Governmental Funds	\$ 20,925,728
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$13,092,808 and the accumulated depreciation is \$4,768,445.	8,324,363
Other long-term assets (property taxes receivable not collected within 60 days of year-end) are not available to pay for current period expenditures and, therefore, are deferred in the funds.	881,446
Net pension obligations are not financial resources and, therefore, are not reported in the funds.	(348,074)
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Those liabilities at year-end consist of:	
Accrued interest payable	(51,263)
General obligation bonds	(6,710,000)
Accrued compensated absences	(230,630)
Net Assets Of Governmental Activities	<u>\$ 22,791,570</u>

METRO WEST FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>General</u>	<u>Ambulance</u>	<u>Pension Revenue</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes	\$ 7,889,203	4,111,792	1,433,392	-	2,078,758	15,513,145
Ambulance billings	-	140,641	-	-	-	140,641
Investment earnings	42,337	31,028	-	85,418	4,989	163,772
Building permits	167,628	-	-	-	-	167,628
Miscellaneous	43,419	-	-	-	-	43,419
Total Revenues	<u>8,142,587</u>	<u>4,283,461</u>	<u>1,433,392</u>	<u>85,418</u>	<u>2,083,747</u>	<u>16,028,605</u>
EXPENDITURES						
Current:						
Fire, ambulance, and EMS services:						
General operations	2,234,264	141,070	-	-	-	2,375,334
Fire prevention bureau	9,274	-	-	-	-	9,274
Fire investigation and public relations	4,912	-	-	-	-	4,912
Training	54,258	14,809	-	-	-	69,067
Salaries	5,498,519	3,616,645	-	-	-	9,115,164
Employer contributions to pension	-	-	1,433,392	-	-	1,433,392
Operating equipment	26,135	5,818	-	-	-	31,953
Dispatch services	-	-	-	-	890,617	890,617
Capital outlay	32,892	17,864	-	1,026,525	-	1,077,281
Debt service:						
Principal	-	-	-	-	645,000	645,000
Interest	-	-	-	-	186,181	186,181
Total Expenditures	<u>7,860,254</u>	<u>3,796,206</u>	<u>1,433,392</u>	<u>1,026,525</u>	<u>1,721,798</u>	<u>15,838,175</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	282,333	487,255	-	(941,107)	361,949	190,430
OTHER FINANCING SOURCES						
Proceeds from sale of equipment	18,228	-	-	81,891	-	100,119
NET CHANGES IN FUND BALANCES	300,561	487,255	-	(859,216)	361,949	290,549
FUND BALANCES, JANUARY 1	<u>7,285,317</u>	<u>4,480,810</u>	<u>-</u>	<u>7,254,116</u>	<u>1,614,936</u>	<u>20,635,179</u>
FUND BALANCES, DECEMBER 31	<u>\$ 7,585,878</u>	<u>4,968,065</u>	<u>-</u>	<u>6,394,900</u>	<u>1,976,885</u>	<u>20,925,728</u>

See notes to financial statements

METRO WEST FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF ALL GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

Net Change In Fund Balances - Governmental Funds		\$ 290,549
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold \$984,684 exceeded depreciation (\$644,925) in the current period.		
	339,759	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Decrease in deferred tax revenue.		
	(405,507)	
The issuance of long-term debt and accumulated accrued benefits provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, it has no effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt:		
Increase in accrued compensated absences	(39,944)	
General obligation bond principal payments	<u>645,000</u>	
Net Adjustment		605,056
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Decrease in accrued interest payable on bonds	30,470	
Increase in net pension obligation	<u>(694,395)</u>	
		(663,925)
In the statement of activities, the loss or gain on the sale or disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from these assets. Net book value of capital assets disposed.		
		<u>(4,136)</u>
Change In Net Assets Of Governmental Activities		<u><u>\$ 161,796</u></u>

METRO WEST FIRE PROTECTION DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS - PENSION TRUST FUND
DECEMBER 31, 2004

ASSETS

Cash	\$ 1,577,496
Investments at fair value	20,381,228
Due from other funds	659,691
Total Assets	<u>22,618,415</u>

LIABILITIES

Accounts payable	80
Due to other funds	61,927
Total Liabilities	<u>62,007</u>

NET ASSETS

Held in trust for pension benefits	<u>\$ 22,556,408</u>
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METRO WEST FIRE PROTECTION DISTRICT
STATEMENT OF CHANGE IN FIDUCIARY NET ASSETS -
PENSION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

ADDITIONS

Investment income:	
Dividend and interest income	\$ 684,765
Net appreciation in fair value of investments	843,394
Total Investment Income	1,528,159
Employer contributions	1,433,392
Total Additions	2,961,551

DEDUCTIONS

Benefit payments	634,995
Actuarial and consulting fees	8,136
Legal fees	80
Administrative fees	92,763
Total Deductions	735,974

CHANGE IN NET ASSETS 2,225,577

NET ASSETS HELD IN TRUST FOR PENSION
 BENEFITS, JANUARY 1 20,330,831

NET ASSETS HELD IN TRUST FOR PENSION
 BENEFITS, DECEMBER 31 \$ 22,556,408

METRO WEST FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

METRO WEST FIRE PROTECTION DISTRICT (the District) is a political subdivision duly organized under the laws of the State of Missouri to supply protection to persons and property against injuries and damage from fire and to give assistance in the event of an accident or emergency of any kind. The financial statements include all accounts for the District which are controlled by the Board of Directors.

The accounting policies and financial reporting practices of the District conform to U.S. generally accepted accounting principles (GAAP) applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the District's more significant accounting policies:

1. Reporting Entity

The financial statements of the District consist only of the funds of the District. The District has no financial accountability for any other governmental entity since no other entities are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liabil-

METRO WEST FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

ity is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due (i.e. matured).

Property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Ambulance services are recorded at the time of service, net of allowances for uncollectible amounts. Inspection fees and other income are recorded as revenues when received in cash because they are generally not measurable until actually received. Interest income is recorded as earned since it is measurable and available.

The District reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The District reports the following major governmental funds:

General Fund -- This 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.

Ambulance Fund -- This fund receives tax revenue and disburses funds in order to provide ambulance services and emergency medical treatment for the District.

Pension Revenue Fund -- This fund is used to account for the collection of tax revenue to fund the Pension Trust Fund.

METRO WEST FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Capital Projects Fund -- This fund is used to account for the proceeds of long-term debt and other revenues restricted for acquisition or construction of major capital assets.

Additionally, the District reports the following fund type:

Fiduciary Fund Type

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governmental units and/or other funds. The District's fiduciary fund is listed below:

Pension Trust Fund -- This fund is used to account for assets held in a trustee capacity for the District's eligible employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of GASB.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include charges and various other functions of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include primarily charges to customers or applicants for goods, services, or privileges provided. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes and investment income.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

4. Concentration of Credit Risk

The District does not generally grant credit of any kind, however, at December 31, 2004, the District had taxes due from St. Louis County.

5. Allowance for Doubtful Accounts

Allowances for uncollectible receivable amounts by fund are as follows:

METRO WEST FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Allowance for Doubtful Accounts (Continued)

	December 31, 2004	
	Property Taxes	Ambulance Fees
General Fund	\$23,139	-
Ambulance Fund	11,942	46,892
Dispatch Fund	2,749	-
Pension Revenue Fund	5,947	-
Debt Service Fund	5,376	-

6. Inventories

Expenditures for fuel and other operating supplies are charged to operations when purchased. Inventories on hand at December 31, 2004 are not material.

7. Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation is being computed on the straight-line method, using asset lives as follows:

Assets	Years
Buildings and improvements	15 - 50
Vehicles and equipment	5 - 20

8. Advances To/From Other Funds

Noncurrent portions of long-term interfund loans receivable (reported in "advances to" asset accounts) are equally offset by a fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. Current portions of long-term interfund loans receivable (reported in "due from" asset accounts) are considered "available spendable resources" and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and fiduciary activities are reported in the government-wide statements as "due to Fiduciary Fund - Pension Trust Fund".

METRO WEST FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Investments

Investments are carried at fair value.

10. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before December 31. All unpaid taxes are delinquent January 1 of the following year.

Property taxes levied for 2004 are recorded as receivables, 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 2004 and prior tax years to be remitted to the District subsequent to year-end. The portion of taxes not collected and remitted to the District within 60 days of year-end is recorded as deferred tax revenue. The allowance for uncollectible taxes is estimated based on past experience. Property taxes are billed and collected by St. Louis County and remitted by the County to the District. The County's fee is 1.5% of the taxes collected. The following is a summary of the 2004 tax rates:

	2004 Tax Rates					Total
	General	Ambulance	Pension	Dispatch	Debt	
	Fund	Fund	Trust Fund	Fund	Service Fund	
Residential	.541	.280	.103	.048	.094	1.066
Commercial	.596	.300	.110	.048	.094	1.148
Agricultural	.650	.300	.110	.048	.094	1.202
Personal property	.561	.289	.106	.048	.094	1.098

11. Compensated Absences

Vacation time unused at year-end expires, therefore, no liability exists at year-end.

Unused sick leave can be carried forward until 20 days are accumulated. The value of the days accumulated by employees is recorded as a liability in the government-wide financial statements. Employees may choose to be paid for any days unused and not accumulated at 1/2 of their value. This payment is usually made in January of the following year and is recorded as a liability in the fund financial statements.

12. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2004 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which the services are consumed.

METRO WEST FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the District to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Actual results could differ from those amounts.

14. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

15. Fund Balance Reserves

The District reserves those portions of fund balances legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity that is available for appropriation in future periods. Fund balance reserves have been established for retirement of long-term debt, capital projects (bond proceeds), ambulance and dispatch services, and subsequent year appropriations.

16. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net assets are reported as unrestricted. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

METRO WEST FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS

The District's bank deposits are required by state law to be collateralized by the deposit of certain securities in an amount at least equal to the uninsured deposits with the financial institution. The value of the securities must amount to the total of the District's cash not insured by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2004, the carrying amount of cash deposits including certificates of deposit amounted to \$17,389,951 and the bank balances totaled \$17,476,243. The bank balances were covered by Federal depositary insurance in the amount of \$100,000 and \$17,376,243 was collateralized by securities held by the pledging financial institution or its agent but not in the District's name.

Statutes authorize the District to invest in obligations of the U.S. Treasury, agencies, and instrumentalities. The District is also authorized to invest in commercial paper and bankers acceptances as allowed by state law. The Pension Trust Fund is also authorized to invest in corporate stocks and bonds as allowed by state law.

The District's investments are categorized below to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the District's name.

The investment amounts are as follows:

	December 31, 2004			<u>Carrying Amount/ Fair Value</u>
	Categories			
	<u>1</u>	<u>2</u>	<u>3</u>	
Pension Trust Funds:				
U.S. Government and Agency Securities	\$ -	-	4,377,894	4,377,894
Equity securities	-	-	<u>4,337,804</u>	<u>4,337,804</u>
	<u>\$ -</u>	<u>-</u>	<u>8,715,698</u>	8,715,698
Reconciliation with financial statements:				
Pension Trust Fund:				
Mutual funds				9,828,432
Real estate investment trust				<u>1,837,098</u>
				<u>\$20,381,228</u>

METRO WEST FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows:

	<u>For The Year Ended December 31, 2004</u>			
	<u>Balance</u>		<u>Deletions</u>	<u>Balance</u>
	<u>December 31</u>	<u>Additions</u>	<u>And</u>	<u>December 31</u>
	<u>2003</u>		<u>Transfers</u>	<u>2004</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 472,200	-	-	472,200
Construction in progress	<u>127,657</u>	<u>610,530</u>	<u>103,657</u>	<u>634,530</u>
Total Capital Assets Not Being Depreciated	<u>599,857</u>	<u>610,530</u>	<u>103,657</u>	<u>1,106,730</u>
Capital assets being depreciated:				
Buildings and improvements	6,110,595	68,203	-	6,178,798
Vehicles	4,584,514	241,028	218,707	4,606,835
Equipment	<u>1,031,864</u>	<u>168,581</u>	<u>-</u>	<u>1,200,445</u>
Total Capital Assets Being Depreciated	<u>11,726,973</u>	<u>477,812</u>	<u>218,707</u>	<u>11,986,078</u>
Less - Accumulated depreciation for:				
Buildings and improvements	1,816,030	181,385	-	1,997,415
Vehicles	2,086,843	282,427	214,571	2,154,699
Equipment	<u>435,218</u>	<u>181,113</u>	<u>-</u>	<u>616,331</u>
Total Accumulated Depreciation	<u>4,338,091</u>	<u>644,925</u>	<u>214,571</u>	<u>4,768,445</u>
Total Capital Assets Being Depreciated, Net	<u>7,388,882</u>	<u>(167,113)</u>	<u>4,136</u>	<u>7,217,633</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,988,739</u>	<u>443,417</u>	<u>107,793</u>	<u>8,324,363</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

	<u>For The</u>
	<u>Year Ended</u>
	<u>December 31</u>
	<u>2004</u>
Governmental activities:	
General operations	\$540,759
Ambulance and EMS	<u>104,166</u>
	<u>\$644,925</u>

METRO WEST FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE D - CONTRACTUAL AGREEMENTS

The District has a contractual agreement with Central County Alarm System for dispatching services. The agreement calls for the District to remit tax revenues received currently 4.8¢ per \$100 valuation. The District is in compliance with the terms of this agreement. This agreement can be terminated January 1 of next year upon notice on or before the first day of October to be effective on January 1 of next year.

NOTE E - SELF-INSURANCE PLAN

The District has a self-insured vision plan. This plan covers substantially all full-time employees of the District, and any employees who also have family coverage. The plan had 98 participants for the year ended December 31, 2004.

The vision plan is fully self-insured and carries a limit on claims per year of \$133 per person with a family cap of \$550. Claims are recognized as expenditures in the financial statements when paid. Actual vision claims paid during the year were approximately \$11,625. There has not been a liability established for claims incurred but not paid as of December 31, 2004. The estimated amounts of those claims were not considered significant to the financial statements.

In addition, the District has a partially self-insured medical and dental plan. The District pays the \$1,000 deductible per person per year on its employees and their family for the medical in addition to co-payment and co-insurance. The District pays a maximum of \$1,331 per person per year for the dental. There has not been a liability established for claims incurred but not paid as of December 31, 2004. The estimated amounts of those claims were not considered significant to the financial statements.

The medical and dental plans had 275 and 199 participants, respectively, for the year ended December 31, 2004. Actual medical and dental claims for the year were approximately \$214,200 and \$67,054, respectively.

NOTE F - LONG-TERM DEBT

The following is a summary of changes in long-term debt:

	<u>For The Year Ended December 31, 2004</u>				
	<u>Balance</u>			<u>Balance</u>	<u>Amount</u>
	<u>December 31</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31</u>	<u>Due</u>
	<u>2003</u>			<u>2004</u>	<u>Within</u>
					<u>One Year</u>
General obligation bonds	\$7,355,000	-	645,000	6,710,000	685,000
Compensated absences	<u>190,686</u>	<u>219,558</u>	<u>179,614</u>	<u>230,630</u>	<u>198,340</u>
	<u>\$7,545,686</u>	<u>219,558</u>	<u>824,614</u>	<u>6,940,630</u>	<u>883,340</u>

General obligation bonds consisted of the following:

METRO WEST FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

December 31
2004

\$7,355,000 general obligation bonds, Series 2003 bonds, dated July 1, 2003, due in annual installments each March through March 2013, interest at 1.5% to 2.8%.

\$6,710,000

A summary of principal debt service requirements is as follows:

For The Years Ended December 31	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 685,000	146,940	831,940
2006	700,000	133,090	833,090
2007	710,000	118,990	828,990
2008	725,000	104,640	829,640
2009	740,000	89,620	829,620
2010 - 2013	<u>3,150,000</u>	<u>172,110</u>	<u>3,322,110</u>
	<u>\$6,710,000</u>	<u>765,390</u>	<u>7,475,390</u>

The bonds are to be liquidated by the Debt Service Fund. Also, compensated absences are generally liquidated by the General Fund.

NOTE G - EMPLOYEE RETIREMENT BENEFIT PLAN

The District maintains a single-employer, defined benefit pension plan. The combined total of the actuarial accrued liability and actuarial value of assets for the Plan is as follows:

	January 1 <u>2005</u>
Actuarial value of assets	\$22,539,751
Actuarial accrued liability	<u>32,689,199</u>
Unfunded Actuarial Accrued Liability	<u>\$10,149,448</u>

Plan Description

Effective 1995 all eligible full-time District employees are covered by a noncontributory defined-benefit retirement plan.

Plan assets are administered by Travelers in fixed income and large stock accounts; and by A.G. Edwards in growth funds, strategic/international, and real estate investment trust accounts.

METRO WEST FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE G - EMPLOYEE RETIREMENT BENEFIT PLAN (Continued)

The District's normal and current service cost for the year ended December 31, 2004 was \$1,290,682. The District contributed \$1,426,527 to the Plan for the year ended December 31, 2004.

1. Principal Plan Provisions

The Board of Directors established a noncontributory retirement system for all full-time salaried members of the organized fire department of the District by Ordinance #31 dated November 5, 1969. The Plan amendment effective January 1, 1989 provides all participants with the pre-1986 benefit formula.

The Plan was last amended by Ordinance #81 dated July 1993. Ordinance #77 enacted September 1990 codified all pension ordinances which were in force and effect as of that date.

In April 1999, the Board of Directors adopted Ordinance #95. The effects of certain provisions of this Ordinance are reflected in the note and cost estimates.

Accrued Benefit

For an employee included within the pension system, the monthly accrued benefit as of any date of determination is equal to 3% of a participant's average monthly earnings multiplied by the number of years of credited service (full year from hire date), but not exceeding 33½ years, so that no such benefit shall exceed 100% of that participant's average monthly earnings.

Additional Employee Protection for Permanent Disability or Occupational Death Protection While a Member of the Organized Fire Department

The benefit would be calculated as if the employee was vested at the time of disability; and the length of service would be projected to normal retirement date with the benefit being adjusted in accordance with the date of hire of the individual as a full-time employee of the District. The benefit would progress from 20% of the calculated percent for service from hire date to two full years with 100% benefit after five (5) full years of service.

Normal Pension

Eligibility Requirements -- Age 55 with ten (10) years of credited service.

Vesting of Benefits

Every employee included within the pension system for retirement benefits who as accrued five (5) years of credited service shall be fully vested.

METRO WEST FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE G - EMPLOYEE RETIREMENT BENEFIT PLAN (Continued)

2. Funding Status and Progress

The most recent actuarial valuation completed was January 1, 2005 for the Plan year ended December 31, 2004.

a. Funding Method

Entry Age Normal-Frozen Initial Liability Cost Method -- Under this method, the present value future normal costs equals the present value of benefits, less the sum of a) plan assets and b) the unfunded accrued liability.

The unfunded accrued liability resulted from increases and/or decreases in liability due to plan changes and changes in actuarial assumptions. These increases and decreases caused the Plan to establish amortization bases. Level annual payments are charges and/or credited to the Plan until the bases are fully amortized. The type of base and the date established determine the amount of the payment and the number of years to amortize.

The present value of future normal costs includes the current year normal cost and all future normal costs for the current participant group. These future costs are spread as a level percentage of current and future expected pay. The portion attributable to current pay is the current year normal cost.

Experience gains and losses are included in the present value of future normal costs and, therefore, are spread over future pay as a level percentage.

b. Significant Valuation Assumptions

1) Valuation of assets -- all assets are valued at market value.

2) Mortality rates:

Pre-retirement -- 1971 Group Annuity Mortality table for males set back six years for females.

Post-retirement -- 1971 Group Annuity Mortality table for males set back six years for females.

3) Investment Earnings -- 7.5% per annum; compounded annually.

4) Economic Inflation Rate -- 5% per annum; compounded annually.

5) Salary Appreciation - Increase Rate -- 5% per annum; compounded annually.

METRO WEST FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE G - EMPLOYEE RETIREMENT BENEFIT PLAN (Continued)

2. Funding Status and Progress (Continued)

- 6) Assumed Retirement Age -- Age 55 and the completion of ten (10) years of participation.
- 7) Termination Prior to Retirement Other than Death -- Assumed at rates that vary by age (T-1 Actuary's Table).
- 8) Expense Load -- Annual expense to administer is assumed to be \$56,000.

Membership of the plan is as follows:

Active participants	97
Inactive participants	<u>35</u>
	<u>132</u>

The present value of vested accrued benefits based on the valuation assumptions discussed above are as follows:

Retired members	\$ 7,326,203
Inactive members	183,859
Active members	<u>14,740,716</u>
	<u>\$22,250,778</u>

Schedule Of Employer Contributions

<u>For The</u> <u>Years Ended</u> <u>December 31</u>	<u>Annual</u> <u>Required</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
2004	\$2,116,464	\$1,426,527	67.4%
2003	2,045,471	1,307,566	63.9
2002	1,675,691	1,389,841	82.9
2001	1,339,678	1,409,108	105.2
2000	1,008,440	1,287,740	127.7
1999	1,001,710	1,097,855	109.6

METRO WEST FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE G - EMPLOYEE RETIREMENT BENEFIT PLAN (Continued)

2. Funding Status and Progress (Continued)

<u>Pension Plan</u>			
<u>Valuation For The Actuarial Years Ended January 1</u>	<u>Actuarial Value Of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>
2005	\$22,539,751	\$32,689,199	\$10,149,448
2004	20,319,167	30,576,296	10,257,129
2003	17,518,333	27,875,629	10,357,296
2002	17,792,437	24,447,893	6,655,456
2001	17,967,144	21,669,160	3,702,016
2000	17,464,428	18,644,164	1,179,736

<u>Valuation For The Actuarial Years Ended January 1</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL As A Percentage Of Covered Payroll</u>
2005	69.0%	\$6,778,940	149.7%
2004	66.4	6,662,469	154.0
2003	62.8	6,357,812	162.9
2002	72.8	5,710,656	116.5
2001	82.9	5,382,149	68.8
2000	93.7	5,000,816	23.6

Annual Pension Cost

Current year annual pension costs are shown in the trend information. The District contributed 67% of the Plan's annual required contribution (ARC). The District had a net pension obligation for the Plan shown below.

Trend Information

Historical trend information about the Plan is presented herewith as required supplementary information. This information is intended to help users assess the Plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparison with other Public Employee Retirement Systems (PERS).

METRO WEST FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE G - EMPLOYEE RETIREMENT BENEFIT PLAN (Continued)

2. Funding Status and Progress (Continued)

<u>Pension Plan</u>			
<u>For The Years Ended December 31</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2004	\$2,120,922	67.3%	\$ 348,074
2003	2,057,431	63.6	(346,321)
2002	1,688,289	82.3	(1,096,186)
2001	1,353,013	104.1	(1,394,635)
2000	1,018,864	126.4	(1,338,539)
1999	1,011,149	108.6	(1,069,663)

Schedule Of Development Of Net Pension Obligation (NPO)

<u>For The Years Ended December 31</u>	<u>(1) Annual Required Contri- bution (ARC)</u>	<u>(2) Interest On NPO (Asset)</u>	<u>(3) ARC Adjust- ment</u>	<u>(4) = (1+2+3) Annual Pension Cost</u>	<u>(5) Employer Contri- butions</u>	<u>(6) = (4) - (5) Change In NPO</u>	<u>Actual NPO (Asset) Balance</u>
2004	\$2,116,464	(\$ 25,974)	\$ 30,432	\$2,120,922	\$1,426,527	\$694,395	\$ 348,074
2003	2,045,471	(82,214)	94,174	2,057,431	1,307,566	749,865	(346,321)
2002	1,675,691	(104,598)	117,196	1,688,289	1,389,840	298,449	(1,096,186)
2001	1,339,678	(100,390)	113,725	1,353,013	1,409,109	(56,096)	(1,394,635)
2000	1,008,440	(80,225)	90,649	1,018,864	1,287,740	(268,876)	(1,338,539)
1999	1,001,710	(73,722)	83,161	1,011,149	1,097,854	(86,705)	(1,069,663)

NOTE H - DIRECTORS' FEES

Directors' fees consist of the following:

	<u>For The Year Ended December 31 2004</u>
Bob Reboulet, Chairman	\$ 5,300
Tim Flora, Treasurer	6,700
Ralph Starck, Secretary	<u>6,000</u>
	<u>\$18,000</u>

METRO WEST FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE I - INSURANCE COVERAGE

The following insurance policies of the District with the Agent, Perm, a division of Ricci Associates, Inc., were in force:

<u>Company</u>	<u>Type Of Coverage</u>	<u>December 31, 2004</u>
American Alternative CL-007147-7	Package Policy: Building and contents Portable equipment Limited pollution Boat, physical damage, and liability Systems breakdown General liability Personal and advertising injury Fire damage Medical expense Endorsement amended building and personal property limit	(Guaranteed replacement cost) \$13,775 No limit \$3,000,000/\$3,000,000 \$1,000,000/\$1,000,000 \$1,000,000/fire \$5,000/person \$1,030,000
American Alternative CU5003063-7	Umbrella	\$2,000,000 \$4,000,000 aggregate
American Alternative CM1006019-7	Auto liability and physical damage Uninsured motorist Underinsured motorist Comprehensive \$100 deductible; Collision \$250 deductible	\$1,000,000 \$250,000 \$250,000
MO Employers 218391	Workers' compensation	\$1,000,000/\$1,000,000/\$1,000,000
American Alternative CL0007147-6	Management liability: Coverage A and B (wrongful act/ injunctive relief) Aggregate	\$2,000,000 at occurrence Coverage A - \$1,000,000 Coverage B - \$5,000
Federal Ins. Co. (Chubb) 81036663	Fiduciary liability	\$1,000,000/\$1,000,000
American MFRS (Kemper) RP0553481 RP0541618 RP0541618	Public official bond: (Reboulet) (Starck) (Flora)	\$5,000 \$5,000 \$5,000

METRO WEST FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE I - INSURANCE COVERAGE (Continued)

<u>Company</u>	<u>Type Of Coverage</u>	<u>December 31, 2004</u>
American Alternative CL-007147-7	Employee blanket Excess board members	\$50,000 \$450,000
RLI 826097	Notary bond (Loyal) Errors and omission	\$10,000 \$10,000
Western Security 14543181N	Notary bond (Perkins) Errors and omission	\$10,000 \$10,000
Old Republic RB50512484	Third party liability	\$25,000
National Union Fire VFP21260133	RESCUE VOLUNTEER STAFF ONLY Accident and sickness: Accidental death and specific disease:	
	Principle sum	\$75,000
	Blanket medical exp. maximum benefit	\$5,000
	Educational benefits (annual max.):	
	Child	\$5,000
	Spouse	\$3,000

NOTE J - EXPENDITURES EXCEEDING APPROPRIATIONS

The District had actual expenditures which exceeded appropriations as follows:

	For The Year Ended December 31 2004
Pension Trust Fund	\$258,474
Dispatch Fund	21,512
Debt Service Fund	29,972

METRO WEST FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE K - INTERFUND ASSETS/LIABILITIES

Individual interfund assets and liabilities are as follows:

Due from (to) other funds:

<u>Fund</u>	<u>December 31 2004</u>
General Fund	(\$139,783)
Ambulance Fund	146,600
Dispatch Fund	86,268
Pension Revenue Fund	(659,691)
Pension Trust Fund	597,764
Capital Projects Fund	90,523
Debt Service Fund	<u>(121,681)</u>
	<u>\$ -</u>

NOTE L - RESTATEMENT OF PRIOR PERIOD EQUITY

The previously stated fund balances/net assets have been adjusted as follows:

	<u>General Fund</u>	<u>Ambulance Fund</u>	<u>Dispatch Fund</u>	<u>Pension Trust Fund</u>	<u>Government- wide Net Assets</u>
Fund balances/net assets, December 31, 2003, as previously reported	\$7,223,199	4,368,986	476,397	20,206,604	22,200,091
Restatement for prior year:					
Revenues	-	22,833	-	70,227	-
Account receivable	-	-	-	-	83,362
Record net pension asset	-	-	-	-	346,321
Correct due from (to) other funds	(26,874)	-	26,874	-	-
Reverse compensated absences	<u>88,992</u>	<u>88,991</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances/Net Assets December 31, 2003, As Restated	<u>\$7,285,317</u>	<u>4,480,810</u>	<u>503,271</u>	<u>20,330,831</u>	<u>22,629,774</u>

METRO WEST FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION

REQUIRED SUPPLEMENTAL INFORMATION SECTION

METRO WEST FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
				<u>Actual</u>
REVENUES				
Income from taxes	\$ 7,404,335	7,404,335	7,483,885	79,550
Income from investments	32,572	32,572	42,337	9,765
Building permits	187,726	187,726	167,628	(20,098)
Communication towers	10,000	10,000	11,250	1,250
Miscellaneous income	39,715	39,715	25,605	(14,110)
Rent property station #6	10,800	10,800	6,564	(4,236)
Total Revenues	<u>7,685,148</u>	<u>7,685,148</u>	<u>7,737,269</u>	<u>52,121</u>
EXPENDITURES				
General operations:				
Vehicle repairs and tires	165,000	133,000	112,560	(20,440)
Station maintenance supplies	41,500	43,000	44,022	1,022
Office supplies and contracts	32,000	26,500	17,607	(8,893)
Building up-keep	100,000	74,000	57,076	(16,924)
Repairs and maintenance	13,000	6,000	4,192	(1,808)
Utilities	140,000	126,800	114,135	(12,665)
Insurance	1,758,100	1,774,537	1,666,622	(107,915)
Miscellaneous employee expense	112,000	105,218	100,437	(4,781)
Professional services and contracts	78,750	70,350	57,813	(12,537)
Associations, dues, and subscriptions	5,700	3,770	3,172	(598)
Miscellaneous conferences and business trips	9,500	4,548	4,160	(388)
Miscellaneous disbursements	84,500	68,000	56,240	(11,760)
Total General Operations	<u>2,540,050</u>	<u>2,435,723</u>	<u>2,238,036</u>	<u>(197,687)</u>
Fire prevention bureau:				
Fire prevention material	4,500	4,000	3,981	(19)
Miscellaneous texts and fire codes	3,000	1,933	1,933	-
Association dues	1,680	1,360	1,360	-
Miscellaneous office supplies	3,000	2,000	2,000	-
Total Fire Prevention Bureau	<u>12,180</u>	<u>9,293</u>	<u>9,274</u>	<u>(19)</u>
Fire investigation and public relations:				
Dark room and supplies	1,000	500	246	(254)
Miscellaneous equipment and tools	500	500	560	60
Public relations	7,750	5,419	4,106	(1,313)
Total Fire Investigation And Public Relations	<u>9,250</u>	<u>6,419</u>	<u>4,912</u>	<u>(1,507)</u>
Training:				
Supplies	4,500	1,250	489	(761)
Annual dues	4,750	4,475	4,455	(20)
Training schools	73,000	50,091	48,050	(2,041)
Audio visual equipment	3,000	1,510	1,245	(265)
Fire training literature	2,000	250	19	(231)
Total Training	<u>87,250</u>	<u>57,576</u>	<u>54,258</u>	<u>(3,318)</u>
Salaries	<u>5,365,201</u>	<u>5,369,078</u>	<u>5,477,844</u>	<u>108,766</u>

METRO WEST FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Over
	Original	Final		(Under)
EXPENDITURES (Continued)				Actual
Operating equipment:				
Communications equipment	33,500	19,250	18,995	(255)
Miscellaneous fire equipment	15,500	3,280	1,074	(2,206)
Rescue and air equipment	6,500	3,000	777	(2,223)
Building in-out	4,000	3,176	1,518	(1,658)
Maintenance equipment and shop	6,000	4,000	3,771	(229)
Total Operating Equipment	<u>65,500</u>	<u>32,706</u>	<u>26,135</u>	<u>(6,571)</u>
Capital outlay	243,000	60,705	32,892	(27,813)
Total Expenditures	<u>8,322,431</u>	<u>7,971,500</u>	<u>7,843,351</u>	<u>(128,149)</u>
EXCESS REVENUES OVER (UNDER)				
EXPENDITURES	(637,283)	(286,352)	(106,082)	180,270
OTHER FINANCING SOURCES				
Proceeds from sale of equipment	-	-	18,228	18,228
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (637,283)</u>	<u>(286,352)</u>	<u>(87,854)</u>	<u>198,498</u>
ADJUSTMENTS TO RECONCILE TO GAAP BASIS				
Revenue accrual adjustments			405,318	
Expenditure accrual adjustments			(16,903)	
			<u>388,415</u>	
NET CHANGE IN FUND BALANCE - GAAP BASIS			300,561	
FUND BALANCE, JANUARY 1			<u>7,285,317</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 7,585,878</u>	

METRO WEST FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - AMBULANCE FUND - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
REVENUES				
Income from taxes	\$ 3,815,324	3,815,324	3,917,673	102,349
Nonresident ambulance billing	105,104	105,104	140,641	35,537
Income from investments	21,148	21,148	31,028	9,880
Miscellaneous income	1,129	1,129	-	(1,129)
Total Revenues	<u>3,942,705</u>	<u>3,942,705</u>	<u>4,089,342</u>	<u>146,637</u>
EXPENDITURES				
General operations:				
Repairs and maintenance	14,000	11,000	7,679	(3,321)
Supplies	71,500	61,500	54,545	(6,955)
Miscellaneous repair items	12,700	7,440	5,820	(1,620)
Professional services and contracts	83,000	80,000	85,846	5,846
Associations, dues, and subscriptions	500	500	141	(359)
Miscellaneous disbursements	11,500	8,000	4,912	(3,088)
Total General Operations	<u>193,200</u>	<u>168,440</u>	<u>158,943</u>	<u>(9,497)</u>
Training	19,587	17,520	14,809	(2,711)
Salaries	<u>3,720,188</u>	<u>3,704,180</u>	<u>3,585,893</u>	<u>(118,287)</u>
Operating equipment:				
New equipment	11,000	6,000	3,742	(2,258)
Replacement equipment	4,500	3,010	2,076	(934)
Total Operating Equipment	<u>15,500</u>	<u>9,010</u>	<u>5,818</u>	<u>(3,192)</u>
Capital outlay	38,750	29,382	17,864	(11,518)
Total Expenditures	<u>3,987,225</u>	<u>3,928,532</u>	<u>3,783,327</u>	<u>(145,205)</u>
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (44,520)</u>	<u>14,173</u>	<u>306,015</u>	<u>291,842</u>
ADJUSTMENTS TO RECONCILE TO GAAP BASIS				
Revenue accrual adjustments			194,119	
Expenditure accrual adjustments			(12,879)	
			<u>181,240</u>	
NET CHANGE IN FUND BALANCE - GAAP BASIS			487,255	
FUND BALANCE, JANUARY 1			<u>4,480,810</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 4,968,065</u>	

METRO WEST FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION -
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

Budgets and Budgetary Accounting

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

- a. Formal budgetary integration is employed as a management control device during the year for the General, Ambulance, Dispatch, Capital Projects, Debt Service, and Pension Trust Funds. These budgets are adopted on a cash basis of accounting.
- b. The Board of Directors approves the tax rate by Ordinance to fund District operations. Once this rate has been established, the Board of Directors approves the total budget appropriation and amendments.
- c. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.
- d. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year by the Board of Directors.
- e. The District's budgetary process is based upon accounting for certain transactions on a basis other than U.S. generally accepted accounting principles (GAAP). To provide a meaningful comparison of actual results with the budget, the actual results of operations are presented in the combined statement of revenues, expenditures, and changes in fund balances - budget and actual - all governmental fund types in accordance with the budget basis of accounting. The differences between the budget and GAAP basis of accounting are that revenues are recorded when received in cash (budget) as opposed to when they are measurable and available (GAAP) and expenditures are recorded when paid (budget) as opposed to when the obligation is incurred (GAAP). In addition, tax revenue for budget purposes is reflected based on the prior year levy which is utilized to fund expenditures of the subsequent year.

METRO WEST FIRE PROTECTION DISTRICT
OTHER SUPPLEMENTAL INFORMATION

OTHER SUPPLEMENTAL INFORMATION SECTION

METRO WEST FIRE PROTECTION DISTRICT
OTHER SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Dispatch Fund -- This fund receives tax revenue and disburses funds in order to participate with other fire protection districts in a centralized dispatching of calls for fire and ambulance services.

Debt Service Fund -- This fund is used to account for the accumulation of resources for, and the payment of, principal, interest, and fiscal changes on long-term debt.

CAPITAL PROJECTS FUND

Capital Projects Fund -- This fund is used to account for the proceeds of long-term debt and other revenues restricted for acquisition or construction of major capital assets.

FIDUCIARY FUND

Pension Trust Fund -- This fund is used to account for assets held in a trustee capacity for the District's eligible employees.

METRO WEST FIRE PROTECTION DISTRICT
OTHER SUPPLEMENTAL INFORMATION -
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	<u>Dispatch</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ -	1,265,891	1,265,891
Receivables:			
Taxes, net of allowance for uncollectible amounts	304,521	596,263	900,784
Due from other funds	86,268	-	86,268
Total Assets	\$ 390,789	1,862,154	2,252,943
 LIABILITIES AND FUND BALANCES			
Liabilities			
Deferred revenue	\$ 52,236	102,141	154,377
Due to other funds	-	121,681	121,681
Total Liabilities	52,236	223,822	276,058
 Fund Balances			
Unreserved, designated for:			
Subsequent year	622,456	-	622,456
Retirement of long-term debt	-	1,638,332	1,638,332
Unreserved:			
Special Revenue	(283,903)	-	(283,903)
Total Fund Balances	338,553	1,638,332	1,976,885
Total Liabilities And Fund Balances	\$ 390,789	1,862,154	2,252,943

METRO WEST FIRE PROTECTION DISTRICT
OTHER SUPPLEMENTAL INFORMATION -
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Dispatch</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Taxes	\$ 725,899	1,352,859	2,078,758
Investment earnings	-	4,989	4,989
Total Revenues	<u>725,899</u>	<u>1,357,848</u>	<u>2,083,747</u>
EXPENDITURES			
Dispatch services	890,617	-	890,617
Debt service	-	831,181	831,181
Total Expenditures	<u>890,617</u>	<u>831,181</u>	<u>1,721,798</u>
NET CHANGE IN FUND BALANCES	(164,718)	526,667	361,949
FUND BALANCES, JANUARY 1	<u>503,271</u>	<u>1,111,665</u>	<u>1,614,936</u>
FUND BALANCES, DECEMBER 31	<u>\$ 338,553</u>	<u>1,638,332</u>	<u>1,976,885</u>

METRO WEST FIRE PROTECTION DISTRICT
OTHER SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - DISPATCH FUND - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Original And Final Budget	Actual	Over (Under) Actual
REVENUES			
Income from taxes	\$ 627,420	644,167	16,747
EXPENDITURES			
Dispatch services	627,420	648,932	(21,512)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	\$ -	(4,765)	(4,765)
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
Revenue accrual adjustments		81,732	
Prepaid dispatch		(241,685)	
		(159,953)	
NET CHANGE IN FUND BALANCE - GAAP BASIS		(164,718)	
FUND BALANCE, JANUARY 1		503,271	
FUND BALANCE, DECEMBER 31		\$ 338,553	

METRO WEST FIRE PROTECTION DISTRICT
OTHER SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - DEBT SERVICE FUND - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Original And Final Budget	Actual	Over (Under) Actual
REVENUES			
Income from taxes	\$ 1,340,440	1,350,351	9,911
Income from investments	67,022	4,989	(62,033)
Total Revenues	1,407,462	1,355,340	(52,122)
EXPENDITURES			
Bond account administrative fees	-	308	(308)
Bond principal payments	645,000	645,000	-
Interest expense on debt service	156,209	185,873	(29,664)
Total Expenditures	801,209	831,181	(29,972)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	\$ 606,253	524,159	(82,094)
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
Revenue accrual adjustments		2,508	
NET CHANGE IN FUND BALANCE - GAAP BASIS		526,667	
FUND BALANCE, JANUARY 1		1,111,665	
FUND BALANCE, DECEMBER 31		\$ 1,638,332	

METRO WEST FIRE PROTECTION DISTRICT
OTHER SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Original And Final Budget	Actual	Over (Under) Actual
REVENUES			
Income from investments	\$ 87,509	65,709	(21,800)
EXPENDITURES			
Capital outlay	4,180,930	892,397	3,288,533
EXCESS REVENUES UNDER EXPENDITURES	(4,093,421)	(826,688)	3,266,733
OTHER FINANCING SOURCES			
Proceeds from sale of equipment	-	81,891	81,891
NET CHANGE IN FUND BALANCE - BUDGET BASIS	\$ (4,093,421)	(744,797)	3,348,624
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
Revenue accrual adjustments		19,709	
Expenditure accrual adjustments		(134,128)	
		(114,419)	
NET CHANGE IN FUND BALANCE - GAAP BASIS		(859,216)	
FUND BALANCE, JANUARY 1		7,254,116	
FUND BALANCE, DECEMBER 31		\$ 6,394,900	

METRO WEST FIRE PROTECTION DISTRICT
OTHER SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - PENSION TRUST FUND - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Original And Final Budget	Actual	Over (Under) Budget
ADDITIONS			
Employer contributions	\$ 1,372,865	1,705,213	332,348
Income from investments	855,000	684,765	(170,235)
Net appreciation (depreciation) in fair value of investments	(600,000)	843,394	1,443,394
Total Additions	1,627,865	3,233,372	1,605,507
DEDUCTIONS			
Benefit payments	460,000	634,995	174,995
Actuarial and consulting fees	10,000	8,136	(1,864)
Legal fees	500	80	(420)
Administrative fees	7,000	92,763	85,763
Total Deductions	477,500	735,974	258,474
NET CHANGE IN PLAN ASSETS - BUDGET BASIS	\$ 1,150,365	2,497,398	1,347,033
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
Revenue accrual adjustments		(271,821)	
NET CHANGE IN NET ASSETS - GAAP BASIS		2,225,577	
PLAN NET ASSETS, JANUARY 1		20,330,831	
PLAN NET ASSETS, DECEMBER 31		\$ 22,556,408	

METRO WEST FIRE PROTECTION DISTRICT
INTERNAL CONTROL AND COMPLIANCE

INTERNAL CONTROL AND COMPLIANCE SECTION



Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

March 18, 2005

Board of Directors
METRO WEST FIRE PROTECTION DISTRICT

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **METRO WEST FIRE PROTECTION DISTRICT** (the District) as of and for the year ended December 31, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 18, 2005. We conducted our audit in accordance with U.S. 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 District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions 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 that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 provi-

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sions 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*.

However, we noted certain matters involving the internal control over financial reporting that we have reported to the management of the District in a separate letter dated March 18, 2005.

This report is intended solely for the information and use of the management, others within the organization, and applicable regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report may be a matter of public record and its distribution is not limited.

Hochschild Bloom & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS