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1-1-2007

## Financial Statements, 2006

Cottleville Community Fire Protection District

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STATE AUDITORS OFFICE  
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JUN 29 2007

**COTTLEVILLE COMMUNITY FIRE  
PROTECTION DISTRICT**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2006**



**BOTZ, DEAL & COMPANY, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

**COTTLEVILLE COMMUNITY FIRE PROTECTION DISTRICT**

COTTLEVILLE, MISSOURI

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**COTTLEVILLE COMMUNITY FIRE PROTECTION DISTRICT**  
**SCHEDULE OF PRINCIPAL OFFICEHOLDERS**  
**DECEMBER 31, 2006**

**Officeholders**

John Remstedt, President

Shea Murray, Treasurer

Jim Donnelly, Co-Treasurer

Ken Brooks, Secretary

Steve McCoy, director

**Appointments**

Robert Wylie, Chief

Sandra Schene, Recording Secretary

Members of the Board are elected by the community. The Board appoints a president to serve a one-year term. They also appoint a treasurer, a secretary and the fire chief.



## INDEPENDENT AUDITORS' REPORT

Board of Directors

***COTTLVILLE COMMUNITY 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 Cottleville Community Fire Protection District, as of and for the year ended December 31, 2006, 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 an opinion on these financial statements based on our audit.

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

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 Cottleville Community Fire Protection District, as of December 31, 2006, and the respective changes in the financial position where applicable, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 25 through 27, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 an opinion on the financial statements that collectively comprise the Cottleville Community Fire Protection District's basic financial statements. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied by us, 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 as a whole.

*Botz Deal & Company PC*

June 19, 2007

TWO WESTBURY DRIVE  
ST. CHARLES, MO 63301  
(636) 946-2800  
FAX (636) 946-2975  
botzdeal@botzdeal.com

**COTTLEVILLE COMMUNITY FIRE PROTECTION DISTRICT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006

This section of Cottleville Community Fire Protection District's (the District) annual financial report presents management's discussion and analysis of the District's financial activity for the year ended December 31, 2006. In order to have a comprehensive understanding of the Management Discussion and Analysis, we recommend that the attached financial statements, including all notes to the financial statements, be read in their entirety.

**Using this Annual Report**

The District's basic financial statements are designed to emulate corporate presentation models whereby all District activities are consolidated. This approach is intended to summarize and simplify the analysis of the costs associated with various emergency services provided by the District for the benefit of its residents.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components:

- 1) Government-wide financial statements,
- 2) Fund financial statements, and
- 3) Notes to the basic financial statements.

Required supplementary information and additional supplementary information are also included in addition to the basic financial statements. The District has elected to present the government-wide and fund financial statements in a single report, pursuant to GASB 34 reporting requirements. The District believes this is the best reporting format of its operations and financial condition because the District has one (1) single purpose-emergency response services, although it is required, by state statute, to operate with three (3) separate ad-valorem tax rates and funds (general, debt service and pension.)

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The government-wide financial statements include the *Statement of Net Assets* and the *Statements of Activities*.

The *Statement of Net Assets* presents all of the District's assets and liabilities which measures the District's overall financial health. The increases and decreases in net assets can be monitored to determine whether the District's financial position is improving or deteriorating.

The *Statement of Activities* presents information reflecting how the District's net assets changed during the most recent year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused compensation, etc.)

The government-wide financial statements report functions of the District that are principally supported by taxes and charges for services. The governmental activities for the District include fire protection, public safety and debt services. It should be noted that the District currently has no business-type activities.

### **Fund Financial Statements**

The fund financial statements provide grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure compliance with finance-related legal requirements.

### **Governmental Funds**

The District's basic services are included in the governmental funds. These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. These fund statements measure current financial resources and uses or in essence, near-term inflows and outflows of expendable resources, as well as the balances of expendable resources available at the end of the year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. A reconciliation to facilitate a comparison between governmental funds and governmental activities is provided in the basic financial statements. The fund financial statements can be located on pages 11 and 13 of this financial report.

### **Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a complete understanding of the information reported in the government-wide and fund financial statements. The notes to the basic financial statements can be located on pages 15 through 24 of this financial report.

## Required and Other Supplementary Information

In addition to the basic financial statements and accompanying notes to the basic financial statements, this financial report also contains certain required supplementary information which can be located on pages 25 through 27 of this financial report.

### Financial Analysis of the District as a Whole (Consolidated)

*Statement of Net Assets  
December 31, 2006 and 2005*

	<u>2006</u>	<u>2005</u>	<u>Increase (Decrease)</u>
Current and other assets (net of inter-fund receivables)	\$ 8,759,208	\$ 6,884,791	\$ 1,874,417
Capital assets, net of depreciation	6,354,515	5,900,114	454,401
Total Assets	<u>15,113,723</u>	<u>12,784,905</u>	<u>2,328,818</u>
Current liabilities	197,134	683,214	( 486,080)
Non-current liabilities	7,423,031	5,513,149	1,909,882
Total Liabilities	<u>7,620,165</u>	<u>6,196,363</u>	<u>1,423,802</u>
Net Assets:			
Invested in capital assets, net of related debt	1,095,170	1,592,564	( 497,394)
Restricted	1,934,833	1,626,628	308,205
Unrestricted	4,463,555	3,369,351	1,094,204
Total Net Assets	<u>\$ 7,493,558</u>	<u>\$ 6,588,543</u>	<u>\$ 905,015</u>

The District's assets exceeded liabilities (net assets) by \$7,493,558 as of December 31, 2006. Of this amount, \$1,095,170 is invested in capital assets, net of related debt; \$1,934,833 is restricted for debt service and pension contributions; \$4,463,555 is unrestricted and available to provide for current and future obligations of the District.

This schedule is prepared from the District's Statement of Net Assets, referenced herein, which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.



*Statement of Changes in Net Assets  
For the Years Ended December 31, 2006 and 2005*

	2006	2005	Increase (Decrease)
Revenue:			
Program revenues:			
Charges for service	\$ 182,814	\$ 150,226	\$ 32,588
General revenue:			
Property taxes	6,312,969	5,884,878	428,091
Interest and investment earnings	191,671	21,040	170,631
Miscellaneous revenue	40,073	35,936	4,137
Total revenues	6,727,527	6,092,080	635,447
Expenses:			
Fire protection and public safety	5,584,521	5,853,241	(268,720)
Interest and fiscal charges	237,991	235,749	2,242
Total expenses	5,822,512	6,088,990	(266,478)
Change in net assets	905,015	3,090	901,925
Net assets, beginning of year	6,588,543	6,585,453	3,090
Net assets, end of year	\$ 7,493,558	\$ 6,588,543	\$ 905,015

Program revenue includes activities that have the characteristics of exchange transactions, such as commercial and residential inspections. General revenue includes activities that have the characteristics of non-exchange transactions, such as property taxes and investment earnings. Governmental activities are those expenses for the purpose of providing fire protection, emergency medical services and operational activities of the District. The District's governmental activities are funded primarily through general revenues. Total expenses exceeded revenues for the year ended December 31, 2006 by \$905,015.

**Fund Analysis**

*General Fund*

General Fund revenues and other financing sources exceeded General Fund expenditures by \$1,175,177. The increase in the general balance was primarily the result of the District's conservative approach to budgeting and monthly monitoring of expenses.

*Debt Service Fund*

Debt Service Fund revenues exceeded Debt Service Fund expenditures by \$209,640. The increase in the debt service fund balance was primarily the result of the timing of tax receipts from St. Charles County and bond payments (principal and interest) to said bond holders.

### *Pension Revenue Fund*

Pension Fund revenue exceeded Pension Fund expenditures by \$111,689. The increase was attributable to revenue being recorded on the modified accrual basis of accounting and contributions to pension accounts are based on when tax payments are received.

### **Budget Analysis**

The District adopts an annual budget for each of its governmental funds, except the Capital Projects Fund, pursuant to Missouri State Statutes.

Annually, as allowed by Missouri State Statutes, the District amends the budgets of each fund to reflect approved changes in spending requirements and unforeseen events that occurred during the most recent year.

The difference between the original budget adopted for 2006 and the amended budget for 2006, approved in January 2007, was primarily due to the timing of tax collections received from St. Charles County. Tax collection receipts can significantly vary from year-to-year, based on the economy, timeline of tax payments made by District residents and/or the timeliness of the processing and subsequent remittance to the District of said tax payment receipts by St. Charles County.

### **Capital Assets**

GASB 34 requires the District to include in capital assets all real estate to house firefighters and emergency vehicles, the District's administrative building and all emergency and administrative equipment and vehicles owned by the District with an original cost in excess of \$500. The District has adopted a capitalization policy with specific useful lives by capital asset category. More detailed information on the District's capital assets is presented in note 5 to the financial statements.

	<u>2006</u>	<u>2005</u>	<u>Increase (Decrease)</u>
Capital Assets:			
Land	\$ 548,994	\$ 548,994	\$ -
Buildings and improvements	4,819,408	4,819,408	-
Communications equipment	127,554	115,993	11,561
Firefighting equipment	670,232	565,443	104,789
Furniture, fixtures and equipment	446,056	454,696	( 8,640)
Vehicles	3,305,604	2,462,349	843,255
Total	<u>9,917,848</u>	<u>8,966,883</u>	950,965
Less: accumulated depreciation	<u>(3,563,333)</u>	<u>(3,066,768)</u>	<u>( 496,565)</u>
Net Capital Assets	<u>\$ 6,354,515</u>	<u>\$ 5,900,115</u>	<u>\$ 454,400</u>

## Long-Term Debt

During the year ended December 31, 2002, the District issued \$5,000,000 in general obligation bonds. During the year ended December 31, 2003, the District issued an additional \$1,000,000 in general obligations bonds. During the year ended December 31, 2006 the District issued \$2,000,000 in general obligation bonds. The average interest rates on these bonds issued are from 1.1% to 5.7%. These bonds were issued for the purpose of purchasing land, construction, equipping, and maintaining fire stations and purchasing fire protection and firefighting apparatus and auxiliary equipment for the District and were authorized at an election held in the District at the time of the general municipal election. More detailed information on the District's long-term debt is presented in note 7 to the financial statements.

Below is the combined repayment of principal and interest for all series:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 450,000	\$ 278,844	\$ 728,844
2008	425,000	256,475	681,475
2009	275,000	238,356	513,356
2010	300,000	225,922	525,922
2011	300,000	213,963	513,963
2012-2016	1,550,000	888,322	2,438,322
2017-2021	1,900,000	528,062	2,428,062
2022-2026	1,400,000	129,613	1,529,613
Totals	<u>\$ 6,600,000</u>	<u>\$ 2,759,557</u>	<u>\$ 9,359,557</u>

## Economic Factors

The District serves over 40,000 residents and has mutual aid agreements with all Fire Protection Districts and Fire Departments in the 'Region C' area of Missouri. The District also participates in the statewide mutual aid program through the State of Missouri's Division of Fire Safety. While the District includes office buildings, regional and local shopping areas, churches, residential care and light manufacturing facilities, it primarily consists of single and multi-family residential housing. Hence, the District is somewhat insulated from significant changes in the economy.

## Contact Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. This financial report demonstrates the District's spirit of full disclosure to provide readers of this report with an overview of the District's financial operations. For questions or requests for additional information, please direct requests to the Chief of the Fire Protection District at Fire Station No. 1, 1385 Motherhead Road, Cottleville, Missouri 63304.

**COTTLEVILLE COMMUNITY FIRE PROTECTION DISTRICT**

STATEMENT OF NET ASSETS

DECEMBER 31, 2006

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 1,539,698
Taxes receivable	4,855,227
Prepaid expenses	77,582
Restricted cash and investments	2,163,686
Debt issuance costs	123,015
Capital assets - net:	
Nondepreciable	548,994
Depreciable	5,805,521
<b>TOTAL ASSETS</b>	<u>15,113,723</u>
<b>LIABILITIES</b>	
Accounts payable	29,519
Accrued wages	63,349
Accrued interest payable	104,266
Noncurrent liabilities:	
Due in one year	667,200
Due in more than one year	6,755,831
<b>TOTAL LIABILITIES</b>	<u>7,620,165</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	1,095,170
Restricted for:	
Pension benefits	825,185
Retirement of bonds	1,109,648
Unrestricted	4,463,555
<b>TOTAL NET ASSETS</b>	<u>\$ 7,493,558</u>

The accompanying notes are an integral part of these financial statements.

**COTTLEVILLE COMMUNITY FIRE PROTECTION DISTRICT**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2006

<b>Functions/Programs</b>	Expenses	Program Revenue Charges for Service	Net (Expense) Revenue and Change in Net Assets Governmental Activities
<b>Governmental Activities</b>			
Public safety	\$ 5,584,521	\$ 182,814	\$ (5,401,707)
Interest and fiscal charges	237,991	-	(237,991)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 5,822,512</b>	<b>\$ 182,814</b>	<b>(5,639,698)</b>
			Taxes 6,312,969
			Interest income 191,671
			Other miscellaneous revenue 46,345
			Loss on the sale of fixed assets (6,272)
			<b>TOTAL GENERAL REVENUES 6,544,713</b>
			CHANGE IN NET ASSETS 905,015
			NET ASSETS - BEGINNING OF YEAR 6,588,543
			<b>NET ASSETS - END OF YEAR \$ 7,493,558</b>

The accompanying notes are an integral part of these financial statements.

**COTTLEVILLE COMMUNITY FIRE PROTECTION DISTRICT**

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2006

	General Fund	Capital Projects Fund	Debt Service Fund	Pension Fund	Total
<b>ASSETS AND OTHER DEBITS</b>					
Cash and cash equivalents	\$ 455,298	\$ 2,163,686	\$ 684,291	\$ 400,109	\$ 3,703,384
Taxes receivable	4,005,465	-	425,078	424,684	4,855,227
Due (to) from other funds	(671)	-	279	392	-
Prepaid items	29,854	47,728	-	-	77,582
<b>TOTAL ASSETS</b>	<u>\$ 4,489,946</u>	<u>\$ 2,211,414</u>	<u>\$ 1,109,648</u>	<u>\$ 825,185</u>	<u>\$ 8,636,193</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 20,222	\$ 9,297	\$ -	\$ -	\$ 29,519
Deferred revenue	169,123	-	19,556	16,794	205,473
Accrued salaries	63,349	-	-	-	63,349
<b>TOTAL LIABILITIES</b>	<u>252,694</u>	<u>9,297</u>	<u>19,556</u>	<u>16,794</u>	<u>298,341</u>
<b>FUND BALANCES</b>					
Fund balance reserved for:					
Pension benefits	-	-	-	808,391	808,391
Retirement of bonds	-	-	1,090,092	-	1,090,092
Prepaid items	29,854	47,728	-	-	77,582
Unreserved	4,207,398	2,154,389	-	-	6,361,787
<b>TOTAL FUND BALANCES</b>	<u>4,237,252</u>	<u>2,202,117</u>	<u>1,090,092</u>	<u>808,391</u>	<u>8,337,852</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,489,946</u>	<u>\$ 2,211,414</u>	<u>\$ 1,109,648</u>	<u>\$ 825,185</u>	<u>\$ 8,636,193</u>

The accompanying notes are an integral part of these financial statements.

***COTTLEVILLE COMMUNITY FIRE PROTECTION DISTRICT***

RECONCILIATION OF THE STATEMENT OF NET ASSETS  
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET  
DECEMBER 31, 2006

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balance per balance sheet	\$ 8,337,852
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	6,354,515
Bond issuance costs are amortized over the life of the bonds on the statement of net assets.	123,015
Receivables not collected in the current period are not available to pay current expenditures and, therefore, are deferred in the funds.	205,473
Interest payable recorded in the statement of net assets does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(104,266)
Long-term liabilities, including bonds payable, vacation and sick leave, are not due and payable in the current period and therefore, are not reported in the funds.	<u>(7,423,031)</u>
Net assets of governmental activities	<u>\$ 7,493,558</u>

The accompanying notes are an integral part of these financial statements.

**COTTLEVILLE COMMUNITY FIRE PROTECTION DISTRICT**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	General Fund	Capital Projects Fund	Debt Service Fund	Pension Fund	Total
<b>REVENUES</b>					
Taxes	\$ 5,304,400	\$ -	\$ 563,597	\$ 569,678	\$ 6,437,675
Building and other permits	182,814	-	-	-	182,814
Interest	83,953	68,935	26,975	11,808	191,671
Miscellaneous	32,600	13,745	-	-	46,345
<b>TOTAL REVENUES</b>	<u>5,603,767</u>	<u>82,680</u>	<u>590,572</u>	<u>581,486</u>	<u>6,858,505</u>
<b>EXPENDITURES</b>					
Current:					
Operations/repairs	122,319	-	-	-	122,319
Personnel	4,040,295	-	-	-	4,040,295
Maintenance	76,990	-	-	-	76,990
Insurance	79,644	-	-	-	79,644
Training	4,040	-	-	-	4,040
Election expense	18,910	-	-	-	18,910
Office and miscellaneous	29,489	-	-	448,210	477,699
Professional fees	56,301	11,932	-	21,587	89,820
Capital outlay	5,838	1,052,367	-	-	1,058,205
Debt service:					
Principal, interest and fiscal charges	2,374	22,375	380,932	-	405,681
<b>TOTAL EXPENDITURES</b>	<u>4,436,200</u>	<u>1,086,674</u>	<u>380,932</u>	<u>469,797</u>	<u>6,373,603</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,167,567</u>	<u>(1,003,994)</u>	<u>209,640</u>	<u>111,689</u>	<u>484,902</u>
<b>OTHER FINANCING SOURCES</b>					
Bond proceeds	-	2,000,511	-	-	2,000,511
Sale of fixed assets	7,610	-	-	-	7,610
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>7,610</u>	<u>2,000,511</u>	<u>-</u>	<u>-</u>	<u>2,008,121</u>
<b>CHANGE IN FUND BALANCE</b>	1,175,177	996,517	209,640	111,689	2,493,023
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>3,062,075</u>	<u>1,205,600</u>	<u>880,452</u>	<u>696,702</u>	<u>5,844,829</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 4,237,252</u>	<u>\$ 2,202,117</u>	<u>\$ 1,090,092</u>	<u>\$ 808,391</u>	<u>\$ 8,337,852</u>

The accompanying notes are an integral part of these financial statements.



**COTTLEVILLE COMMUNITY FIRE PROTECTION DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

Amounts reported for governmental activities in the statement of activities are different because:

Change in fund balance-total governmental funds	\$ 2,493,023
The acquisition of capital assets requires the use of current financial resources but has no effect on net assets.	1,001,221
The net effect of other miscellaneous transactions involving capital assets (i.e., sales) increases net assets	(13,882)
The cost of capital assets is allocated over their estimated useful lives and are reported as depreciation expense in the statement of activities.	(532,938)
Revenues that do not provide current financial resources are not included in the fund financial statements.	(124,706)
Repayment of bond principal is an expenditure in the governmental funds, but it is a reduction of long-term liabilities in the government-wide statements.	175,000
The increase in compensated absences liability does not require the use of current financial resources but is recorded as an expense in the statement of activities.	(84,882)
Bond issue costs are amortized over the life of the bonds on the statement of activities.	(7,216)
Bond issuance costs are reported as an expenditure in the governmental funds, but the costs are capitalized in the government-wide statements.	34,307
The issuance of bonds provides current financial resources to governmental funds, however, has no effect on net assets. The issuance of bonds increases long-term liabilities on the statement of net assets.	(2,000,511)
Interest payable does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	<u>(34,401)</u>
Change in net assets of governmental activities	<u><u>\$ 905,015</u></u>

The accompanying notes are integral part of these financial statements.

**COTTLEVILLE COMMUNITY FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Cottleville Community Fire Protection District (the District) operates under a five person Board of Directors. The District provides fire protection services to the cities of Cottleville, Weldon Spring, Dardenne Farms, a portion of the cities of St. Peters and O'Fallon and a portion of unincorporated St. Charles County.

**A. REPORTING ENTITY**

The District applies the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity* (GASB 14), to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units is based on the elected officials' accountability to their constituents. The financial reporting entity follows the same accountability. In addition, the financial statements of the reporting entity should allow the user to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. Criteria for inclusion of an entity into the primary governmental unit (in blended or discrete presentation) includes, but is not limited to, legal standing, fiscal dependency, imposition of will and the primary recipient of services. The District presently has no component units included within its reporting entity.

**B. BASIC FINANCIAL STATEMENTS**

Basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements, and
- Notes to the basic financial statements.

*Government-Wide Financial Statements* - The reporting model includes financial statements prepared using accrual accounting for all the District's nonfiduciary activities. This approach includes not just current assets and liabilities, but also capital and other long-term assets as well as long-term liabilities. Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter. Government-wide financial statements include the following:

*Statement of Net Assets* -The statement of net assets is designed to display the financial position of the Primary Government (governmental and business-type activities). The District reports capital assets in the government-wide statement of net assets and reports depreciation expense in the statement of activities. The net assets of the District are broken down into three categories 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted. The District has no business-type activities.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

B. **BASIC FINANCIAL STATEMENTS - continued**

*Statement of Activities* - The statement of activities reports expenses and revenues in a format that focuses on the cost of each of the District's functions. The expense of individual functions is compared to the revenue generated directly by the function. Accordingly, the District has recorded capital assets and certain other long-term assets and liabilities in the statement of net assets and has reported all revenues and the cost of providing services under the accrual basis of accounting in the statement of activities. The District has elected to implement the requirements of GASB 34 related to infrastructure assets from January 1, 2004 forward.

The government-wide financial statements consist of the statement of net assets and the statement of activities and report information on all of the nonfiduciary activities of the Primary Government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net assets have been eliminated.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Indirect expenses are allocated based on the annual cost allocation plan. Program revenue includes charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund based financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The major governmental funds are the General, Capital Projects, Debt Service and Pension. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds.

C. **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. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental funds 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District in general considers revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

C. **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION** - continued

For the governmental funds financial statements, the District considers all revenues susceptible to accrual and recognizes revenue if the accrual criteria are met. Specifically, interest, charges for services, and other miscellaneous revenue are considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period.

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

The District reports the following major governmental funds:

**General Fund** - This fund is the general operating fund of the District. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The fund pays the general operating expenditures, the fixed charges and the capital improvement costs that are not paid through other funds.

**Capital Projects Fund** - This fund is used to account for the proceeds of the District's fire protection bond issue and the various capital expenditures made with the proceeds.

**Debt Service Fund** - This fund is used to account for the proceeds of a tax levy which will be used to retire the District's fire protection bonds.

**Pension Fund** - This fund is used to account for a separate tax used to fund the employees' pension.

D. **CAPITAL ASSETS**

Capital assets, which include land, buildings and improvements, and equipment are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of \$500 or more and an estimated useful life in excess of one year. 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 asset lives is not capitalized.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

D. **CAPITAL ASSETS** - continued

Capital assets of the District are depreciated using a straight-line method over the following estimated useful lives:

<u>Major Group</u>	<u>Life</u>
Buildings and improvements	7 - 40 years
Communication equipment	5 - 10 years
Firefighting equipment	5 - 10 years
Furniture and equipment	5 - 10 years
Vehicles	5 - 10 years

E. **ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles 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 vary from the estimates that management uses.

F. **INTERFUND TRANSACTIONS**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All interfund transactions are reported as transfers.

G. **COMPENSATED ABSENCES**

District employees earn vacation based on their length of employment. Accrued vacation time is recognized as a liability when earned and any unused accumulated vacation is payable to employees upon termination. District employees earn sick leave every two weeks and can accumulate up to 2880 hours. At retirement, employees will be paid for a maximum of 960 hours.

H. **LONG-TERM LIABILITIES**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Initial-issue 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 unamortized portion of applicable premium or discount. Bond issuance costs, including underwriters' discount, are reported as deferred bond issuance costs. Amortization of bond premiums or discount, and issuance costs are included in interest expense.

I. **RESTRICTED CASH AND INVESTMENTS**

Restricted cash and investments consist of proceeds from the issuance of bonds restricted for the purchase of capital assets.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

J. **NET ASSETS AND FUND EQUITY**

In government-wide financial statements net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Net assets invested in capital assets, net of related debt represents capital assets less accumulated depreciation less outstanding principal on related debt. Net assets invested in capital assets, net of related debt does not include the unspent proceeds of capital debt. Restricted net assets represent net assets restricted by parties outside of the District (such as creditors, grantors, contributors, laws and regulations of other governments).

When both restricted and unrestricted sources are available for use, it is the District's policy to use restricted first, then unrestricted resources as they are needed. The government-wide statement of net assets reports \$1,934,833 of restricted assets, which is restricted by enabling legislation.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

K. **CONCENTRATION OF LABOR**

Approximately 90% of the labor force was subject to a collective bargaining agreement expiring December 31, 2006.

2. **BUDGETS AND BUDGETARY ACCOUNTING**

**Budgetary Process** - Prior to January 1, the budget is legally enacted. Projected expenditures cannot exceed estimated revenues plus any unencumbered balance estimated for the beginning of the budget year. The budget is prepared on a cash basis of accounting. The District did not prepare a budget for the Capital Projects Fund in 2006.

3. **CASH AND INVESTMENTS**

The District's bank deposits are required by state law to be secured by the deposit of certain securities with the District or trustee institution. The value of the securities must amount to the total of the District's cash not insured by the Federal Deposit Insurance Corporation. As of December 31, 2006, the carrying amount of the District's bank deposits totaled \$3,702,884 with bank balances of \$3,720,795. The bank balance was covered by federal depository insurance or collateralized by securities held by the pledging financial institution in the District's name.

4. **PROPERTY TAX**

The District's property tax is levied each year on the assessed value listed as of the prior January 1 for all real and personal property located in the District. Taxes are levied in September and payable by December 31. The County collects the property tax and remits it to the District. Assessed values are established by the St. Charles County Assessor subject to review by the Board of Equalization.

4. **PROPERTY TAX - continued**

Assessed Valuation and Tax Rate	
Real estate	\$ 888,971,040
Personal property	173,521,011
Railroad and utilities - local personnel	2,995,746
State Assessed Railroad Utility	
Real	9,384,975
Property	1,899,724
Total Assessed Valuation	\$ <u>1,076,772,496</u>

Tax Rate (per \$100 of Assessed Valuation)	
General Fund	\$ .4714
Pension Fund	.0500
Debt Service Fund	.0500

5. **CAPITAL ASSETS**

Capital asset activity for the primary government for the year ended December 31, 2006 is as follows:

	BALANCE, BEGINNING OF YEAR	TRANSFERS AND ADDITIONS	TRANSFERS AND DELETIONS	BALANCE, END OF YEAR
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 548,994	\$ -	\$ -	\$ 548,994
Capital assets, being depreciated:				
Buildings and improvements	4,819,408	-	-	4,819,408
Communication equipment	115,993	25,067	( 13,506)	127,554
Fire fighting equipment	565,443	108,099	( 3,310)	670,232
Furniture and equipment	454,696	24,799	( 33,439)	446,056
Vehicles	2,462,349	843,255	-	3,305,604
Total capital assets, being depreciated	8,417,889	1,001,220	( 50,255)	9,368,854
Less accumulated depreciation for:				
Buildings and improvements	(1,607,969)	(123,942)	-	(1,731,911)
Communication equipment	( 81,823)	( 9,568)	5,803	( 85,588)
Fire fighting equipment	( 319,829)	( 81,977)	2,646	( 399,160)
Furniture and equipment	( 223,940)	( 62,253)	27,924	( 258,269)
Vehicles	( 833,207)	(255,198)	-	(1,088,405)
Total accumulated depreciation	(3,066,768)	(532,938)	36,373	(3,563,333)
Total capital assets, being depreciated, net	5,351,121	468,282	( 13,882)	5,805,521
Total governmental activities	\$ 5,900,115	\$ 468,282	\$ ( 13,882)	\$ 6,354,515

All depreciation expense was charged to public safety on the government-wide financial statements.

6. **SHORT-TERM DEBT - TAX ANTICIPATION NOTES**

The District issued tax anticipation notes to provide short-term cash to carry on the District's operations until tax revenue was received in December and January. Repayment of the notes came from tax payments. Interest only payments based on the Wall Street Journal Prime are due monthly with the balance due April 2007. Short-term debt activity for the year ended December 31, 2006 was as follows:

	BALANCE, BEGINNING OF YEAR	ADDITIONS	DELETIONS	BALANCE, END OF YEAR
Tax anticipation notes	\$ 550,000	\$ 120,000	\$ 770,000	\$ -

7. **LONG-TERM DEBT**

**Fire Protection Bonds** - The District has been authorized to issue up to \$10,000,000 in bonds. The bonds were issued for the purpose of constructing, purchasing, equipping and maintaining fire stations, and purchasing fire-fighting apparatus and auxiliary equipment for the District. These bonds are being serviced through a separate property tax.

Fire Protection Bonds Series 2002	\$3,975,000
Bank of New York	
Interest rate - 3.25% to 5.7%	
Matures - March 1, 2022	
Annual payments range from \$324,506 to \$726,323	
Fire Protection Bonds Series 2003	625,000
Bank of New York	
Interest rate - 1.1% to 4.75%	
Matures - March 1, 2023	
Annual payments range from \$36,163 to \$351,128	
Fire Protection Bonds Series 2006	2,000,000
Bank of New York	
Interest rate - 3.85% to 5.5%	
Matures - March 1, 2026	
Annual payments range: from \$84,675 to \$338,575	
TOTAL	<u>\$6,600,000</u>



7. **LONG-TERM DEBT** - continued

Debt and long-term liability activity for the year ended December 31, 2006 was as follows:

	BALANCE, BEGINNING OF YEAR	ADDITIONS	REDUCTIONS	BALANCE, END OF YEAR	DUE WITHIN ONE YEAR
Governmental activities:					
Fire Protection Bonds:					
Series-2002	\$ 4,125,000	\$ -	\$ (150,000)	\$ 3,975,000	\$ 175,000
Series-2003	650,000	-	( 25,000)	625,000	25,000
Series-2006	-	2,000,000	-	2,000,000	250,000
Vacation and sick leave	738,149	451,317	(366,435)	823,031	217,200
Total governmental activities	\$ 5,513,149	\$ 2,451,317	\$ (541,435)	\$ 7,423,031	\$ 667,200

Annual debt service payments are as follows:

YEAR	Governmental Activities		TOTAL
	PRINCIPAL	INTEREST	
2007	\$ 450,000	\$ 278,844	\$ 728,844
2008	425,000	256,475	681,475
2009	275,000	238,356	513,356
2010	300,000	225,922	525,922
2011	300,000	213,963	513,963
2012 - 2016	1,550,000	888,322	2,438,322
2017 - 2021	1,900,000	528,062	2,428,062
2022 - 2026	1,400,000	129,613	1,529,613
Total	\$ 6,600,000	\$ 2,759,557	\$ 9,359,557

8. **DUE TO/FROM OTHER FUNDS**

Due to/from other funds as of December 31, 2006 were as follows:

	<u>Due from</u>	<u>Due to</u>
General Fund	\$ -	\$ 671
Debt Service Fund	279	-
Pension Trust Fund	392	-
	\$ 671	\$ 671

Interfund balances relate to the timing of tax collections. All taxes are receipted into the General Fund and then transfer to the various funds.

9. **LEASES**

The Company leases a copier from Ikon Office Solutions, Inc. Lease expense totaled \$817 and \$-0- in 2006 and 2005, respectively. Minimum future rental payments under these non-cancellable operating leases as of December 31, 2006, are as follows:

2007	\$4,896
2008	4,896
2009	4,896
2010	4,896
2011	<u>4,080</u>
Total	<u>\$23,664</u>

10. **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 has joined together with other districts to form a group of self-insurers for workers' compensation, a public entity risk pool currently operating as a common risk management and insurance program for worker compensation claims. The District pays an annual premium to the pool for its insurance coverage. The agreement provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event.

The pooling agreement allows for the pool to use 5% of assessment to make the pool self-sustaining for supplemental aggregate reinsurance coverage. This coverage will be funded until the cumulative balance reaches \$1,000,000. The Missouri Fire and Ambulance Districts' Insurance Trust (MoFAD) has published its own financial report for the year ended December 31, 2006 that can be obtained from MoFAD.

11. **DEFERRED COMPENSATION PLAN**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The District makes no contribution to the Plan.

Qualified Plan Services, Ltd. administers the District's Deferred Compensation Plan. The District does not have significant administrative involvement in the Plan. With the adoption of Governmental Accounting Standards Board (GASB) No. 32, "*Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*", the District's Deferred Compensation Plan is not included in the general purpose financial statements. The District's Plan does not meet the criteria for reporting the Deferred Compensation Plan in a fiduciary fund.

## 12. PENSION PLAN

The District provides pension benefits and life insurance for all of its full-time employees through a Money Purchase Plan and Trust (the Plan), which is a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

Employees who are eighteen or older are eligible to participate after one year of employment. For the Plan year ending December 31, 2006, the District contributed an amount equal to 15 percent of an employee's eligible salary plus \$100 for each year of service completed. In addition, contributions include a proportionate share of the "available amount". The "available amount" is based on the pension tax collected for the prior year, less administrative expenses related to the operations of the Plan for the current Plan year. The District's contributions for each employee (and earnings allocated to the employee's account) are fully vested after seven years of service. District contributions for, and earnings forfeited by employees who leave employment before seven years of service are allocated on the basis of compensation to participants who are eligible to receive an allocation for the Plan year.

Participants may borrow, from their mutual fund accounts, a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance.

Assets and liabilities of the Plan are recorded in the Pension Trust Fund. The District's contribution made in 2006 was \$448,210.

**REQUIRED SUPPLEMENTARY INFORMATION**

**COTTLEVILLE COMMUNITY FIRE PROTECTION DISTRICT**

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>OPERATING REVENUE</b>				
Taxes	\$ 4,847,847	\$ 4,914,349	\$ 4,914,349	\$ -
Building and other permits	100,000	182,814	182,814	-
Interest	35,000	83,953	83,953	-
Miscellaneous	-	32,600	32,600	-
<b>TOTAL REVENUE</b>	<u>4,982,847</u>	<u>5,213,716</u>	<u>5,213,716</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Operations/repairs	157,975	122,340	122,319	21
Personnel	4,074,035	4,029,992	4,029,330	662
Maintenance	44,951	71,826	72,179	(353)
Insurance	78,000	81,826	81,826	-
Training	10,000	4,040	4,040	-
Election expense	22,000	18,910	18,910	-
Office and miscellaneous	32,886	29,159	29,489	(330)
Professional fees	48,000	56,301	56,301	-
Capital outlay	15,000	5,838	5,838	-
Debt service:				
Principal, interest and fiscal charges	-	2,374	2,374	-
<b>TOTAL EXPENDITURES</b>	<u>4,482,847</u>	<u>4,422,606</u>	<u>4,422,606</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	500,000	791,110	791,110	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of fixed assets	-	7,610	7,610	-
<b>CHANGE IN FUND BALANCE</b>	500,000	798,720	798,720	\$ -
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>(344,093)</u>	<u>(344,093)</u>	<u>(344,093)</u>	
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 155,907</u>	<u>\$ 454,627</u>	<u>\$ 454,627</u>	
<b>FUND BALANCES - END OF YEAR - BUDGET BASIS</b>			\$ 454,627	
Accrual adjustments:				
Revenues			4,035,319	
Expenditures			(252,694)	
<b>FUND BALANCE - END OF YEAR - GAAP BASIS</b>			<u>\$ 4,237,252</u>	

**COTTLEVILLE COMMUNITY FIRE PROTECTION DISTRICT**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 PENSION FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>OPERATING REVENUE</b>				
Taxes	\$ 584,128	\$ 578,008	\$ 578,008	\$ -
Interest	2,000	11,808	11,808	-
TOTAL REVENUE	<u>586,128</u>	<u>589,816</u>	<u>589,816</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Contributions	584,128	467,789	448,208	19,581
Professional fees	700	2,008	21,589	(19,581)
TOTAL EXPENDITURES	<u>584,828</u>	<u>469,797</u>	<u>469,797</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,300</u>	<u>120,019</u>	<u>120,019</u>	<u>\$ -</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>280,482</u>	<u>280,482</u>	<u>280,482</u>	
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 281,782</u>	<u>\$ 400,501</u>	<u>\$ 400,501</u>	
<b>FUND BALANCES - END OF YEAR - BUDGET BASIS</b>			\$ 400,501	
Accrual adjustments:				
Revenues			424,684	
Expenditures			(16,794)	
<b>FUND BALANCE - END OF YEAR - GAAP BASIS</b>			<u>\$ 808,391</u>	

***COTTLEVILLE COMMUNITY FIRE PROTECTION DISTRICT***  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2006

**1. BUDGETARY INFORMATION**

The District prepares its budget on the cash basis of accounting. The budgetary process is detailed in footnote 2 of the notes to the financial statements.

**SUPPLEMENTARY INFORMATION**



**COTTLEVILLE COMMUNITY FIRE PROTECTION DISTRICT**

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>OPERATING REVENUE</b>				
Taxes	\$ 415,471	\$ 459,940	459,940	\$ -
Interest	5,000	26,975	26,975	-
TOTAL REVENUE	<u>420,471</u>	<u>486,915</u>	<u>486,915</u>	<u>-</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal, interest and fiscal charges	380,932	380,932	380,932	-
TOTAL EXPENDITURES	<u>380,932</u>	<u>380,932</u>	<u>380,932</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	39,539	105,983	105,983	<u>\$ -</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>578,587</u>	<u>578,587</u>	<u>578,587</u>	
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 618,126</u>	<u>\$ 684,570</u>	<u>\$ 684,570</u>	
<b>FUND BALANCES - END OF YEAR - BUDGET BASIS</b>			\$ 684,570	
Accrual adjustments:				
Revenues			405,522	
Expenditures			-	
<b>FUND BALANCE - END OF YEAR - GAAP BASIS</b>			<u>\$ 1,090,092</u>	