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Audit Report, 2004

Meramec Ambulance District

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MERAMEC AMBULANCE DISTRICT

PACIFIC, MISSOURI

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2004

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Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Meramec Ambulance District
Pacific, Missouri 63069

We have audited the accompanying financial statements of Meramec Ambulance District as of and for the year ended December 31, 2004, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on the financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

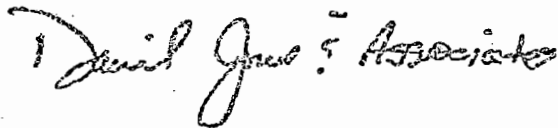
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meramec Ambulance District as of December 31, 2004, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2005, on our consideration of the Meramec Ambulance District's internal control over financial reporting and on 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 *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

As described in Note 1, the District has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of December 31, 2004.

The management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires 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 an opinion on the financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Meramec Ambulance District. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



Daniel Jones & Associates
Certified Public Accountants, P.C.

May 27, 2005

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

MERAMEC AMBULANCE DISTRICT

P.O. BOX 431

PACIFIC, MO 63069

Telephone-636-451-5816 Fax-636-451-5835

Meramec Ambulance District

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR-ENDED DECEMBER 31, 2004

The discussion and analysis of the Meramec Ambulance District's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2004. The intent is to look at the District's financial performance as a whole.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2004 are as follows:

- The net assets for the General Fund increased by \$281,000
- General Fund revenues were \$1.6 million
- Property taxes, represented \$1.2 million of the General Fund revenue or 74%
- Ambulance billings represented \$415,000 of the General Fund revenue total or 24%
- Expenditures for the General Fund were \$1.6 million, of which \$110 thousand was debt retirement
- The District has purchased medical and training equipment

1. USING THIS ANNUAL FINANCIAL REPORT

This annual report is presented in a format consistent with the presentation of the Governmental Accounting Standards Board (GASB) Statement No. 34. GASB Statement 34 implemented a new model of financial reporting for state and local governments designed to enhance the usefulness of the District's annual report.

Report Components

This annual report consists of three parts as follows:

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

Meramec Ambulance District

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR-ENDED DECEMBER 31, 2004

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

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

REPORTING THE DISTRICT AS A WHOLE

The District's Reporting Entity Presentation

This annual report includes all activities for which the Meramec Ambulance District is fiscally responsible.

The primary government is Meramec Ambulance District.

The Government-wide Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the District's finances is "*Is the District as a whole better off or worse off as a result of the year's activities?*" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer the question.

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

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

Governmental Activities- All of the District's basic services are reported here. Property taxes and ambulance fees finance all of the activities.

Meramec Ambulance District

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR-ENDED DECEMBER 31, 2004**

2. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

For the year ended December 31, 2004, net assets of the District changed as follows:

<u>Net Assets</u>	<u>Governmental Activities</u> <u>December 31, 2004</u>
Beginning net assets	\$ 1,973,997
Increase (Decrease) in net assets	\$ 17,123
Ending net assets	\$ 1,991,120

<u>Changes in</u> <u>Net Assets</u>	<u>Governmental Activities</u> <u>December 31, 2004</u>
Revenues	\$ 1,699,177
Program expenses	\$ 1,682,054
Increase (Decrease) in net assets	\$ 17,123

Since this is the first year to report all activities using this new approach, a comparison of assets, liabilities, and net assets to the prior year is not possible (with the exception of the above comparison of net assets). However, in future years, this section will explain the differences between the components of current and prior years assets, liabilities, and changes in net assets.

3. ANALYSIS OF RESULTS OF OPERATIONS

Governmental Activities

Again, because this is the first year to report governmental activities using the new GASB 34 approach, a comparison to the prior year is not possible. However, in next year's discussion, this section will show a condensed financial comparison of revenues and expenses and provide explanations for significant differences.

Meramec Ambulance District

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR-ENDED DECEMBER 31, 2004**

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

For the year ended December 31, 2004, the District's governmental activities were funded as follows:

<u>Sources of Funds for Governmental Activities</u>	<u>General Fund</u>	
	<u>December 31</u>	<u>Percent</u>
Taxes, penalties, and interest	1,264,251	74
Ambulance charges	414,967	24
Interest revenue	8,440	1
Miscellaneous revenue	11,519	1
Sales of assets		
	<hr/>	<hr/>
Total	\$ 1,699,177	100%

For the year ended December 31, 2004, total expenses for governmental activities amounted to \$1,628,054. Of these total expenses, taxpayers, and other general revenues funded \$1,211,137.

4. SIGNIFICANT TRANSACTIONS

Medical and training equipment was purchased for \$94,851

5. GENERAL FUND BUDGETARY HIGHLIGHTS

For the year ended December 31, 2004, General Fund expenditures were \$25,107 below final appropriations, while actual resources available for appropriation were \$21,090 above the final budgeted amount.

Meramec Ambulance District

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR-ENDED DECEMBER 31, 2004**

6. CAPITAL ASSETS AND DEBT ADMINISTRATION

Government Capital Assets

At the end of December 31, 2004, the District has \$3,066,621 invested in capital assets; (see table below). This represents \$97,487 or 3% above last year.

CAPITAL ASSETS

Governmental Activities

**Year Ended
December 31, 2004**

Land and Buildings	\$1,956,227
Ambulance, equipment, furniture	\$1,110,393
<hr/>	
TOTALS	\$3,066,620

This year's more significant capital asset additions included:

Medical equipment	\$ 91,295
Training equipment	\$ 3,556
Building improvements and remodeling	\$ 2,636

Long-Term Debts

At year-end, the District had \$1,110,000 in long-term debt, which is related to governmental-type activities.

**Balance at
December 31, 2004**

Certificates of Participation	\$1,110,000
<hr/>	
TOTAL	\$1,110,000

Meramec Ambulance District

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR-ENDED DECEMBER 31, 2004**

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

For the year ending December 31, 2005, the General Fund has been budgeted consistent with the year-ended December 31, 2004.

8. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions concerning this report or need additional information, contact Administrator John Parini at PO Box 431, Pacific, Missouri 63069.

FINANCIAL STATEMENTS

MERAMEC AMBULANCE DISTRICT
STATEMENT OF NET ASSETS - MODIFIED ACCRUAL
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2004

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents (Note 2)	462,867
Receivables - Net	
Taxes (Note 3)	886,144
Patients (Note 4)	127,643
Inventory	12,000
TOTAL CURRENT ASSETS	<u>1,488,654</u>
NONCURRENT ASSETS	
Fixed Assets (Net of Accumulated Depreciation)	1,907,076
TOTAL NONCURRENT ASSETS	<u>1,907,076</u>
TOTAL ASSETS	<u>3,395,730</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	6,508
Pension Contribution Payable (Note 6)	25,000
Deferred Income (Note 3)	222,944
Lease Payable- Commerce	59,497
Current Portion Non-Current Liabilities	60,000
TOTAL CURRENT LIABILITIES	<u>373,949</u>
NONCURRENT LIABILITIES	
Certificates of Participation (Note 9)	1,110,000
Less Current Portion	(60,000)
Discount on Certificates of Participation	(19,339)
TOTAL NONCURRENT LIABILITIES	<u>1,030,661</u>
TOTAL LIABILITIES	<u>1,404,610</u>
NET ASSETS	
Invested in Net Assets, Net of Related Debt	756,978
Designated (Note 7)	381,398
Undesignated	852,744
TOTAL NET ASSETS	<u>1,991,120</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART
OF THE FINANCIAL STATEMENTS

MERAMEC AMBULANCE DISTRICT
STATEMENT OF ACTIVITIES - MODIFIED ACCRUAL
GOVERNMENTAL ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2004

	<u>2004</u>
EXPENDITURES	
Salaries	898,089
Employee Benefits/Reimbursements	19,426
Election	12,036
Group Health Insurance	123,391
Pension Plan	25,000
Insurance	56,522
Maintenance - Building	27,752
Medical Supplies and Training	52,421
Office Supplies	20,532
Professional Services	14,132
Payroll Taxes	64,138
Utilities and Telephone	36,097
Vehicle Repair and Maintenance	25,208
Dispatch - Central County	116,534
Gasoline and Oil	18,076
Payroll Service - ADP	5,507
Public Relations	2,948
Bank Charges	43
Depreciation	97,052
Amortization	1,415
Uniforms	8,891
Miscellaneous	894
Total Program Expenditures	1,626,104
PROGRAM REVENUES	
Charges for Service	414,967
Total Program Revenue	414,967
NET PROGRAM EXPENSE	1,211,137
GENERAL REVENUE	
Taxes	1,264,251
Interest Earned	8,440
Miscellaneous	11,519
Total General Revenue	1,284,210
CAPITAL EXPENDITURES	
Principal, Interest, Fees	55,950
Total Capital Expenditures	55,950
INCREASE IN NET ASSETS	17,123
NET ASSETS - Beginning of Year (Restated)	1,973,997
NET ASSETS - End of Year	1,991,120

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART
OF THE FINANCIAL STATEMENTS

MEREMAC AMBULANCE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2004

CASH FLOW FROM OPERATING ACTIVITY	
Net Income	17,123
ADJUSTMENTS TO RECONCILE NET INCOME TO CASH PROVIDED BY OPERATING ACTIVITY	
Depreciation	97,052
Amortization	1,415
(INCREASE) OR DECREASE IN	
Accounts Receivable - Taxes	(38,978)
Accounts Receivable - Accounts	(31,328)
Prepaid Items	36,779
INCREASE OR (DECREASE) IN	
Accounts Payable	1,758
Accrued Wages	(45,080)
Deferred Income	(13,591)
Net Cash Used In Operating Activities	<u>25,150</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Investments	<u>(503)</u>
Net Cash used in Financing Activities	(503)
CASH FLOW FROM FINANCING ACTIVITIES	
Financing from Lease	91,020
Principal Payments on Lease	(31,523)
Payments on Certificates of Participation	(55,000)
(Increase) in Fixed Assets	(97,487)
Net Cash Used in Financing Activities	<u>(92,990)</u>
NET INCREASE IN CASH	(68,343)
CASH BALANCE, BEGINNING OF YEAR	<u>529,635</u>
CASH BALANCE, END OF YEAR	<u><u>461,292</u></u>
SUPPLEMENTAL INFORMATION	
Interest Paid	<u><u>55,950.00</u></u>
Taxes Paid	<u><u>64,138.00</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART
OF THE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

MERAMEC AMBULANCE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Meramec Ambulance District (the "District") was formed in 1972 as a political subdivision of the state of Missouri to operate an ambulatory health care facility to treat or prevent injury and disease, to provide funds or to expend funds to further the treatment or prevention of injury or disease, and to develop and participate in activities designed to promote the general health of the community. The significant accounting policies applied by the District in the preparation of the accompanying financial statements are summarized below.

Implementation of GASB 34

The aspects of financial statements content and format, as prescribed by GASB 34, have been implemented in the financial statements, effective for the year ended December 31, 2004.

The primary changes for this years' financial presentations include:

- The addition of a Management Discussion and Analysis.
- A new format for the District's basic financial statements including a government-wide Statement of Net Assets and Statement of Activities.
- The reporting of budget and actual information for the General Fund in a new format as required supplementary information,
- Beginning net assets reported in government-wide financial statements will differ from the amounts reported as ending fund equity in the prior year financial statements due to this implementation

A. Reporting Entity

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Ambulance District should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters); scope of public service and special financing relationships.

The District has determined that no other agency meets the above criteria and, therefore, no other agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity which would exercise such oversight over it, which would result in the District being considered a component unit of the entity.

MERAMEC AMBULANCE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting

The District uses funds and account groups to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

General Fund - The District reports its financial position and the results of its operations in a single operating fund. The Board has designated a portion of the District's cash to be reserved for future growth and vehicle replacement, and rather than establishing separate funds for these designations, has properly elected to include the reserves as Designated Fund Balance in the accompanying financial statements.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

The general fund is accounted for using the modified accrual basis of accounting which recognizes expenditures when liabilities for goods and services are incurred and revenues when they become available and measurable. Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter (within 60 days) to pay current liabilities.

Other significant receivables and payables have been shown on the balance sheet as assets or liabilities, and have been included in the determination of revenues and expenditures as appropriate.

All other revenue is recognized when cash is received. Inventories and prepaid items are reported as expenditures in the appropriate fund when purchased.

D. Budgetary Data

The Board of Directors is responsible for the preparation and approval of an annual operating budget for the District in accordance with Sections 67.010 to 67.080, RSMo 1986. These budgets are adopted on a basis consistent with generally accepted accounting principles.

E. Inventories

Inventories are reasonable estimates made by management using replacement cost which approximates cost.

MERAMEC AMBULANCE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

F. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three years.

II. CASH AND INVESTMENTS

At December 31, 2004, the carrying amount of the District's deposits (checking and money markets) was \$462,867 and the bank balance was \$475,346. Of this balance, \$117,028 is in money market funds invested solely in U.S. Treasury obligations, \$89,445 was covered by federal depository insurance (FDIC) and \$268,873 was invested in brokerage money market accounts of which \$268,873 was covered by securities investors protection (SIPC).

III. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied and are payable by December 31 to the Jefferson, Franklin, and St. Louis Counties collectors, respectively. The counties collect the property tax and remit it to the District.

Information relative to property taxes for calendar year 2004 was as follows:

	Assessed Valuation	Tax Levy (Per \$100)	Taxes Levied
Franklin County	\$ 360,003,572	\$.319	\$ 1,148,411
Jefferson County	23,637,812	.319	75,405
St. Louis County	2,036,110	.319	6,495
Totals	<u>\$ 385,677,494</u>		<u>\$ 1,230,311</u>

Taxes receivable, as recorded in the accompanying financial statements, were determined as follows:

Taxes Levied	\$ 899,639
Collector's Commission	<u>(13,495)</u>
Taxes Receivable	<u>\$ 886,144</u>

Taxes collected within 60 days of the end of the year were recognized as revenue for the year ended December 31, 2004. The remaining balance of \$222,944 was recorded as deferred income on the accompanying balance sheet.

MERAMEC AMBULANCE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2004

IV. ACCOUNTS RECEIVABLE

Accounts receivable from patients are recorded net of the allowance for doubtful accounts at December 31, 2004 and 2003, summarized as follows:

	2004	2003
Accounts Receivable	\$ 141,826	\$ 107,017
Allowance for Doubtful Accounts	(14,183)	(10,702)
Accounts Receivable – Net	\$ 127,643	\$ 96,315

V. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Restated Balance 12/31/03	Additions	Deletions	Balance 12/31/04
Land and Building	\$ 1,953,592	\$ 2,636	\$ 0	1,956,228
Equipment	1,015,542	94,851	0	1,110,393
Total Fixed Assets	2,969,134	97,487	0	3,066,621
Accumulated Depreciation	(1,062,492)	(97,052)	0	(1,159,544)
Net Fixed Assets	\$ 1,906,642	\$ 435	\$ 0	\$ 1,907,077

VI. RETIREMENT PLANS

The District adopted a Qualified Profit-Sharing Plan covering all eligible employees effective November 15, 1994. The plan includes a deferred arrangement under Section 457 of the Internal Revenue Code. The elective contributions to the 457 portion of the plan are funded by salary reductions of the participants. Company contributions to the plan are discretionary up to a maximum of 15% of annual wages paid for the year.

Contributions for the year ended December 31, 2004 and 2003 were as follows:

	2004	2003
Company	\$ 25,000	\$ 25,000
Employees	13,181	11,724
Total	\$ 38,181	\$ 36,724

MERAMEC AMBULANCE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2004

VII. DESIGNATED FUND BALANCE

The District has the policy of including amounts in its budget, when possible, for future growth and vehicle replacement. These reserves consisted of the following as of December 31:

	2004	2003
Future Growth	\$ 263,301	\$ 328,173
Vehicle Replacement	1,069	1,064
Bank of New York – Escrow	117,028	115,423
 Total Reserve	 \$ 381,398	 \$ 444,660

These amounts are shown as Designated Fund Balance on the accompanying financial statements.

VIII. COMMITMENTS

The District has a contract with Central County Emergency 911 to provide dispatch services. The contract is renewable annually. The District pays three cents per one hundred dollars of the total assessed valuation for the year during which dispatching services are provided. The total amount paid during the year ended December 31, 2004 was \$116,534.

IX. LONG-TERM DEBT

A. The following is a summary of changes in long-term debt for the year ended December 31, 2004:

	Certificates of Participation
Long-Term Debt January 1, 2004	\$ 1,165,000
Add-issued	0
Less-payments	(55,000)
 Long-Term Debt December 31, 2004	 \$ 1,110,000

\$1,415,000 Original Principal Meramec Ambulance District Certificates of Participation Series 1998 - due in varying annual principal installments ranging from \$45,000 to \$100,000 through September 1, 2018, interest rate is variable from 3.55% to 5.2%

MERAMEC AMBULANCE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2004

IX. LONG-TERM DEBT (CONTINUED)

B. The annual requirements to amortize all debt outstanding as of December 31, 2004 are as follows:

Final Year Ending
 December 31,

2005	\$	113,640
2006		111,090
2007		113,510
2008		110,650
2009		112,758
2010-2014		561,257
2015-2018		441,815
		1,564,720
Less Interest		(454,720)
	\$	1,110,000

Lease
 Payable

Lease payable January 1, 2004	\$	0
Add - Issued		91,020
Less - Payments		(31,523)
		59,497
Lease Payable, December 31, 2004	\$	59,497

In 2004 the District entered into a lease purchase agreement with Commerce Equipment Leasing to obtain defibrillator/monitors. This lease qualifies for a capital lease.

The \$91,020 lease is due in three annual payments of \$31,523 through August 1, 2006, interest at 3.951% including;

Final Year Ending
 December 31,

2005	\$	31,523
2006		31,523
		63,046
Less interest		(3,549)
	\$	59,497

MERAMEC AMBULANCE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

IX. LONG-TERM DEBT (CONCLUDED)

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to five percent (5%) of the assessed valuation of the district (excluding state assessed railroad and utilities). The District did not exceed the legal debt margin at December 31, 2004.

X. RESTATED BALANCES

The prior year end fund balance has been restated to reflect the change in how the District records its fixed assets and accumulated depreciation as required by GASB #34.

XI. SUBSEQUENT EVENTS

After completion of our fieldwork and the receipt of management's representation letter and prior to the issuance of our audit report, management discovered a possible shortage in their cash funds. This shortage is under investigation and has been turned over to the prosecuting attorney's office. The total monetary loss to the District is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

MERAMEC AMBULANCE DISTRICT
 BUDGETARY COMPARISON SCHEDULE- CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2004

	DECEMBER 31, 2004			Variance With Final budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Tax Income	1,000,500	1,219,721	1,211,682	(8,039)
Medical Services Reimbursement	360,000	360,000	385,458	25,458
Interest	12,000	12,000	8,440	(3,560)
Miscellaneous			9,699	9,699
Total Revenues	<u>1,372,500</u>	<u>1,591,721</u>	<u>1,615,279</u>	<u>23,558</u>
EXPENDITURES:				
Salaries	862,000	862,000	943,169	(81,169)
Employee Benefits/Reimbursements	20,000	20,000	19,309	691
Election	15,000	15,000	12,036	2,964
Group Health Insurance	127,500	127,500	123,391	4,109
Pension Plan	25,000	25,000	25,000	-
Insurance	56,000	56,000	19,743	36,257
Maintenance - Building	33,000	33,000	27,752	5,248
Medical Supplies and Training	67,996	67,996	52,502	15,494
Office Supplies	24,996	24,996	20,163	4,833
Professional Services	12,000	12,000	13,682	(1,682)
Payroll Taxes	70,000	70,000	64,138	5,862
Utilities and Telephone	49,992	49,992	34,770	15,222
Vehicle Repair and Maintenance	24,996	24,996	26,266	(1,270)
Dispatch- Central County	116,534	116,534	116,534	-
Gasoline and Oil	15,996	15,996	17,720	(1,724)
Payroll Services-ADP	4,500	4,500	5,507	(1,007)
Public Relations	4,992	4,992	2,948	2,044
Bank Charges	-	-	43	(43)
Petty Cash Adjustment	1,300	1,300		1,300
Uniforms	10,008	10,008	8,891	1,117
Miscellaneous	-	-	616	(616)
Capital Outlay:				
Building	-	-	2,636	(2,636)
Ambulance and Equipment	-	-	94,851	(94,851)
Purchase of Investments	-	-	503	
Debt Service:				
Principal payments	-	-	31,523	(31,523)
Payments on Certificates of Participation	-	-	55,000	(55,000)
Interest and fiscal charges	113,205	113,205	55,950	57,255
Total Expenditures	<u>1,655,015</u>	<u>1,655,015</u>	<u>1,774,643</u>	<u>(119,125)</u>
OTHER SOURCES OF REVENUE				
Capital Lease Borrowings	-	-	91,020	91,020
Total other sources of revenue	<u>-</u>	<u>-</u>	<u>91,020</u>	<u>91,020</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(282,515)</u>	<u>(63,294)</u>	<u>(68,344)</u>	<u>(95,567)</u>

See accompanying independent auditors' report



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Meramec Ambulance District
Pacific, Missouri 63069

We have audited the general-purpose financial statements of Meramec Ambulance District, as of and for the year ended December 31, 2004, and have issued our report thereon, dated May 27, 2005. 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.

Compliance

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

Internal Control Over Financial Reporting

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

This report is intended for the information of the audit committee and management and is not intended to be and should not be used by anyone other than these specified parties.

DANIEL JONES & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

May 27, 2005

SUPPLEMENTARY INFORMATION

MEREMAC AMBULANCE DISTRICT
RECONCILIATION OF ACCRUAL TO CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2004

Revenues:	Actual (Accrual)	Accrual to Cash Adjustment	Cash Basis
Tax Income	1,264,251	(52,569)	1,211,682
Medical Services Reimbursement	416,786	(31,328)	385,458
Interest	8,440		8,440
Miscellaneous	9,699		9,699
New Borrowings		91,020	91,020
Total Revenues	1,699,176	7,123	1,706,299
 EXPENDITURES:			
Salaries	898,089	45,080	943,169
Employee Benefits/Reimbursements	19,426	(117)	19,309
Election	12,036		12,036
Group Health Insurance	123,391		123,391
Pension Plan	25,000		25,000
Insurance	56,522	(36,779)	19,743
Maintenance - Building	27,752		27,752
Medical Supplies and Training	52,421	81	52,502
Office Supplies	20,532	(369)	20,163
Professional Services	14,132	(450)	13,682
Payroll Taxes	64,138		64,138
Utilities and Telephone	36,097	(1,327)	34,770
Vehicle Repair and Maintenance	25,208	1,058	26,266
Dispatch- Central County	116,534		116,534
Gasoline and Oil	18,076	(356)	17,720
Payroll Services-ADP	5,507		5,507
Public Relations	2,948		2,948
Bank Charges	43		43
Depreciation	97,052	(97,052)	-
Amortization	1,415	(1,415)	-
Uniforms	8,891		8,891
Miscellaneous	894	(278)	616
Capital Outlay:			-
Land & Building	-	2,636	2,636
Ambulance and Equipment	-	94,851	94,851
Purchase of Investment	-	503	503
Debt Service:			
Principal payments on Lease		31,523	31,523
Payments on Certificates of Participation	-	55,000	55,000
Interest and fiscal charges	55,950		55,950
Total Expenditures	1,682,054	92,589	1,774,643

See accompanying independent auditor's report