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1-1-2004

## Annual Report, 2003

High Ridge Fire Protection District

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**HIGH RIDGE FIRE PROTECTION DISTRICT**  
**ANNUAL REPORT**  
**NINE MONTHS ENDED SEPTEMBER 30, 2003**

**ROSS & COMPANY, P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**50 CRESTWOOD EXECUTIVE CENTER • SUITE 400**  
**ST. LOUIS, MISSOURI 63126**

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**ROSS & COMPANY, P. C.**  
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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
High Ridge Fire Protection District  
2842 High Ridge Blvd.  
High Ridge, Missouri 63049

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

**HIGH RIDGE FIRE PROTECTION DISTRICT**

as of and for the nine-months ended September 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of High Ridge Fire Protection District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities and each major fund of High Ridge Fire Protection District as of September 30, 2003 and the respective changes in financial position - modified cash basis thereof for the nine months then ended in conformity with the basis of accounting described in Note 1(c).

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 September 30, 2003.

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

*Ross & Company, P.C.*  
Certified Public Accountants

November 6, 2003

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

## HIGH RIDGE FIRE PROTECTION DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2003

The discussion and analysis of the High Ridge Fire Protection District's financial performance provides an overall review of the District's financial activities for the nine months ended September 30, 2003. The intent is to look at the District's financial performance as a whole. The financial statements prepared by the auditors should be reviewed for more in-depth information.

### FINANCIAL HIGHLIGHTS

**Key financial highlights for 2003 are as follows:**

- The net assets for the Governmental Activities increased by \$433 thousand.
- Governmental Activities revenue was \$2.7 million.
- Property taxes for Governmental Activities were \$2.4 million.
- General Fund assets increased by \$211 thousand.
- General Fund revenues were \$2.3 million.
- Property taxes represented \$2 million of the General Fund revenue total or 88%.
- Expenditures for the General Fund were \$2.1 million.
- Special Revenue Fund assets increased by \$28 thousand.
- Special Revenue Fund revenues were \$123 thousand.
- Property taxes represented 99% of the revenues in Special Revenue Fund.

#### 1. USING THIS ANNUAL FINANCIAL REPORT

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34. GASB Statement 34 implements a new model of financial reporting for state and local governments designed to enhance the usefulness of the District's annual report. While the High Ridge Fire Protection District was not required to implement the provisions of GASB Statement 34 until the year ending September 30, 2004, District management has elected to early implement the new model financial statement format and content using the District's modified cash basis of accounting.

#### Report Components

This annual report consists of four parts as follows:

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

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

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

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

### **Basis of Accounting**

The District has elected to present its financial statements on a modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to *when* financial events are recorded, such as the timing for recognizing revenues, expenses and their related assets and liabilities. Under the District’s modified cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from cash transactions, except for the recording of depreciation expense on capital assets in the government-wide financial statements for all activities.

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

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

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

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

The primary government includes the following legal entity:

- High Ridge Fire Protection District

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

Our financial analysis of the District as a whole begins on page 8. The government-wide financial statements are presented on pages 13 and 14. One of the most important questions asked about the District’s finances is “Is the District as a whole better off or worse off as a result of the year’s activities?” The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all of the District’s assets and liabilities resulting from the use of the modified cash basis of accounting.

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



## Reporting the District's Most Significant Funds

### *The Fund Financial Statements*

Our analysis of the District's major fund begins on page 10. The fund financial statements begin on page 15 and provide detailed information about the most significant funds.

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

**Fiduciary fund** - The District uses this fund to account for assets that are held in a trustee capacity such as pension plan assets, assets held per trust agreements and similar arrangements

## 2. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

### Net Assets - Modified Cash Basis

For the nine months ended September 30, 2003, net assets of the District (resulting from modified cash basis transactions) changed as follows:

	<u>Governmental Activities</u> <u>Sept. 2003</u>
<u>Assets</u>	
Current asset	\$ 1,414,786.
Capital assets	<u>4,801,500.</u>
<b>Total assets</b>	<b>\$ 6,216,286.</b>
<u>Liabilities</u>	
Liabilities	\$ 8,400.
Long-term debt outstanding	<u>4,495,106.</u>
<b>Total Liabilities</b>	<b>\$ 4,503,506.</b>
<b>Net assets</b>	
Invested in capital assets, net of related debt	\$ 306,394.
Unrestricted	<u>1,406,386.</u>
<b>Total net assets</b>	<b>\$ <u>1,712,780.</u></b>

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

**Governmental Actives**  
**Nine Months Ended**  
**Sept. 30, 2003**

<b><u>Revenues</u></b>	
Taxes	\$ 2,409,094.
Permits	194,681.
Interest revenue	20,295.
Other revenue	19,446.
Sale of assets	880.
Grant revenue	<u>50,000.</u>
Total Revenues Collected	\$ <u>2,694,396.</u>
<b><u>Expenditures</u></b>	
Current	\$ 1,838,860.
Capital outlay	146,414.
Debt retirement	<u>131,454.</u>
Total Expenditures Paid	\$ <u>2,116,728.</u>
<b>Decrease in Net Costs</b>	<b>\$ <u>577,668.</u></b>

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 year assets, liabilities, and changes in net assets.

**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.

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

For the nine months ended September 30, 2003, the District's governmental activities were funded as follows:

	<u>General Fund</u> <u>Sept. 30, 2003</u>
<b><u>Sources of Funds for Governmental Activities</u></b>	
Taxes	\$ 2,409,094.
Permits	194,681.
Interest revenue	20,295.
Sale of assets	880.
Miscellaneous revenue	19,446.
Grant revenue	<u>50,000.</u>
 Total Revenue Collected	 <u>\$ 2,694,396.</u>
<b><u>Use of Funds in Governmental Activities</u></b>	
Public safety - fire protection:	
Personal services - wages and fringe benefits	\$ 1,565,443.
Materials, supplies & maintenance	79,240.
Depreciation	308,448.
Interest	114,063.
Insurance	26,610.
Communications - dispatching, telephone & paging	96,754.
General and administrative	<u>70,813.</u>
 Total Expenditures	 <u>\$ 2,261,371.</u>

For the nine months ended September 30, 2003, total expenses for governmental activities amounted to \$2,261,371. Of these total expenses, taxpayers and other general revenues funded \$2,261,371.

### 3. **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

- The General Fund reported revenues of \$2,311,577 and expenditures of \$1,840,060, resulting in an increase in fund balance of \$471,517.

### 4. **SIGNIFICANT TRANSACTIONS**

The District is in the process of remodeling house #2.

### 5. **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the Board of Directors revised the General Fund budget at various times.

For the nine months ended September 30, 2003, General Fund expenditures were \$699,889 below final appropriations, while actual resources available for appropriation were \$228,372 below the final budgeted amount.

**6. CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets - Modified Cash Basis**

At the end of September 30, 2003, the District has \$4.8 million invested in capital assets, net of depreciation (see table below). This represents a net decrease of \$162 thousand or 3% under last year.

**CAPITAL ASSETS - MODIFIED CASH BASIS**  
**(Net of accumulated depreciation)**

<u>Governmental Activities</u>	<u>Nine Months Ended</u> <u>Sept. 30, 2003</u>
Land and buildings	\$ 4,063,701.
Vehicles	529,495.
Equipment	<u>208,304.</u>
<b>TOTALS</b>	<b><u>\$ 4,801,500.</u></b>

This year's more significant capital asset additions included:

Turnout Gear	\$ 50,229.
House #2 remodel	85,085.

**Long-Term Debt**

At the end of September 30, 2003, the District had \$1,406,386 in long-term debt and \$306,394 in short-term debt arising from cash transactions, all of which are related to governmental-type activities.

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

For the year ending September 30, 2004, the budget is similar to the September 30, 2003 budget.

**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 Fire Chief Steve Davis at 2842 High Ridge Blvd., High Ridge, Missouri.

## BASIC FINANCIAL STATEMENTS

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

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

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

**HIGH RIDGE FIRE PROTECTION DISTRICT**

**STATEMENT OF NET ASSETS - MODIFIED CASH BASIS  
GOVERNMENTAL ACTIVITIES  
SEPTEMBER 30, 2003**

**ASSETS**

Cash and cash equivalents	\$ 1,414,786.42
Capital assets, net of accumulated depreciation	<u>4,801,499.58</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>6,216,286.00</u></b>

**LIABILITIES**

Electric bond deposits	\$ 8,400.00
Long-term liabilities:	
Due within one year	320,106.00
Due in more than one year	<u>4,175,000.00</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>4,503,506.00</u></b>

**NET ASSETS**

Invested in capital assets, net of related debt	\$ 306,393.58
Unrestricted	<u>1,406,386.42</u>
<b>TOTAL NET ASSETS</b>	<b>\$ <u>1,712,780.00</u></b>

See accompanying notes to the basic financial statements.

**HIGH RIDGE FIRE PROTECTION DISTRICT**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
GOVERNMENTAL ACTIVITIES  
NINE MONTHS ENDED SEPTEMBER 30, 2003**

**EXPENSES**

Public safety - fire protection:	
Personal services - wages, fringe benefits and volunteer expenses	\$ 1,565,442.67
Materials, supplies and maintenance	79,239.74
Depreciation	308,447.50
Interest	114,063.39
Insurance	26,610.25
Communications - dispatching, telephone and paging	96,753.63
General and administrative	<u>70,813.29</u>
	<b>TOTAL PROGRAM EXPENSES</b>
	<b>\$ <u>2,261,370.47</u></b>

**PROGRAM REVENUES**

Charges for services	\$ <u>194,681.30</u>
----------------------	----------------------

**NET PROGRAM EXPENSE** **\$ 2,066,689.17**

**GENERAL REVENUES**

Property taxes	\$ 2,409,092.86
Investment earnings	20,295.37
Sale of assets	880.00
Miscellaneous	19,446.37
Grant revenue	<u>50,000.00</u>

**TOTAL GENERAL REVENUES** **\$ 2,499,714.60**

**INCREASE IN NET ASSETS** **\$ 433,025.43**

**NET ASSETS - Beginning of period** **1,279,754.57**

**NET ASSETS - End of period** **\$ 1,712,780.00**

See accompanying notes to the basic financial statements.

**HIGH RIDGE FIRE PROTECTION DISTRICT**

**BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2003**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Debt Service Fund</u></b>	<b><u>Capital Projects Fund</u></b>	<b><u>Total Governmental Funds</u></b>
<b><u>ASSETS</u></b>					
Cash and investments	\$ 307,245.41	\$ 47,030.86	\$ 512,281.99	\$ 548,228.16	\$ 1,414,786.42
TOTAL ASSETS	\$ 307,245.41	\$ 47,030.86	\$ 512,281.99	\$ 548,228.16	\$ 1,414,786.42
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
Liabilities:					
Electric bond deposits	\$ 8,400.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 8,400.00
TOTAL LIABILITIES	\$ 8,400.00	\$ 0.00	\$ 0.00	0.00	\$ 8,400.00
Fund Balance:					
Fund Balance - unreserved	\$ 298,845.41	\$ 47,030.86	\$ 512,281.99	\$ 548,228.16	\$ 1,406,386.42
TOTAL FUND BALANCES	\$ 298,845.41	\$ 47,030.86	\$ 512,281.99	\$ 548,228.16	\$ 1,406,386.42
TOTAL LIABILITIES AND FUND BALANCES	\$ 307,245.41	\$ 47,030.86	\$ 512,281.99	\$ 548,228.16	\$ 1,414,786.42

**RECONCILIATION TO STATEMENT  
OF NET ASSETS**

Fund balance - unrestricted					\$ 1,406,386.42
Amounts reported for governmental activities in the statement of the net assets are different because:					
Capital assets used in governmental activities of \$6,391,876.48 are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$1,590,376.90.					4,801,499.58
Long-term liabilities of \$4,495,106.00 are not due and payable in the current period and are not reported in the funds.					(4,495,106.00)
NET ASSETS OF GOVERNMENTAL ACTIVITIES					\$ 1,712,780.00

See accompanying notes to the basic financial statements.



**HIGH RIDGE FIRE PROTECTION DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
NINE MONTHS ENDED SEPTEMBER 30, 2003**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Debt Service Fund</u></b>	<b><u>Capital Projects Fund</u></b>	<b><u>Total Governmental Funds</u></b>
<b><u>REVENUES</u></b>					
Taxes, penalties and interest (less fees)	\$ 2,030,616.56	\$ 122,264.91	\$ 256,211.39	\$	\$ 2,409,092.86
Permit and fees	194,681.30				194,681.30
Interest revenue	7,696.33	683.68	4,077.22	7,838.14	20,295.37
Sale of assets	880.00				880.00
Miscellaneous revenue	19,446.37				19,446.37
Grant revenue	50,000.00				50,000.00
TOTAL REVENUES	<u>\$ 2,303,320.56</u>	<u>\$ 122,948.59</u>	<u>\$ 260,288.61</u>	<u>\$ 7,838.14</u>	<u>\$ 2,694,395.90</u>
<b><u>EXPENDITURES</u></b>					
Current:					
General and administration	\$ 1,743,907.99	\$ 94,951.59	\$	\$	\$ 1,838,859.58
Capital outlay:					
Current expenditures	92,474.40			53,940.27	146,414.67
Debt Service:					
Lease payment - Principal				17,390.51	17,390.51
Interest and fees	3,677.48		108,980.63	1,405.28	114,063.39
TOTAL EXPENDITURES	<u>\$ 1,840,059.87</u>	<u>\$ 94,951.59</u>	<u>\$ 108,980.63</u>	<u>\$ 72,736.06</u>	<u>\$ 2,116,728.15</u>
<b><u>OTHER FINANCING SOURCES (uses)</u></b>					
Transfers in	\$ 8,256.35	\$	\$	\$	\$ 8,256.35
Transfers out	0.00			(8,256.35)	(8,256.35)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 8,256.35</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ (8,256.35)</u>	<u>\$ 0.00</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<b>\$ 471,517.04</b>	<b>\$ 27,997.00</b>	<b>\$ 151,307.98</b>	<b>\$ (73,154.27)</b>	<b>\$ 577,667.75</b>
<b><u>FUND BALANCES - Beginning of period</u></b>	<b>(172,671.63)</b>	<b>19,033.86</b>	<b>360,974.01</b>	<b>621,382.43</b>	<b>828,718.67</b>
<b><u>FUND BALANCES - End of period</u></b>	<b><u>\$ 298,845.41</u></b>	<b><u>\$ 47,030.86</u></b>	<b><u>\$ 512,281.99</u></b>	<b><u>\$ 548,228.16</u></b>	<b><u>\$ 1,406,386.42</u></b>

See accompanying notes to the basic financial statements.

**HIGH RIDGE FIRE PROTECTION DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
NINE MONTHS ENDED SEPTEMBER 30, 2003**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

**NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS** \$ 577,667.75

Amounts reported for general fund activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense as to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	146,414.67
Depreciation expense	(308,447.50)

Repayment of debt principal is an expenditure in the general fund, but the repayment reduces long-term liabilities in the statement of net assets.	<u>17,390.51</u>
--	------------------

**CHANGES IN NET ASSETS OF GOVERNMENTAL FUNDS** \$ 433,025.43

See accompanying notes to the basic financial statements.

**HIGH RIDGE FIRE PROTECTION DISTRICT**

**STATEMENT OF FIDUCIARY NET ASSETS - MODIFIED CASH BASIS  
FIDUCIARY FUND  
SEPTEMBER 30, 2003**

**ASSETS**

Cash		\$ <u>11,070.99</u>
Investments, at fair value:		
U. S. Government obligations	\$	233,184.87
Corporate bonds		0.00
Corporate stocks		0.00
Other investments		<u>3,459,244.49</u>
	TOTAL INVESTMENTS	\$ <u>3,692,429.36</u>
	TOTAL ASSETS	\$ <u>3,703,500.35</u>

**LIABILITIES**

TOTAL LIABILITIES \$ 0.00

**NET ASSETS**

Held in trust for pension benefits and other purposes	\$	<u>3,703,500.35</u>
	TOTAL NET ASSETS	\$ <u>3,703,500.35</u>

See accompanying notes to the basic financial statements.

**HIGH RIDGE FIRE PROTECTION DISTRICT**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - MODIFIED CASH BASIS  
FIDUCIARY FUND  
NINE MONTHS ENDED SEPTEMBER 30, 2003**

**ADDITIONS**

Contributions:		
Employer	\$	0.00
Plan members		<u>0.00</u>

**TOTAL CONTRIBUTIONS** \$ 0.00

Investments earnings:		
Interest	\$	571.68
Dividends		
Net increase (decrease) in fair value of investments		<u>395,438.28</u>

**TOTAL INVESTMENT EARNINGS** \$ 396,009.96

Less investment expense 0.00

**NET INVESTMENT EARNINGS** \$ 396,009.96

Other additions:		
Property taxes	\$	<u>195,824.01</u>

**TOTAL ADDITIONS** \$ 591,833.97

**DEDUCTIONS**

Benefits	\$	91,424.32
Refunds of contributions		0.00
Administrative expenses		<u>0.00</u>

**TOTAL DEDUCTIONS** \$ 91,424.32

**CHANGE IN NET ASSETS** \$ 500,409.65

**NET ASSETS - Beginning of year** 3,203,090.70

**NET ASSETS - End of year** \$ 3,703,500.35

See accompanying notes to the basic financial statements.

**NOTES TO FINANCIAL STATEMENTS**

**HIGH RIDGE FIRE PROTECTION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Except for the use of a modified cash basis of accounting as discussed in Note 1(c), the district complies with accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note. For the fiscal year ended September 30, 2003, the District implemented the new financial reporting requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions* and early implemented the new financial reporting requirements of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*, and GASB Statement No. 37, *an Omnibus Amendment to GASB Statements 21 and 34*.

**Implementation of GASB Statement 34**

Although the District presents its annual financial statements on a comprehensive basis of accounting other than GAAP, the aspects of financial statements content and format, as prescribed by GASB Statement 34, have been implemented in the financial statements, effective for the year ended September 30, 2003. The District was not required to, but elected to, early implement this new pronouncement.

The primary changes from the prior years' financial presentations include:

- The addition of a Management Discussion and Analysis as required supplementary information.
- A new format for the District's basic financial statements including a government-wide Statement of Net Assets and Statement of Activities, in addition to fund financial statements, with emphasis on major funds, for governmental 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. Financial Reporting Entity**

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

Primary Government:	High Ridge Fire Protection District
Component Units:	None

**B. Basis of Presentation**

**Government-Wide Financial Statements**

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

**Fund Financial Statement**

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

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

**Governmental Funds**

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

**Special Revenue Fund** - Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Dispatching Fund is accounted for as a special revenue fund.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

**Capital Projects Fund** - The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction, or improvement of major capital items. The capital projects fund accounts for the proceeds of the general obligation bonds issued by the District.

**Fiduciary Fund Type**

**Pension Trust Fund** - This fund was established to provide pension benefits for District employees. The principal revenue source for this fund is a tax levy.

**Major and Nonmajor Funds**

The funds are classified as major or nonmajor as follows:

<u>Major Funds</u>	<u>Nonmajor Funds</u>
General Fund	None
Special Revenue Fund	
Debt Service Fund	
Capital Projects Fund	

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

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

#### **Measurement Focus**

In the government-wide Statement of Net Assets and the Statement of Activities governmental activities are presented using the economic resources measurement focus.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

#### **Basis of Accounting**

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

### **D. Assets, Liabilities and Equity**

#### **Cash and Cash Equivalents**

For the purpose of financial reporting, “cash and cash equivalents” includes all demand and savings accounts, and certificates of deposit.

#### **Capital Assets**

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

#### ***Government-Wide Statements***

In the government-wide financial statements, capital assets are accounted for as assets in the Statement of Net Assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is



provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

- Buildings	30-35 years
- Improvements other than buildings	20 years
- Machinery, furniture and equipment	5-10 years
- Utility property and improvements	30 years

#### *Fund Financial Statements*

In the fund financial statements, capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

#### Long-Term Debt

All long-term debt arising from cash transaction to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements.

#### Compensated Absences

As a result of the use of the modified cash basis of accounting, liabilities related to accrued compensated absences are not recorded in the government-wide or fund financial statements. Expenditures/expenses related to compensated absences are recorded when paid. Employees must use accrued vacation leave. If not used during the year, the vacation time will be lost. Employees are paid 100% of their accumulated vacation pay when they terminate their employment for any reason. Accumulated sick leave is not paid upon termination of employment.

#### Equity Classification

##### *Government-Wide Statements:*

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

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use by external groups such as creditors, grantors, contributors or laws and regulations of other governments.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

##### *Fund Financial Statements:*

Governmental fund equity is classified as fund balance.

**E. Property Tax**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 15 and payable by December 31. Taxes paid after December 31 are subject to penalties. Jefferson County bills, collects and remits the taxes to the District. The District records the revenues from property taxes when they are received, since the District uses the modified cash basis of accounting.

**F. Program Revenues**

In the Statement of Activities, revenues that are derived from inspections and permits are reported as program revenues.

All other revenues are reported as general.

**G. Expenditures/Expenses**

In the government-wide financial statements, expenses are reported on the modified cash basis and are classified by function for governmental-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:	Current
	Capital Outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

**H. Budgets and Budgetary Practices**

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

- a. Prior to October 1, the Board of Directors prepares a proposed operating budget for the upcoming year. The operating budget includes proposed expenditures and the means of financing them.
- b. Open meetings of the Board of Directors are held to obtain taxpayer comments.
- c. Prior to September 30, the budget for the upcoming year is adopted by the Board of Directors.
- d. Budgets are adopted on a basis consistent with the modified cash basis of accounting.
- e. Any revisions that alter the total expenditures must be approved by the Board of Directors.
- f. Prior to year-end, the Board of Directors adopts an amended budget approving any additional expenditures, if necessary.
- g. All annual appropriations lapse at fiscal year-end.

**I. Use of Estimates**

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

**J. Differences From GAAP**

As discussed in Note 1(c), the District reports both the government-wide financial statements and the fund financial statements on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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

The District provides health care benefits to eligible former employees and eligible dependents as required by Missouri Statute. There is no associated cost to the District under this program, and there are no participants in this program as of September 30, 2003.

**L. 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.

**M. Compensated Absences**

The District's policy is as follows:

**SICK LEAVE:** 24-hour employees (6) days per year. 40-hour employees, 14 days.  
Office personnel, 6 days (no accumulation of sick leave permitted.)

**VACATION:** 24-hour employees after one year employment would be entitled to:  
3 days paid vacation  
2 years - 5 years = 7 days paid vacation  
6 - 15 years = 10 days paid vacation  
15 years & over = 14 days paid vacation

8-hour day employee: (Excluding office personnel):  
1 year = (1) - 40 hour week paid vacation  
2 - 5 years = 2 weeks paid vacation  
6 - 15 years = 4 weeks + 2 days paid vacation  
15 years & over = 5 weeks + 2 days paid vacation

Office Personnel:  
1 year = 1 week (5 days)  
2 years & over = 2 weeks (10 days)  
(no accumulation of vacation pay is permitted)

**LONGEVITY PAY:** One dollar (\$1.00) will be paid for each week the individual is a full time employee. Longevity pay will be paid during the month of December of each year.

**N. Deferred Compensation Plan**

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

The deferred compensation plan is available to all employees of the District. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. The plan assets are held in trust by Public Employees Benefit Service Corporation and Nationwide Retirement Solutions.

**2. CASH AND INVESTMENTS**

The District has determined through experience, that interest bearing checking accounts, certificates of deposit, and government securities are appropriate types of investments for its needs.

**Deposits**

The District's deposits are categorized to give an indication of the level of risk assumed by the District at September 30, 2003. The categories are described as follows:

- Category 1 - Insured by FDIC or collateralized with securities held by the District (or public trust) or by its agent in its name.
- Category 2 - Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- Category 3 - Uninsured and Uncollateralized; or collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the District's name; or properly collateralized with no written and approved collateral agreement.

<u>Type of Deposit</u>	<u>Total Bank Balance</u>	<u>Custody Credit Risk Category</u>			<u>Total Carrying Value</u>
		<u>1</u>	<u>2</u>	<u>3</u>	
Insured deposits	\$ 209,571.00	\$ 209,571.00	\$ 0.00	\$ 0.00	\$ 208,371.00
Uninsured deposits:					
Collateralized	1,211,888.05	0.00	1,211,888.05	0.00	1,217,286.41
Uncollateralized	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total deposits	<u>\$ 1,421,459.05</u>	<u>\$ 209,571.00</u>	<u>\$ 1,211,888.05</u>	<u>\$ 0.00</u>	\$ 1,425,657.41
Petty Cash					<u>200.00</u>
					<u>\$ 1,425,857.41</u>

**3. CAPITAL ASSETS**

Capital asset activity resulting from modified cash basis transactions for the nine months ended September 30, 2003 was as follows:

<u>Governmental Activities:</u>	<u>Balance</u> <u>Jan. 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Sept. 30, 2003</u>
Buildings and land	\$ 4,262,298.46	\$ 96,185.19	\$ 0.00	\$ 4,358,483.65
Vehicles	1,631,360.64	0.00	0.00	1,631,360.64
Equipment	<u>351,802.71</u>	<u>50,229.48</u>	<u>0.00</u>	<u>402,032.19</u>
Totals at historical cost	<u>\$ 6,245,461.81</u>	<u>\$ 146,414.67</u>	<u>\$ 0.00</u>	<u>\$ 6,391,876.48</u>
Less accumulated depreciation:				
Buildings and land	\$ 172,485.07	\$ 122,297.61	\$ 0.00	\$ 294,782.68
Vehicles	948,806.75	153,058.91	0.00	1,101,865.66
Equipment	<u>160,637.58</u>	<u>33,090.98</u>	<u>0.00</u>	<u>193,728.56</u>
Total accumulated depreciation	<u>\$ 1,281,929.40</u>	<u>\$ 308,447.50</u>	<u>\$ 0.00</u>	<u>\$ 1,590,376.90</u>
Governmental activities capital assets, net	<u>\$ 4,963,532.41</u>	<u>\$ (162,032.83)</u>	<u>\$ 0.00</u>	<u>\$ 4,801,499.58</u>

Depreciation expense was charged to the public safety function in the Statement of Activities.

Depreciation expense totaled \$308,447.50 for the nine months ended September 30, 2003.

**4. PENSION PLANS**

**A. DEFINED BENEFIT PLAN**

(a) Plan Description

Substantially all full-time employees are covered by the Retirement Plan for the employees of High Ridge Fire Protection District. The plan administrator is the District's Board Chairman. Employees are eligible on the date hired for participation in the single employer defined benefit pension plan.

As of January 1, 2003 employee membership data related to the pension plan as follows:

Retirees and beneficiaries currently receiving benefits:	0
Active participants:	
Vested	32
Non-vested	0
Terminated participants:	
Vested	<u>0</u>
Total	<u>32</u>

The pension plan provides pension benefits. A member may retire after reaching the age of 55. Benefits vest after 10 years of service. The retirement benefit is \$100. per month for each year of service for vested participants.

The District makes annual contributions to the pension plan. The amount of contribution is actuarially determined by using the aggregate actuarial cost method.

For the year ended December 31, 2003, the District's total payroll for all employees and the District's total covered payroll amounted to \$1,514,757.24. Covered payroll refers to all compensation paid by the District to active employees.

The plan assets are invested in various securities by the Safeco Life Insurance Company and Universal Financial Group. There are no investments in, loans to, or leases with parties related to the pension plan. The pension plan issues a stand-alone financial report, which may be obtained by contacting District officials.

(b) Funding and Trend Information

**Trend Information**

<u>Year</u>	<u>Net Assets Available for Benefits</u>	<u>Pension Benefit Obligation</u>	<u>Percent Funded</u>	<u>Unfunded Pension Benefit Obligation</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Pension Benefit Obligation as a Percent of Covered Payroll</u>
1993	\$ 837,304.93	\$ 1,028,929.93	82%	\$ 191,625.00	\$ 619,707.00	31%
1994	\$ 1,008,917.78	\$ 1,190,893.60	85%	\$ 181,976.60	\$ 615,775.55	30%
1995	\$ 1,180,869.56	\$ 1,336,195.00	88%	\$ 155,325.44	\$ 620,793.96	25%
1996	\$ 1,360,157.42	\$ 1,584,800.00	86%	\$ 224,642.58	\$ 671,399.58	33%
1997	\$ 1,589,966.00	\$ 1,860,877.00	85%	\$ 270,911.00	\$ 873,632.35	31%
1998	\$ 2,250,950.38	\$ 2,271,667.00	99%	\$ 20,716.62	\$ 1,208,620.94	2%
1999	\$ 2,655,861.00	\$ 2,747,258.00	96%	\$ 91,397.00	\$ 1,375,582.55	6%
2000	\$ 3,074,597.00	\$ 3,439,707.00	89%	\$ 365,110.00	\$ 1,425,989.68	26%
2001	\$ 3,196,067.81	\$ 3,689,198.00	87%	\$ 493,130.19	\$ 1,428,430.76	35%
2002	\$ 3,388,430.39	\$ 4,042,904.00	84%	\$ 654,473.61	\$ 1,514,757.24	43%
2003	\$ 3,587,690.63	not determined		not determined		

**Plan Asset Development**

<u>Date</u>	<u>Balance</u>	<u>Contributions</u>	<u>Investment Income</u>	<u>Expense Charges/Benefits</u>	<u>Balance</u>
Jan. 1, 1993	\$ 837,304.93	\$ 118,000.00	\$ 62,460.07	\$ 8,847.22	\$ 1,008,917.78
Jan. 1, 1994	\$ 1,008,917.78	\$ 119,000.00	\$ 64,277.38	\$ 11,325.60	\$ 1,180,869.56
Jan. 1, 1995	\$ 1,180,869.56	\$ 125,000.00	\$ 54,287.86	\$ 0.00	\$ 1,360,157.42
Jan. 1, 1996	\$ 1,360,157.42	\$ 150,000.00	\$ 79,808.58	\$ 0.00	\$ 1,589,966.00
Jan. 1, 1997	\$ 1,589,966.00	\$ 165,000.00	\$ 40,066.01	\$ 30.00	\$ 1,795,002.01
Jan. 1, 1998	\$ 1,795,002.01	\$ 165,000.00	\$ 290,978.37	\$ 30.00	\$ 2,250,950.38
Jan. 1, 1999	\$ 2,250,950.38	\$ 175,054.00	\$ 229,886.62	\$ 30.00	\$ 2,655,861.00
Jan. 1, 2000	\$ 2,655,861.00	\$ 169,500.00	\$ 250,686.00	\$ 1,450.00	\$ 3,074,597.00
Jan. 1, 2001	\$ 3,074,597.00	\$ 140,000.00	\$ (18,529.19)	\$ 0.00	\$ 3,196,067.81
Jan. 1, 2003	\$ 3,196,067.81	\$ 176,634.86	\$ 18,447.72	\$ 2,720.00	\$ 3,388,430.39
Jan 1, 2003	\$ 3,388,430.39	\$ 162,300.74	\$ (49,728.61)	\$ 486,120.30	\$ 3,014,882.22
Oct. 1, 2003	\$ 3,014,882.22	\$ 195,824.01	\$ 376,984.40	\$ 0.00	\$ 3,587,690.63

**Expenses by Type**

<b><u>Year</u></b>	<b><u>Administration Expense</u></b>	<b><u>Benefits</u></b>	<b><u>Total</u></b>
1993	\$ 8,430.91	\$ 416.31	\$ 8,847.22
1994	\$ 7,976.76	\$ 3,348.84	\$ 11,325.60
1995	\$ 0.00	\$ 0.00	\$ 0.00
1996	\$ 0.00	\$ 0.00	\$ 0.00
1997	\$ 0.00	\$ 0.00	\$ 0.00
1998	\$ 30.00	\$ 0.00	\$ 30.00
1999	\$ 30.00	\$ 0.00	\$ 30.00
2000	\$ 1,450.00	\$ 0.00	\$ 1,450.00
2001	\$ 2,720.00	\$ 0.00	\$ 2,720.00
2002	\$ 6,060.00	\$ 480,060.30	\$ 486,120.30
2003	\$ 0.00	\$ 0.00	\$ 0.00

The trend information, asset development and expenses are through 2003.

(c) Actuarial Valuation Assumptions

Interest Rate	7.5% per annum.
Expenses	\$ 0.00
Retirement Age	1st of the month following attainment of age 55.
Salary Increases	Increases of 5.5% per year are assumed.

**B. DEFINED CONTRIBUTION PLAN**

The District has a pension plan which covers all employees who meet the plan's eligibility requirements. All employees who are eighteen years of age are eligible to participate in the plan. Participants are fully vested after 10 years. District contributions to the plan for the nine months ended September 30, 2003, totaled \$0.00. The market value is \$115,809.72.

**5. ASSESSED VALUATION AND TAX LEVY**

	<b><u>2 0 0 2</u></b>
Aggregate Assessed Valuation	\$ <u>285,638,073.00</u>
	<b><u>Tax Levy Per \$100.00 of Assessed Valuation</u></b>
General Fund	.8171
Pension	.0788
Dispatch	.0492
Debt Service	.1031
	\$ <u>1.0482</u>
Total taxes assessed	\$ 2,994,060.03
Less - 1.6% collection fee	<u>(47,904.96)</u>
	\$ <u>2,946,155.07</u>
Tax collections (including delinquent taxes)	\$ <u>2,604,916.87</u>

The receipts of current and delinquent property taxes during the nine months ended September 30, 2003, aggregated approximately 88% of the 2002 assessed taxes.

**6. LONG-TERM DEBT**

**A. Capitalized Lease Obligation**

The District has a lease agreement with Ford Motor Credit Company for a 2003 Ford Explorer at an interest rate of 5.55%.

<u>Number</u>	<u>Lease Date</u>	<u>Lease Payment</u>	<u>Interest Portion</u>	<u>Principal Portion</u>	<u>Concluding Payment</u>
2	2/4/04	\$ 8,554.62	\$ 449.82	\$ 8,104.80	\$ 1.00
TOTALS		\$ 8,554.62	\$ 449.82	\$ 8,104.80	

**B. Capitalized Lease Obligation**

The District has a lease agreement with Mercedes-Benz Credit Corporation for a 2003 American LaFrance tanker and a 2003 American LaFrance pumper at an interest rate of 4.90%.

<u>Number</u>	<u>Lease Date</u>	<u>Lease Payment</u>	<u>Interest Portion</u>	<u>Principal Portion</u>	<u>Concluding Payment</u>
1	10/08/03	\$ 222,380.00	\$ 10,378.80	\$ 212,001.20	1.00
TOTALS		\$ 222,380.00	\$ 10,378.80	\$ 212,001.20	

**C. General Obligation Bonds**

On November 2, 2000, with the approval of the voters, the District issued a \$4,300,000 in general obligation bonds series 2000. The proceeds will be used for acquiring firefighting apparatus and equipment, acquiring real estate, constructing and equipping a new Fire station and other related capital expenditures. The District will buy and collect an annual tax for the purpose of paying the principal of and interest on said bonds as they become due. The following is a summary of debt service requirements to maturity.

The payment schedule is as follows:

**General Obligation Bonds - Series 2000**  
**Dated - November 1, 2000**  
**Original amount of issue - \$4,300,000.00**  
**Interest payable - Semi-annually May 1 and November 1 of each year.**  
**Bond paying agent - United Missouri Bank**



<u>Date of payment</u>	<u>Total Payments</u>	<u>Principal</u>	<u>Interest</u>	<u>Purchase Price Balance</u>
11/01/2003	\$ 208,960.63	\$ 100,000.00	\$ 108,960.63	\$ 4,175,000.00
05/01/2004	106,460.63		106,460.63	
11/01/2004	221,460.63	115,000.00	106,460.63	4,060,000.00
05/01/2005	103,585.63		103,585.63	
11/01/2005	228,585.63	125,000.00	103,585.63	3,935,000.00
05/01/2006	100,460.63		100,460.63	
11/01/2006	240,460.63	140,000.00	100,460.63	3,795,000.00
05/01/2007	97,275.63		97,275.63	
11/01/2007	247,275.63	150,000.00	97,275.63	3,645,000.00
05/01/2008	93,825.63		93,825.63	
11/01/2008	258,825.63	165,000.00	93,825.63	3,480,000.00
05/01/2009	90,010.00		90,010.00	
11/01/2009	270,010.00	180,000.00	90,010.00	3,300,000.00
05/01/2010	85,780.00		85,780.00	
11/01/2010	280,780.00	195,000.00	85,780.00	3,105,000.00
05/01/2011	81,148.75		81,148.75	
11/01/2011	296,148.75	215,000.00	81,148.75	2,890,000.00
05/01/2012	75,988.75		75,988.75	
11/01/2012	305,988.75	230,000.00	75,988.75	2,660,000.00
05/01/2013	70,238.75		70,238.75	
11/01/2013	320,238.75	250,000.00	70,238.75	2,410,000.00
05/01/2014	63,863.75		63,863.75	
11/01/2014	333,863.75	270,000.00	63,863.75	2,140,000.00
05/01/2015	56,978.75		56,978.75	
11/01/2015	351,978.75	295,000.00	56,978.75	1,845,000.00
05/01/2016	49,308.75		49,308.75	
11/01/2016	364,308.75	315,000.00	49,308.75	1,530,000.00
05/01/2017	41,118.75		41,118.75	
11/01/2017	381,118.75	340,000.00	41,118.75	1,190,000.00
05/01/2018	31,981.25		31,981.25	
11/01/2018	401,981.25	370,000.00	31,981.25	820,000.00
05/01/2019	22,037.50		22,037.50	
11/01/2019	417,037.50	395,000.00	22,037.50	425,000.00
05/01/2020	11,421.88		11,421.88	
11/01/2020	<u>436,421.88</u>	<u>425,000.00</u>	<u>11,421.88</u>	0.00
<b>TOTALS</b>	<b><u>\$ 6,746,930.69</u></b>	<b><u>\$ 4,275,000.00</u></b>	<b><u>\$ 2,471,930.69</u></b>	

#### D. Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the period ended September 30, 2003:

	<u>Balance Jan. 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2003</u>	<u>Amount Due Within One Year</u>
<u>Governmental Activities:</u>					
General Obligations					
Bond payable	\$ 4,275,000.00	\$ 0.00	\$ 0.00	\$ 4,275,000.00	\$ 100,000.00
Lease Obligation Payable	<u>237,496.51</u>	<u>0.00</u>	<u>17,390.51</u>	<u>220,106.00</u>	<u>220,106.00</u>
Total Governmental Activities	<u>\$ 4,512,496.51</u>	<u>\$ 0.00</u>	<u>\$ 17,390.51</u>	<u>\$ 4,495,106.00</u>	<u>\$ 320,106.00</u>

7. DISTRICT OFFICIALS

2 0 0 3

Board Chairman and Director  
Director/Treasurer  
Director/Secretary  
Fire Chief  
Fire Marshal

Jack Karg  
Tim Klos  
Jack Ramsey  
Steve Davis  
Charles Lenhart

8. CHANGE IN FISCAL YEAR

During the year, the District adopted a September 30<sup>th</sup> fiscal year end.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

- Budgetary Comparison Schedule - Modified Cash Basis - General Fund
- Budgetary Comparison Schedule - Modified Cash Basis - Special Revenue Fund
- Budgetary Comparison Schedule - Modified Cash Basis - Debt Service Fund
- Budgetary Comparison Schedule - Modified Cash Basis - Capital Projects Fund
- Notes to RSI - Budgetary Comparison Schedule

**HIGH RIDGE FIRE PROTECTION DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**

**GENERAL FUND**

**NINE MONTHS ENDED SEPTEMBER 30, 2003**

	<u>Budgeted Amounts</u>	
	<u>Original</u>	<u>Actual</u>
	<u>&amp; Final</u>	<u>Amounts</u>
<b><u>BEGINNING BUDGETARY FUND BALANCE</u></b>	\$ (172,671.63)	\$ (172,671.63)
<b><u>RESOURCES (inflows):</u></b>		
Taxes, penalties and interest	\$ 2,351,948.69	\$ 2,030,616.56
Permits and fees	170,000.00	194,681.30
Interest revenue	18,000.00	7,696.33
Sale of assets	0.00	880.00
Other revenue	0.00	19,446.37
Grant revenue	0.00	50,000.00
<b><u>OTHER FINANCING SOURCES:</u></b>		
Transfers from other funds	0.00	8,256.35
<b>AMOUNTS AVAILABLE FOR APPROPRIATION</b>	<b>\$ 2,367,277.06</b>	<b>\$ 2,138,905.28</b>
<b><u>CHARGES TO APPROPRIATIONS (outflows):</u></b>		
Current:		
Accounting	\$ 6,000.00	\$ 5,165.00
Legal	8,000.00	2,280.00
Gas and oil	18,000.00	19,515.60
Truck repairs	20,000.00	15,275.82
Building and garage maintenance	107,000.00	23,339.89
Directors fees	7,200.00	7,040.00
Election expense	3,500.00	8,031.52
Membership dues and fees	4,000.00	3,859.83
Employee benefits	357,627.76	268,944.11
Insurance	25,000.00	26,610.25
Salary	1,523,519.66	1,158,411.65
Utilities	30,000.00	22,840.68
Supplies	5,000.00	5,255.78
Miscellaneous	6,000.00	8,934.01
Office expense	16,000.00	13,080.58
Payroll taxes	110,455.17	89,213.81
Telephone	5,000.00	1,802.04
Training and schools	15,000.00	11,424.45
Uniforms and accessories	10,000.00	10,983.61
Volunteer fees and expenses	25,000.00	19,425.04
Firefighting equipment expense	6,000.00	15,852.65
Dump fire	0.00	6,621.67
	<u>\$ 2,308,302.59</u>	<u>\$ 1,743,907.99</u>

**HIGH RIDGE FIRE PROTECTION DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**

**GENERAL FUND**

**NINE MONTHS ENDED SEPTEMBER 30, 2003**

	<b><u>Budgeted Amounts</u></b>	
	<b><u>Original</u></b>	<b><u>Actual</u></b>
	<b><u>&amp; Final</u></b>	<b><u>Amounts</u></b>
Capital outlay:		
Firefighting equipment	\$ 19,000.00	\$ 50,229.48
Shop equipment	10,000.00	0.00
Building	<u>0.00</u>	<u>42,244.92</u>
	<u>\$ 29,000.00</u>	<u>\$ 92,474.40</u>
Debt Services:		
Lease payments - Principal	\$ 199,146.10	\$ 0.00
Interest and fees	<u>3,500.00</u>	<u>3,677.48</u>
	<u>\$ 202,646.10</u>	<u>\$ 3,677.48</u>
<b>TOTAL CHARGES TO APPROPRIATION</b>	<u>\$ 2,539,948.69</u>	<u>\$ 1,840,059.87</u>
<b><u>ENDING BUDGETARY FUND BALANCE</u></b>	<u>\$ (172,671.63)</u>	<u>\$ 298,845.41</u>

**HIGH RIDGE FIRE PROTECTION DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
SPECIAL REVENUE FUND - DISPATCHING FUND  
NINE MONTHS ENDED SEPTEMBER 30, 2003**

	<u>Budgeted Amounts</u>	
	<u>Original &amp; Final</u>	<u>Actual Amounts</u>
<b><u>BEGINNING BUDGETARY FUND BALANCE</u></b>	\$ 19,033.86	\$ 19,033.86
<b><u>RESOURCES (inflows):</u></b>		
Taxes, penalties and interest	154,079.44	122,264.91
Interest revenue	<u>0.00</u>	<u>683.68</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>\$ 173,113.30</u>	<u>\$ 141,982.45</u>
<b><u>CHARGES TO APPROPRIATIONS (outflows):</u></b>		
Current:		
Dispatching	\$ 60,897.00	\$ 50,747.50
Supplies and equipment	14,000.00	12,779.43
Telephone	<u>7,000.00</u>	<u>31,424.66</u>
	<u>\$ 81,897.00</u>	<u>\$ 94,951.59</u>
Capital outlay:		
Communication equipment	\$ 26,126.53	\$ 0.00
Computer equipment	20,014.50	0.00
Building improvement - Dispatch Center	5,027.41	0.00
Office equipment	<u>21,014.00</u>	<u>0.00</u>
	<u>\$ 72,182.44</u>	<u>\$ 0.00</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>\$ 154,079.44</u>	<u>\$ 94,951.59</u>
<b><u>ENDING BUDGETARY FUND BALANCE</u></b>	<u>\$ 19,033.86</u>	<u>\$ 47,030.86</u>

**HIGH RIDGE FIRE PROTECTION DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**

**DEBT SERVICE FUND**

**NINE MONTHS ENDED SEPTEMBER 30, 2003**

	<b><u>Budgeted Amounts</u></b>	
	<b><u>Original</u></b>	<b><u>Actual</u></b>
	<b><u>&amp; Final</u></b>	<b><u>Amounts</u></b>
<b><u>BEGINNING BUDGETARY FUND BALANCE</u></b>	\$ 360,974.01	\$ 360,974.01
<b><u>RESOURCES - (inflows):</u></b>		
Taxes, penalties and interest	294,492.53	256,211.39
Interest revenue	<u>5,900.00</u>	<u>4,077.22</u>
AMOUNTS AVAILABLE FOR APPROPRIATIONS	<u>\$ 661,366.54</u>	<u>\$ 621,262.62</u>
<b><u>CHARGES TO APPROPRIATIONS (outflows):</u></b>		
Debt Services:		
Lease payments - principal	\$ 191,411.90	\$ 0.00
Interest and fees	<u>108,980.63</u>	<u>108,980.63</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>\$ 300,392.53</u>	<u>\$ 108,980.63</u>
<b><u>ENDING BUDGETARY FUND BALANCE</u></b>	<u>\$ 360,974.01</u>	<u>\$ 512,281.99</u>

**HIGH RIDGE FIRE PROTECTION DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**

**CAPITAL PROJECTS FUND**

**NINE MONTHS ENDED SEPTEMBER 30, 2003**

	<u>Budgeted Amounts</u>	
	<u>Original</u> <u>&amp; Final</u>	<u>Actual</u> <u>Amounts</u>
<b><u>BEGINNING BUDGETARY FUND BALANCE</u></b>	\$ 621,382.43	\$ 621,382.43
<b><u>RESOURCES - (inflows):</u></b>		
Interest revenue	0.00	7,838.14
<b>AMOUNTS AVAILABLE FOR APPROPRIATIONS</b>	<u>\$ 621,382.43</u>	<u>\$ 629,220.57</u>
<b><u>CHARGES TO APPROPRIATIONS (outflows):</u></b>		
Current:	\$ 0.00	\$ 0.00
Capital outlay:		
Building	<u>\$ 622,263.91</u>	<u>\$ 53,940.27</u>
Debt service:		
Lease payments - principal	\$ 0.00	\$ 17,390.51
Interest and fees	<u>0.00</u>	<u>1,405.28</u>
	<u>\$ 0.00</u>	<u>\$ 18,795.79</u>
Other financing uses:		
Transfers to other funds	<u>\$ 0.00</u>	<u>\$ 8,256.35</u>
<b>TOTAL CHARGES TO APPROPRIATIONS</b>	<u>\$ 622,263.91</u>	<u>\$ 80,992.41</u>
<b><u>FUND BALANCE - End of year</u></b>	<u>\$ (881.48)</u>	<u>\$ 548,228.16</u>



**HIGH RIDGE FIRE PROTECTION DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**NINE MONTHS ENDED SEPTEMBER 30, 2003**

**Budgetary Accounting**

The District prepares its budget for the General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund on the modified cash basis of accounting. This basis is consistent with the basis of accounting used in presenting the basic financial statements.