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Financial Statements and Management's Discussion and Analysis and Supplementary Information, 2004

Florissant Valley Fire Protection District

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FLORISSANT VALLEY FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS
AND MANAGEMENT'S DISCUSSION AND ANALYSIS
AND SUPPLEMENTARY INFORMATION
With report of independent auditors

Year Ended December 31, 2004

FLORISSANT VALLEY FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS
Year Ended December 31, 2004
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INDEPENDENT AUDITORS REPORT

To the Board of Directors
Florissant Valley Fire Protection District
St. Louis County, Missouri

We have audited the accompanying financial statements of the governmental activities, each fund and the aggregate remaining fund information of the Florissant Valley Fire Protection District (the District), as of and for the year ended December 31, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

As described in Note A, the District has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, as of December 31, 2003.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 30, 2005 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with laws, regulations and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 35 through 37, 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 supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information on pages 38 through 40 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Malloy & Associates, P.C.

June 30, 2005

FLORISSANT VALLEY FIRE PROTECTION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Florissant Valley Fire Protection District's (the District) annual financial report presents an easily readable analysis of the District's financial activities. This document focuses on the current year's activities, resulting changes and currently known facts. For a comprehensive understanding of the financial statements, please review the financial statements, including the footnotes that follow the Management's Discussion and Analysis.

Responsibility for the completeness and fairness of this information rests with the District. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A). However, in the year of implementation certain omissions are allowed. Subsequent MD&As will include all required comparative information.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts - *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like fire suppression were financed in the short term as well as what remains for future spending.
 - Fiduciary fund statements provide information about the financial relationships - like the Retirement Plan for Employees of the Florissant Valley Fire Protection District - in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.
 - Proprietary fund statements offer financial information about business-type activities and internal service funds. Since the District has no business-type activities, these statements cover only the internal service fund.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

FLORISSANT VALLEY FIRE PROTECTION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide statements

The government-wide statement reports information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net assets - the difference between the District's assets and liabilities - is one way to measure the District's financial health, or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the size and timing of TIF Districts.
- The government-wide financial statements of the District are comprised solely of governmental activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds - not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes:

- Some funds are required by State law and by bond covenants.
- The District Board of Directors establishes other funds to control and manage money for particular purposes (like emergency medical services) or to show that it is properly using certain taxes (like collection and payment of dispatch agency fees)

The District has three kinds of funds:

- Governmental funds - Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

- Fiduciary funds - The District is the trustee, or fiduciary, for the Retirement Plan for Employees of the Florissant Valley Fire Protection District. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL HIGHLIGHTS AND ITS DISCUSSION

The ambulance fund realized an increase in its tax rate, approved by the voters on August 3, 2004. The increase in capital expenditures resulted from the availability of revenues from the \$15,000,000 Bond issue approved by the voters in August 6, 2002. This bond issue approval was able to absorb capital improvement expenses, (vehicles, buildings and equipment), previously borne by the general fund.

In the calendar year 2000, the District began an ambulance service, a service previously contracted with a local hospital. From the inception of the ambulance service, the Board of Directors of the District recognized that although these funds - general fund and ambulance fund - and their respective tax levies are separate, the resources, (buildings, personnel and some equipment), are shared. Previously those shared resources were identified and revenues proportioned to each respective fund's operations. Subsequently, the operating expenses were proportionally adjusted during 2004 to more accurately reflect the respective funds' usage of resources. assimilate their respective operations

Unless expenses consistently exceed revenues over time, there should be revenues available on the last day of the year available for succeeding year operations. Since taxes are paid by the end of the year, those tax revenues coupled with any balance from the previous term become the revenues used for the coming year's budget. For management purposes, the District considers taxes due by December 31, 2004, for the calendar year 2004 tax levy, as available to finance the 2005 budget.

Expenses of \$1,626,643 were incurred by the capital projects fund during 2004. Such expenses were for the purchase of various emergency medical and rescue equipment and for three new medium duty ambulances, one rescue style fire apparatus/ pumper and one rescue style 105' aerial apparatus/ pumper.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table #1 provides a summary of the District's assets as compared to the liabilities and equity.

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Table #1- Summary of Current & Fixed –Assets, Liabilities & Net Assets

Net Assets
As of December 31, 2004

	<u>Amount</u>	<u>Percent of total</u>
Current Assets (net of inter-fund receivables)	\$ 11,723,241	82%
Capital assets, net of depreciation	<u>2,648,388</u>	<u>18%</u>
Total Assets	<u>\$ 14,371,629</u>	<u>100%</u>
Current Liabilities (net of inter-fund payables)	\$ 799,723	6%
Non-current Liabilities	<u>4,112,675</u>	<u>28%</u>
Total Liabilities	<u>\$ 4,912,398</u>	34%
Net Assets		
Invested in capital assets, net of related debt	\$ 1,347,177	10%
Unrestricted	7,209,281	50%
Restricted	<u>902,773</u>	<u>6%</u>
Total Net Assets	<u>\$ 9,459,231</u>	66%
Total Liabilities and Net Assets	<u>\$14,371,629</u>	<u>100%</u>

Table #2 provides an analysis of the change in net assets for the year ended December 31, 2004.

Table #2-Change in Net Assets

Revenue	
Tax revenue	\$ 9,793,629
Ambulance billings	1,095,938
Inspection and permit revenue	25,369
Income from investments	59,985
Miscellaneous	<u>130</u>
Total Revenue	\$ 10,975,051
Personal services	\$ 4,934,220
Employee benefits	1,486,672
Supplies	53,920
Contractual services	432,072

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Heat, light and power	56,267
Capital outlay	196,956
Dispatching services	299,070
Building and equipment	101,497
Miscellaneous	27,588
Administration	34,770
Depreciation expense	229,254
Loss on sale of assets	16,239
Transfer to Pension Trust Fund	161,334
Interest expense	<u>174,487</u>
Total Expenditures	\$ 8,204,346
Increase in Net Assets	\$ 2,770,705
Net Assets, Beginning of the Year	\$ 6,688,526
Net Assets, End of Year	\$ 9,459,231

The District relies heavily on personal property and real estate tax revenues. In 2004, tax revenue represented 89% of total revenue for the District's governmental activities. The District also collects fees for ambulance service from insurance companies. These fees comprised 10% of the District's total revenue from governmental activities. Revenues from other sources made up the remaining 1% of governmental activity revenue.

The District has entered into an agreement with the City of Hazelwood to provide fire protection, emergency and ambulance services to an area annexed by Hazelwood (the "Hazelwood Area") in an election dated June 7, 1994. As enumerated in that agreement and a preceding court order, City of Hazelwood is required to pay a service fee which approximates 99% of the amount of taxes that would have been levied by the District in all funds for the annexed area, as if the City had not annexed said area. The Hazelwood area comprises approximately 9.1% of the total assessed value and tax revenue of the District.

The District has an agreement with Christian Hospital Northeast-Northwest for the provision of back-up ambulance service. The cost of the service varies per call, depending upon which hospital to which the patient is transported. The cost for this service was \$5,136 in 2004, representing approximately 0.1% of the total ambulance fund expenditures.

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE DISTRICTS FUNDS

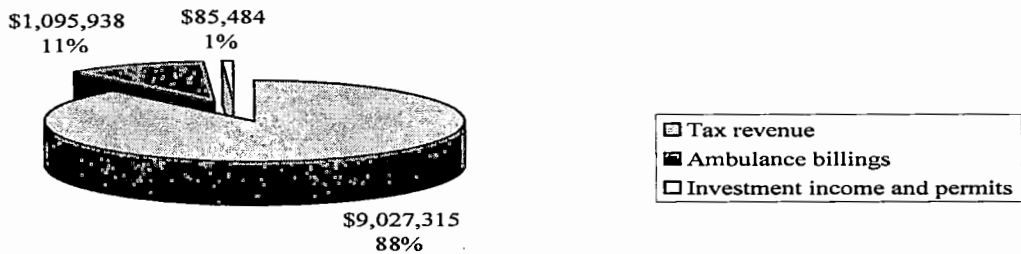
General Fund

For the year ended December 31, 2004, the fund balance of the District's general fund increased by \$2,292,423. The largest expenditure in the general fund was for salaries and benefits which totaled \$2,027,326.

Special Revenue Funds

For the year ended December 31, 2004, the total fund balance of the ambulance fund decreased by \$128,414. The largest expenditure in the ambulance fund was for salaries and benefits which totaled \$2,898,947.

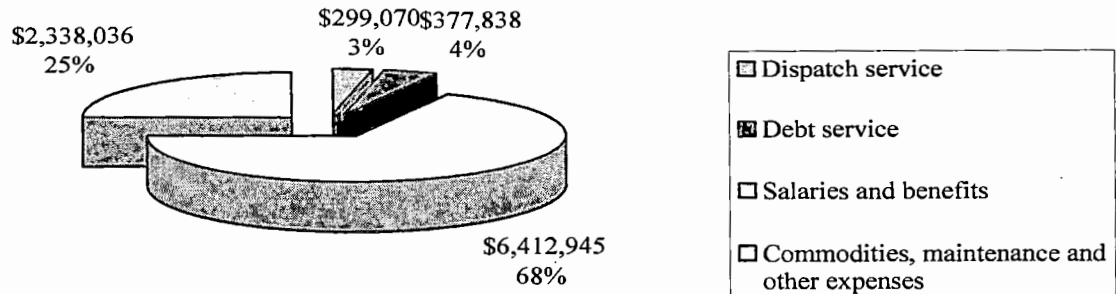
Analysis of Revenue for Governmental Funds



On a District-wide basis, salaries and benefits are the largest component of expenses, representing 68% of the total. Charges for services, commodities and other expenses make up 25% of District expenses. Dispatching is provided by North Central County Fire Alarm (North Central). Dispatching expense was \$299,070 and represented 3.9% of expenses. The contract with North Central Dispatch requires the District to remit \$0.04 of a collected \$0.05 tax levy on each \$100 of assessed valuation. The balance is used for communication equipment and services not provided under said contract.

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Analysis of Expenditures for Governmental Funds



The tax rates certified by the State Auditor in accordance with Revised Missouri Statutes (RSMo) Section 137.073.6 is based on that rate per each \$100 of assessed valuation. The tax rates for the different types of real property - residential, agricultural and commercial - as well as for personal property are set forth in Table #3.

Table #3 – Certified Tax Levy for 2004

	Residential	Agricultural	Commercial	Personal Property
General fund	.695	.695	.741	.717
Ambulance fund	.437	.440	.439	.440
Debt service fund	.045	.045	.045	.045
Pension fund	.100	.100	.100	.100
Dispatching fund	.050	.050	.050	.050
Total Tax Rate	1.324	1.385	1.375	1.352

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Table #4 presents the capital assets of the District. The asset capitalization policy adopted by the District includes its real estate, buildings, and vehicles for fire suppression, emergency medical, fire prevention, and rescue. Items that are designated as expendable supplies due to the expected useful life or that have an original cost less than \$5,000 are not capitalized.

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Table#4 – Capital Assets

Land	\$ 269,000
Buildings and improvements	602,103
Ambulances and fire apparatus	2,866,933
Equipment and furnishings	<u>344,191</u>
Total	\$ 4,082,227
Less accumulated depreciation	<u>1,433,839</u>
Net capital assets	<u>\$ 2,648,388</u>

Table #5 depicts the types of capital purchases from the capital projects fund during 2004:

Table #5- Analysis of Significant Capital Improvements

<u>Expense Category</u>	<u>Year Ended</u> <u>12/31/2004</u>
Fire Equipment	\$ 42,806
Turn Out Gear	6,155
Fire Apparatus/ Vehicles	992,436
Ambulance Equipment	15,027
Ambulance Vehicles	476,865
Professional Fees	73,120
Office Equipment	11,887
Building/ Equipment	<u>8,027</u>
Total	<u>\$1,626,643</u>

DEBT

Capital projects fund expenditures of \$1,626,643 represented payments for the purchase of various emergency medical and rescue equipment, three new medium duty ambulances, one rescue style fire apparatus/pumper, and one rescue style 105' aerial apparatus/pumper. These purchases were facilitated by a bond issue proceeds of \$5,002,647 (including premium and accrued interest) received from the sale of \$5,000,000 in bonds in December 2002. The total bonds authorized were \$15,000,000. The amount of interest paid on the bonds ranges from 3.5% to 5%. Principal payments are made on March 31 and semi-annual interest payments are made on March 1 and September 1.

Future debt maturities of the bonds are as follows:

<u>Bond</u>	<u>Interest</u>	<u>Total</u>	<u>Maturity</u>
\$ 125,000	\$ 169,363	\$ 294,363	2005
150,000	162,488	312,488	2006

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

150,000	154,988	304,988	2007
175,000	146,862	321,862	2008
175,000	138,112	313,112	2009
175,000	129,909	304,909	2010
200,000	122,531	322,531	2011
200,000	115,331	315,331	2012
225,000	107,518	332,518	2013
225,000	99,025	324,025	2014
225,000	90,250	315,250	2015
250,000	80,680	330,680	2016
250,000	70,305	320,305	2017
275,000	59,144	334,144	2018
275,000	47,319	322,319	2019
300,000	34,881	334,881	2020
325,000	21,287	346,287	2021
<u>325,000</u>	<u>7,109</u>	<u>332,109</u>	2022
<u>\$ 4,025,000</u>	<u>\$ 1,757,102</u>	<u>\$ 5,782,102</u>	

Table #6 delineates debt service fund activity during 2004 including the payment of principal and interest for the retirement of the general obligation bond issue.

Table #6- Analysis of Debt Service

	<u>Year Ended</u> <u>12/31/2004</u>
<u>Revenue</u>	
Tax revenues	\$ 382,348
Interest income	<u>3,906</u>
Total revenue	386,254
<u>Expenses</u>	
Bond principal payments	200,000
Bond interest	177,488
Bond fees	<u>350</u>
Total expenses	<u>377,838</u>
Revenues over expenses	<u>\$ 8,416</u>

Fiduciary Financial Analysis

Table #7 provides a reconciliation of the net assets as of the beginning and end of 2004 with respect to the District's pension fund. The District's pension plan is a single employer defined benefit plan administered by the District for all of the employees. Normal retirement begins at age sixty years or completion of thirty full years of credited service. The pension plan provides assigned retirement and death benefits for all full-time employee

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

classifications. During 2004, the District's Board of Directors authorized transfers totaling \$161,334 from the District's general fund.

The unfunded actuarial accrued liability indicates the degree of under-funding should the pension plan terminate and all benefits become 100% vested, based on actuarial assumptions and the provision enumerated in the pension plan document.

Table #7- Analysis of Pension Plan Assets & Disbursements

	<u>Year Ended</u> <u>12/31/2004</u>
Net assets, beginning of the year	\$ 5,895,646
Employee contributions	39,882
Transfers from other funds	161,334
Tax revenues	750,879
Investment earnings	375,522
Distributions	(2,296)
Administration expenses	<u>(13,275)</u>
Net assets, end of year	<u>\$ 6,932,328</u>
Unfunded actuarial accrued liability	<u>\$ 6,280,841</u>
% of Pension Plan fully funded	50.88%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Net tax revenues are expected to have a modest increase, historically approximately 3.0%.

Personnel cost are projected to increase from 0% to 5%, except for certain categories like medical health insurance, which is expected to increase by 9%, based on the District's size and experience. Other expenses categories are projected to increase from 0% to 3%.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances and to demonstrate the District's accountability for the revenues it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief of the Department, John Wheadon, 645 St. Catherine Street, Florissant, MO, 63031.

Florissant Valley Fire Protection District
Statement of Net Assets
December 31, 2004

	Governmental Activities
ASSETS:	
Cash and Cash Equivalents	1,203,645
Investments	6,344,852
Taxes Receivable, net of allowance	3,397,248
Other Receivables	696,413
Other Assets	81,083
Capital Assets:	
Land	269,000
Buildings	602,103
Equipment and Other	3,211,124
Less accumulated depreciation	(1,433,839)
Total capital assets, net of depreciation	2,648,388
Total Assets	\$ 14,371,629
LIABILITIES:	
Accounts payable	290,036
Accrued wages and payroll taxes	321,013
Due to other funds	5,863
Long-term liabilities:	
Portion due or payable within one year:	
Bonds	125,000
Accrued Interest	57,811
Portion due or payable after one year:	
Bonds	3,900,000
Compensated absences	212,675
Total Liabilities	4,912,398
NET ASSETS	
Invested in capital assets, net of related debt	1,347,177
Restricted for:	
Debt service	705,865
Ambulance and Dispatching operations	196,908
Unrestricted	7,209,281
Total net assets	\$ 9,459,231

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

Florissant Valley Fire Protection District
Statement of Activities
For the Year Ended December 31, 2004

FUNCTIONS/PROGRAMS	<u>Governmental Activities</u>
Fire prevention and suppression	\$ 3,043,943
EMS operations	4,281,837
Dispatching service	320,354
Interest expense	174,486
Depreciation expense not allocated to programs	30,814
Supplies and other not allocated to programs	191,578
Total Program expenses	<u>8,043,012</u>
Program revenue:	
Charges for Permit Fees	25,369
Charges for Ambulance Calls	1,095,938
Total Program revenue	<u>1,121,307</u>
Net Program Expense	<u>6,921,705</u>
General revenue and transfers:	
Taxes Levied	9,793,629
Income from Investments	59,985
Other	130
Transfers - external activities	(161,334)
Total general revenue and transfers	<u>9,692,410</u>
Increase in Net Assets	2,770,705
Net assets-Beginning of year	6,688,526
Net assets-End of year	<u><u>\$ 9,459,231</u></u>

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

Florissant Valley Fire Protection District
Balance Sheet
Governmental Funds
December 31, 2004

	General Fund	Ambulance Fund	Debt Service Fund	Capital Projects Fund	Dispatch Fund	Total Governmental Funds
ASSETS:						
Cash and Cash Equivalents	\$ 1,110,820	\$ 26,470	\$ 28,758	\$ 16,754	\$ 20,843	\$ 1,203,645
Investments	2,628,381	89,000	529,005	2,707,035	391,431	6,344,852
Taxes Receivable, net of allowance	1,939,899	1,197,419	123,303	-	136,627	3,397,248
Contract Fee Receivable, net of allowance	395,157	247,508	25,463	-	28,285	696,413
Due from other Funds	1,525,092	13,225	-	-	7,877	1,546,194
Other Assets	81,083	-	-	-	-	81,083
Total Assets	<u>\$ 7,680,432</u>	<u>\$ 1,573,622</u>	<u>\$ 706,529</u>	<u>\$ 2,723,789</u>	<u>\$ 585,063</u>	<u>\$ 13,269,435</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 16,563	\$ 16,826	\$ -	\$ 15,781	\$ 240,866	\$ 290,036
Accrued wages and payroll taxes	141,146	179,867	-	-	-	321,013
Due to other funds	27,175	1,524,218	664	-	-	1,552,057
Deposits	-	-	-	-	-	-
Deferred revenue	429,410	282,107	24,348	-	30,449	766,314
Total Liabilities	<u>614,294</u>	<u>2,003,018</u>	<u>25,012</u>	<u>15,781</u>	<u>271,315</u>	<u>2,929,420</u>
Fund Balances:						
Reserved for:						
Debt service	-	-	681,517	-	-	681,517
Dispatching expenditures	-	-	-	-	313,748	313,748
Unreserved						
Designated for subsequent years operating budget	4,470,581	2,765,325	-	-	-	7,235,906
Undesignated	2,595,557	(3,194,721)	-	2,708,008	-	2,108,844
Total Fund Balance	<u>7,066,138</u>	<u>(429,396)</u>	<u>681,517</u>	<u>2,708,008</u>	<u>313,748</u>	<u>10,340,015</u>
Total liabilities and fund balances	<u>\$ 7,680,432</u>	<u>\$ 1,573,622</u>	<u>\$ 706,529</u>	<u>\$ 2,723,789</u>	<u>\$ 585,063</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$ 4,082,227 and the accumulated depreciation is \$ 1,433,839

2,648,388

Other long-term assets (property taxes receivable not collected within 60 days of year-end) are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

766,314

To recognize interest accrual to year-end on general obligation bonds

(57,811)

Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

General obligation bonds

(4,025,000)

Compensated absences

(212,675)

(4,237,675)

Net assets-governmental activities

\$ 9,459,231

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

Florissant Valley Fire Protection District
Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2004

	General Fund	Ambulance Fund	Debt Service Fund	Capital Projects Fund	Dispatch Fund	Total
REVENUE						
Property taxes and contract fees	\$ 5,326,979	\$ 2,944,150	\$ 382,348	\$ -	\$ 373,838	\$ 9,027,315
Ambulance billings	-	1,095,938	-	-	-	1,095,938
Inspection and permit fees	24,312	1,057	-	-	-	25,369
Income from investments	18,446	1,385	3,906	34,766	1,482	59,985
Miscellaneous	130	-	-	-	-	130
Total Revenue	<u>5,369,867</u>	<u>4,042,530</u>	<u>386,254</u>	<u>34,766</u>	<u>375,320</u>	<u>10,208,737</u>
EXPENDITURES						
Personal services	2,027,326	2,898,947	-	-	-	4,926,273
Employee benefits	657,514	829,158	-	-	-	1,486,672
Supplies	10,286	43,634	-	-	-	53,920
Contractual services	148,899	283,173	-	-	-	432,072
Heat, light and power	16,287	27,256	-	-	12,724	56,267
Capital outlay	-	-	-	1,626,643	5,378	1,632,021
Dispatching service	-	-	-	-	299,070	299,070
Building and mobile equipment	50,091	48,224	-	-	3,182	101,497
Miscellaneous	10,663	16,925	-	-	-	27,588
Administration	11,044	23,627	-	-	-	34,671
Debt service:						
Principal retirement	-	-	200,000	-	-	200,000
Interest and other charges	-	-	177,838	-	-	177,838
Total expenditures	<u>2,932,110</u>	<u>4,170,944</u>	<u>377,838</u>	<u>1,626,643</u>	<u>320,354</u>	<u>9,427,889</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	2,437,757	(128,414)	8,416	(1,591,877)	54,966	780,848
OTHER FINANCING SOURCES (USES)						
Operating transfers out	(161,334)	-	-	-	-	(161,334)
Proceeds from sale of assets	16,000	-	-	-	-	16,000
Total Other Financing Sources (Uses)	<u>(145,334)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(145,334)</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	2,292,423	(128,414)	8,416	(1,591,877)	54,966	635,514
FUND BALANCES AT BEGINNING OF YEAR	4,773,715	(300,982)	673,101	4,299,885	258,782	9,704,501
FUND BALANCES-END OF YEAR	<u>\$ 7,066,138</u>	<u>\$ (429,396)</u>	<u>\$ 681,517</u>	<u>\$ 2,708,008</u>	<u>\$ 313,748</u>	<u>\$ 10,340,015</u>

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

Florissant Valley Fire Protection District
 Reconciliation of the Governmental Funds Statement of
 Revenue, Expenditures, and Changes in Fund Balances
 to the Statement of Activities

Total net change in fund balances - governmental funds	\$	635,514
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$1,435,065) exceeded depreciation expense (\$229,254) and the basis of assets disposed of (\$32,429) for the period.		1,173,473
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		200,000
Because some property taxes will not be collected for several months after the district's fiscal year ends, they are not considered "available" revenue and are deferred in the governmental funds. Deferred tax revenue increased (decreased) by this amount this year.		766,314
In the statement of activities, certain operating expenses - compensated absences (sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used, (essentially the amounts actually paid). This year, sick leave earned exceeded the amount of sick leave used by \$7,947		(7,947)
Interest in long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the fund when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		3,351
Change in net assets of governmental activities	<u>\$</u>	<u>2,770,705</u>

Florissant Valley Fire Protection District
Statement of Fiduciary Net Assets
December 31, 2004

	Pension Trust Fund
ASSETS	
Cash and Cash Equivalents	\$ 25,781
Taxes Receivable, net of allowance	273,255
Other Receivables	56,569
Due from other Funds	6,071
Investments, at fair value:	6,906,509
Total Assets	7,268,185
LIABILITIES	
Accounts Payable	-
Deferred revenue	60,493
Total Liabilities	60,493
NET ASSETS	
Held in trust for benefits and employee welfare	\$ 7,207,692

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

Florissant Valley Fire Protection District
Statement of Changes in Fiduciary Net Assets
For the Year Ended December 31, 2004

	Pension Trust Fund
Additions	
Property Taxes	\$ 750,879
Employee contributions	39,882
Transfers from other funds	161,334
Investment Earnings	
Net appreciation in fair value of investments, interest, dividends and other investment income	375,522
Total Additions	1,327,617
Deductions	
Benefit payments	2,296
Actuarial and consulting fees	13,275
Total Deductions	15,571
Change in net assets	1,312,046
Net assets-Beginning of Year	5,895,646
Net assets-End of Year	\$ 7,207,692

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

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Florissant Valley Fire Protection District (the District) provides fire protection, fire prevention, and emergency ambulance service to its residents. The financial statements include all accounts of the District that are controlled by the Board of Directors. The accounting principles of the District conform to generally accepted accounting principles applicable to governmental entities. The following is a summary of the more significant accounting policies:

Reporting Entity

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

Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities.

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

Fund Financial Statements: The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented.

The District reports the following governmental funds:

General Fund

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

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

Special Revenue-Ambulance Fund

This fund is a special revenue fund that is used to account for the proceeds of a special tax levy which is restricted for the provision of emergency medical services.

Debt Service Fund

This fund accounts for the accumulation of resources for the payment of general long-term debt principal and interest.

Capital Projects Fund

This fund is used to account for financial resources to be used for the acquisition or construction of major capital items.

Special Revenue-Dispatching Fund

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

The District reports the following fund types:

Pension Trust Fund

This fund is used to account for assets held by the District in a trustee capacity. The fund accumulates contributions from the District generated from a pension tax levy as well as earnings from the fund's investments. Disbursements are made from the fund for retirement and administrative expenses.

Implementation of Governmental Accounting Standards Board Statements

GASB Statements No. 34 and 37

In June 1999 and in June 2001, the GASB issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments – Omnibus*, respectively. These statements provide for the most significant change in financial reporting in over twenty years. The District has adopted these statements for its fiscal year ended December 31, 2004.

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

GASB Statement No. 38

In June 2001, the GASB issued Statement No. 38, *Certain Financial Statement Note Disclosures*. This statement modifies, adds and deletes various note disclosure requirements. Those requirements address revenue recognition policies, actions taken in response to legal violations, debt service requirements, variable-rate debt, receivable and payable balances, interfund transfers and balances, and short-term debt. The District has adopted this statement for its fiscal year ended December 31, 2004.

GASB Interpretation No. 6

In March 2000, the GASB issued Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. This interpretation clarifies the application of standards for modified and accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice. The District has adopted this statement for its fiscal year ended December 31, 2004.

Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without receiving (or giving) equal value in exchange, include property taxes. On an accrual basis, property taxes are recognized in the fiscal year for which the taxes are levied.

Government Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after year-end. Property taxes are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the internal service fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are generally stated at market value.

Statutes authorize the District to invest in time deposits, U.S. Treasury and federal agency securities, commercial paper, bankers' acceptances and repurchase agreements. Statutes authorize the Pension Trust Fund to invest in corporate stocks and bonds.

Budgets and Budgetary Accounting

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

1. Formal budgetary integration is employed as a management control device during the year for all governmental funds. The budgets are adopted on a modified cash basis of accounting.
2. The Board of Directors approves the tax rate by ordinance. Once this rate has been established, the Board approves the total budget appropriation and amendments.
3. Unused appropriations lapse at the end of the year.

Property Taxes

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

Property taxes levied for 2004 are recorded as receivable, net of estimated uncollectibles, as are prior year levies which are reevaluated annually. Taxes receivable represent estimated amounts to be collected by the County Collector of Revenue for 2004 and prior tax years, to be remitted to the District subsequent to December 31. The portion of taxes considered collectible but not collected and remitted to the District within 60 days of year-end is recorded as deferred tax revenue.

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

Capital Assets

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed fixed assets are valued at their estimated fair market value on the date contributed. The District defines capital assets as assets with an initial, individual cost exceeding capitalization limit amounts as delineated below, and an estimated useful life in excess of one year. Capital assets used in operations are depreciated using the straight-line method over the estimated useful life of the assets.

The estimated useful lives and capitalization limits are as follows:

	<u>Estimated Lives</u>	<u>Capitalization Limit</u>
Buildings & Improvements	40 Years	\$ 5,000
Fire Apparatus	10 Years	\$ 5,000
Ambulances	5 Years	\$ 5,000
Staff Vehicles	5 Years	\$ 5,000
Office Equipment	5 Years	\$ 5,000
Equipment	5 Years	\$ 5,000
Remodeling	5 Years	\$ 5,000

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the District and its employees are accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the District and its employees are accounted for in the period in which such services are rendered or such events take place.

Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the concurrent portion of interfund loans).

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

Services provided, deemed to be at market or near market rates, are treated as revenue and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B – DEPOSIT AND INVESTMENT BALANCES

Deposits

Following is a reconciliation of the District’s deposit and investment balances as of December 31, 2004:

	Government- wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Cash	\$ 1,203,645	\$ 25,781	\$ 1,229,426
Investments	6,344,852	6,906,509	13,251,361
Total	\$ 7,548,497	\$ 6,932,290	\$ 14,480,787

At year-end, the carrying amount of the District’s cash deposits was \$ 1,229,426 and the bank balance was \$ 449,211. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$100,000 was covered by federal depository insurance and the balance was collateralized by securities pledged by the financial institutions and held by the Federal Home Loan Bank. Such collateral was held by the pledging financial institutions agent in the District’s name.

State statutes require that cash deposits must be insured or collateral must be pledged by the custodian bank in an amount sufficient to cover the amounts on deposit. The collateral is required to be held in safekeeping by the trust department of a financial institution other than the pledging bank. At December 31, 2004, the District’s cash deposits were fully collateralized.

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

Investments

The District's investments are categorized below to give an indication of the level of custodial credit risk assumed by the District as of December 31, 2004. Category (1) includes investments that are insured or registered, or held by the District or its agent in the District's name. Category (2) includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or the District's agent in the District's name. Category (3) includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the District's name.

At December 31, 2004, investments included the following:

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Fair Value</u>
Categorized investments:				
Repurchase agreements	\$ -	\$1,446,000	\$ -	\$ 1,446,000
U.S. Government securities	5,751,511	-	-	5,751,511
Total categorized investments	<u>\$5,751,511</u>	<u>\$1,446,000</u>	<u>\$ -</u>	<u>7,197,511</u>
Uncategorized investments:				
Mutual funds:				
Money market				614,055
Domestic equities				1,194,513
Fixed income				3,063,746
Mixed assets				<u>1,181,536</u>
Total investments				<u>\$ 13,251,361</u>

NOTE C - CAPITAL ASSETS

A summary of changes in the general fixed assets account group follows:

	January 1, 2004 (as restated)	Additions	Deletions	December 31, 2004
<i>Capital assets not being depreciated:</i>				
Land	\$ 269,000	\$ -	\$ -	\$ 269,000
<i>Capital assets being depreciated:</i>				
Buildings & improvements	602,103	-	-	602,103
Equipment & other	1,874,204	1,435,065	(98,145)	3,211,124
Total capital assets being depreciated:	<u>2,476,307</u>	<u>1,435,065</u>	<u>(98,145)</u>	<u>3,813,227</u>
Less accumulated depreciation for:				
Buildings & improvements	-	-	-	-
Equipment & other	(1,270,301)	(229,254)	65,716	(1,433,839)

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

Total accumulated depreciation	(1,270,301)	(229,254)	65,716	(1,433,839)
Total capital assets being depreciated, net:	1,206,006	1,205,811	(32,429)	2,379,388
Totals	\$1,475,006	\$ 1,224,487	\$ (32,429)	\$2,648,388

At January 1, 2004, the District made the following restatements to capital assets:

Capital assets as reported in the general fixed assets account group – December 31, 2003	\$4,685,376
Record accumulated depreciation for buildings and improvements, equipment and furniture and fixtures	(1,270,301)
Remove equipment below the increased capitalization thresholds – See NOTE A	(1,940,069)
Capital assets as restated – January 1, 2004	\$1,475,006

NOTE D – INTERFUND TRANSACTIONS

The composition of interfund balances as of December 31, 2004 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Ambulance Fund	\$ 1,524,218
	Capital Projects Fund	210
	Debt Service Fund	664
		\$ 1,525,092
Ambulance Fund	General Fund	\$ 13,225
Dispatch Fund	General Fund	\$ 7,877
Pension Trust Fund	General Fund	\$ 6,071

NOTE E – RETIREMENT PLAN

Plan Description

The Retirement Plan for Employees of the Florissant Valley Fire Protection District (the Plan) is a single-employer, defined benefit pension plan administered by District management. The plan provides retirement, death and disability benefits to plan members and beneficiaries.

A separate financial report has been published for the Retirement Plan for the Employees of Florissant Valley Fire Protection District as of January 1, 2005 and may be obtained by

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

writing the Florissant Valley Fire Protection District, 605 rue St. Catherine, Florissant, MO 63031, or by calling (314) 837-4894.

Plan Membership

The Plan's membership consisted of the following as of January 1, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Active employees	62	60
Retirees and beneficiaries currently receiving benefits	2	2
Terminated employees entitled to benefits not yet received	<u>2</u>	<u>1</u>
Total	<u>66</u>	<u>63</u>

Benefit Provisions

The Plan covers all District employees. Eligibility to participate commences on the first day of the month coincident with or next following the employee's date of hire. Normal retirement begins at age 60 or completion of thirty full years of credited service, with a monthly benefit equal to 2.5% of average monthly pay multiplied by years of service, not to exceed 30 years. Early retirement provisions require 20 years of credited service or attainment of 50 years of age. A monthly pension equal to the accrued pension as of early retirement date, reduced by .3% for each month that the early retirement date precedes the normal retirement date.

Accounting Policies

Contributions to the Plan are funded with the proceeds of a special pension tax levy. In addition, each participant is required to contribute one percent of his monthly earnings. The Revised Statutes of Missouri establish the authority for the provision of pension benefits and the levy of taxes to fund the pension plan, Section 321.600 RSMo.

Pension expenditures are recognized when paid.

Valuation of Investments

The Plan's investments include mutual funds valued at market value and repurchase agreements. Contract value represents contributions made under the contract, plus interest at the contract rate, less funds used to pay benefits or administrative expenses.

Annual Pension Cost and Net Pension Obligation

The annual pension cost and net pension obligation for 2004 were as follows:

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

Annual required contribution	\$ 1,011,145
Interest on net pension obligation	(4,165)
Adjustment to annual required contribution	<u>5,224</u>
Annual pension cost	1,012,204
Contributions made	<u>(1,243,331)</u>
Increase (decrease) in net pension obligation	(231,127)
Net pension obligation beginning of year	<u>(61,698)</u>
Net pension obligation end of year	<u>(\$ 292,825)</u>

The annual required contribution was determined as part of the January 1, 2005 actuarial valuation using the entry age normal method. The actuarial assumptions included (a) 6.75% investment rate of return and (b) projected salary increases of \$1,200 per year, plus .5% per year.

Trend Information

Historical trend information about the plan is presented herewith as required supplementary information. This information is intended to help users assess the plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due and make comparisons with other public employee retirement systems (PERS).

Schedule of Funding Progress

<u>Valuation date</u>	(1) <u>Actuarial</u> <u>Value of</u> <u>Assets</u>	(2) <u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u>	(3) <u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u> <u>(2)-(1)</u>	(4) <u>Funded</u> <u>Ratio</u> <u>(1)/(2)</u>	(5) <u>Annual</u> <u>covered</u> <u>payroll</u>	(6) <u>UAAL as</u> <u>a % of</u> <u>Payroll</u> <u>[(2)-</u> <u>(1)]/(5)</u>
February 1:						
1994	4,588,936	6,598,869	2,009,933	69.54%	1,779,170	112.97%
1995	3,546,493	5,958,680	2,412,187	59.52%	1,632,629	147.75%
1996	2,575,867	5,975,572	3,399,705	43.11%	1,883,515	180.50%
1997	2,995,961	5,355,850	2,359,889	55.94%	1,864,541	126.57%
1998	3,215,320	5,198,666	1,983,346	61.85%	1,909,154	103.89%
1999	4,038,797	5,775,332	1,736,535	69.93%	1,952,024	88.96%
2000	3,929,926	6,111,499	2,181,573	64.30%	2,088,799	104.44%
2001	4,126,820	7,358,809	3,231,989	56.08%	3,364,195	96.07%
January 1:						
2002*	4,400,511	10,397,971	5,997,460	42.32%	3,258,131	184.07%
2003	4,930,290	11,450,222	6,519,932	43.00%	4,080,008	159.80%
2004	4,914,827	11,521,989	6,607,162	42.66%	3,937,242	167.81%
2005	6,506,405	12,787,246	6,280,841	50.88%	3,990,451	157.40%

*Represents an eleven month period due to changing the reporting period for the plan from February 1 to January 1

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

Schedule of Employer Contributions

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
January 31:			
1998	\$ 495,247	\$ 488,138	98.56%
1999	\$ 422,987	\$ 669,142	158.19%
2000	\$ 418,514	\$ 623,866	149.07%
2001	\$570,783	\$444,526	77.87%
2002	\$959,413	\$733,963	76.50%
2003	\$996,627	\$712,476	71.49%
2004	\$1,011,145	\$1,243,331	122.96%

Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all government 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

NOTE F - LEGAL DEBT MARGIN

Assessed valuation - January 1, 2004	\$ <u>697,646,340</u>
Debt limit - 5% of assessed value	34,882,317
Amount of debt applicable to debt limit:	
Total bonded debt outstanding	4,025,000
Less amount available in debt service fund	<u>(681,517)</u>
	<u>3,343,483</u>
Legal Debt Margin	\$ <u>31,538,834</u>

NOTE G - CONTRACTUAL AGREEMENTS

The District has a contractual agreement with North Central County Fire Alarm System that requires that the District pay fees equal to the amount which would be collected from a tax levy of four cents per one hundred dollars of assessed valuation of all taxable, tangible property within the District's boundaries.

The District has an agreement with Christian Hospital Northeast – Northwest for the provision of back-up emergency ambulance service with the District. The cost of the service varies per call, depending upon the hospital to which the patient is transported.

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE H - 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 workers' compensation claims. The District pays an annual premium to the pool for its insurance coverage. The agreement for formation of the Missouri Fire and Ambulance Districts' Insurance Trust (MoFAD) 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 assessments 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 has published its own financial report for the year ended December 31, 2004 that can be obtained from MoFAD.

NOTE I - SERVICE AGREEMENT

The District has entered into an agreement (the Agreement) with the City of Hazelwood (the City) to provide fire protection, emergency and ambulance services to an area annexed by the City in an annexation election dated June 7, 1994. The agreement requires the City to pay the District an annual fee for fire protection, emergency and ambulance services in an amount that approximates the amount of taxes which would have been levied by the District in the annexed area had the area not been annexed. The agreement requires the City to pay, on or before January 15 of each year, 99% of the tax the District would have levied on personal property in the annexed area as well as the amount of Manufacturers Equipment Tax the District would have levied in the annexed area. Within five banking days of the receipt of real property tax attributable to the annexed area, the City must remit to the District the amount it would have levied on the real property for which taxes were paid.

NOTE J – LONG-TERM DEBT

2002 Series - In December 2002, proceeds of \$5,002,647 (including premium and accrued interest) were received from the sale of five million dollars (\$5,000,000) in bonds. Total bonds authorized for issue total fifteen million dollars (\$15,000,000). The amount of interest paid on these bonds ranges from 3.5% to 5.0%. Principal payments are on March 31 and semi-annual interest payments are on March 1 and September 1. Maturities of these bonds are as follows:

<u>Bond</u>	<u>Interest</u>	<u>Total</u>	<u>Maturity</u>
\$ 125,000	\$ 169,363	\$ 294,363	2005
150,000	162,488	312,488	2006
150,000	154,988	304,988	2007

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

175,000	146,862	321,862	2008
175,000	138,112	313,112	2009
175,000	129,909	304,909	2010
200,000	122,531	322,531	2011
200,000	115,331	315,331	2012
225,000	107,518	332,518	2013
225,000	99,025	324,025	2014
225,000	90,250	315,250	2015
250,000	80,680	330,680	2016
250,000	70,305	320,305	2017
275,000	59,144	334,144	2018
275,000	47,319	322,319	2019
300,000	34,881	334,881	2020
325,000	21,287	346,287	2021
<u>325,000</u>	<u>7,109</u>	<u>332,109</u>	2022
<u>\$ 4,025,000</u>	<u>\$ 1,757,102</u>	<u>\$ 5,782,102</u>	

NOTE K – CHANGES IN LONG-TERM OBLIGATIONS REPORTED IN GENERAL
LONG-TERM DEBT ACCOUNT GROUP

During the year ended December 31, 2004, the following changes occurred in liabilities reported in the General Long-term Debt Account Group:

	<u>January 1,</u> <u>2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31,</u> <u>2004</u>
General Obligation Bonds	\$ 4,225,000	\$ -	\$ 200,000	\$ 4,025,000
Compensated Absences	<u>204,818</u>	<u>7,857</u>	<u>-</u>	<u>212,675</u>
Total	<u>\$ 4,429,818</u>	<u>\$ 7,857</u>	<u>\$ 200,000</u>	<u>\$ 4,237,675</u>

NOTE L – NET ASSETS/FUND BALANCES

The government-wide financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Assets*-This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by laws through constitutional provisions or enabling legislation.

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

- *Unrestricted Net Assets* – This category represents net assets of the District, not restricted for any project or other purpose.

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and management and can be increased, reduced or eliminated by similar actions.

As of December 31, 2004, reservations of fund balance are described below:

- *Debt Service* – to reflect the funds held for future payment of bond principal and interest. These funds are not available for general operations.
- *Dispatching Services* – to reflect the funds held for dispatching services. These funds are not available for general operations.

The beginning net asset amount for governmental activities in the government-wide financial statements reflects the effect on fund balances for governmental funds at December 31, 2003, caused by the adoption of GASB Statement No. 34.

The transition from governmental fund balances to net assets of the governmental activities is presented below:

Fund Balances – Modified Accrual Basis, December 31, 2003	\$ 9,704,501
GASB 34 Adjustments:	
Capital assets, net of accumulated depreciation	1,475,006
Bonds payable	(4,286,163)
Compensated absences	<u>(204,818)</u>
 Total Net Assets, December 31, 2003	 <u>\$ 6,688,526</u>

NOTE M – TRANSFERS

Transfers for the year ended December 31, 2004 consisted of the following:

Transfers to Pension trust fund from:

General fund \$ 161,334

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted fro in other funds in accordance with budgetary authorization.

Florissant Valley Fire Protection District
 Required Supplementary Information
 Budgetary Comparison Schedule - General Fund
 For the Year Ended December 31, 2004

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
REVENUE				
Property taxes & contract fees	\$ 4,834,023	\$ 6,034,738	\$ 6,075,020	\$ 40,282
Inspection and Permit Fees	30,000	24,259	24,259	-
Income from Investments	22,000	18,446	18,446	-
Miscellaneous	1,000	120	120	-
Proceeds from sale of assets	-	-	16,000	16,000
Total Revenue	<u>4,887,023</u>	<u>6,077,563</u>	<u>6,133,845</u>	<u>56,282</u>
EXPENDITURES				
Personal services	2,043,525	2,071,274	2,084,579	13,305
Employee benefits	670,318	669,349	656,042	(13,307)
Supplies	14,231	10,198	10,221	23
Contractual services	158,570	150,804	150,804	-
Heat, light and power	15,605	14,936	15,396	460
Capital outlay	-	-	-	-
Building and mobile equipment	36,370	47,106	47,106	-
Miscellaneous	8,568	10,368	10,368	-
Administration	22,710	11,975	11,516	(459)
Total expenditures	<u>2,969,897</u>	<u>2,986,010</u>	<u>2,986,032</u>	<u>22</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,917,126</u>	<u>3,091,553</u>	<u>3,147,813</u>	<u>56,260</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	(145,334)	(161,334)	16,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>(145,334)</u>	<u>(161,334)</u>	<u>16,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>1,917,126</u>	<u>2,946,219</u>	<u>2,986,479</u>	<u>72,260</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>2,239,744</u>	<u>2,239,744</u>	<u>2,239,744</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 4,156,870</u>	<u>\$ 5,185,963</u>	<u>\$ 5,226,223</u>	<u>\$ 72,260</u>

Florissant Valley Fire Protection District
 Required Supplementary Information
 Budgetary Comparison Schedule - Ambulance Fund
 For the Year Ended December 31, 2004

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
REVENUE				
Property taxes & contract fees	\$ 1,039,129	\$ 2,382,568	\$ 2,352,165	\$ (30,403)
EMS Transport Fees	1,110,000	1,099,141	1,099,141	-
Income from Investments	2,500	1,385	1,385	-
Miscellaneous	750	1,057	1,057	-
Proceeds from sale of assets	-	-	-	-
Total Revenue	<u>2,152,379</u>	<u>3,484,151</u>	<u>3,453,748</u>	<u>(30,403)</u>
EXPENDITURES				
Personal services	2,750,346	2,804,488	2,811,042	6,554
Employee benefits	828,046	835,712	829,158	(6,554)
Supplies	57,620	47,012	44,935	(2,077)
Contractual services	301,816	284,974	284,974	-
Heat, light and power	27,540	27,256	27,256	-
Capital outlay	-	-	-	-
Building and mobile equipment	51,495	49,909	49,909	-
Miscellaneous	30,880	14,847	16,925	2,078
Administration	21,402	23,627	23,628	1
Total expenditures	<u>4,069,145</u>	<u>4,087,825</u>	<u>4,087,827</u>	<u>2</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,916,766)	(603,674)	(634,079)	(30,405)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(1,916,766)	(603,674)	(634,079)	(30,405)
FUND BALANCES AT BEGINNING OF YEAR	<u>(761,446)</u>	<u>(761,446)</u>	<u>(761,446)</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ (2,678,212)</u>	<u>\$ (1,365,120)</u>	<u>\$ (1,395,525)</u>	<u>\$ (30,405)</u>

Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI

Explanation of Differences between budgetary Inflows and Outflows
 and GAAP Revenue and Expenditures

	General Fund	Ambulance Fund
Sources/Inflows of resources		
Total revenue (budgetary basis) from the Budgetary Comparison Schedule	\$ 6,133,845	3,453,748
 Tax Revenue-Levy on the budgetary basis recognizes revenue based on the total tax levy for the year, regardless of when collected. For financial reporting purposes, the revenue is recognized on a modified accrual basis.	 (763,978)	 588,782
 Total revenue as reported on the statement of Revenue, Expenditures and Changes in Fund Balances-Governmental Funds	 \$ 5,369,867	 \$ 4,042,530
 Uses/outflows of resources		
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 2,986,032	\$ 4,087,827
 Differences-budget to GAAP		
 Amounts accrued for Accounts payable and Accrued wages and payroll taxes for financial reporting purposes are not outflows of budgetary resources in the current year.	 (53,922)	 83,117
 Total expenditures as reported on the statement of Revenue, Expenditures and Changes in Fund Balances-Governmental Funds	 \$ 2,932,110	 \$ 4,170,944

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
 SCHEDULE OF INSURANCE IN FORCE
 December 31, 2004

<u>INSURANCE IN FORCE</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
Commercial Automobile Policy Liability Auto Medical Payments Uninsured & Underinsured Motorists Comprehensive Coverage Collision	American Alternative Insurance Corp.	\$1,000,000 Liability \$5,000/Person \$1,000,000/Accident Actual Cash Value/Cost of Repair Actual Cash Value/Cost of Repair
Commercial Umbrella	American Alternative Insurance Corp.	\$5,000,000/Occurrence \$10,000,000/Products Completed Operation \$10,000,000 General Aggregate
Commercial General Liability	American Alternative Insurance Corp.	\$1,000,000/Occurrence \$3,000,000/Products Completed Operation \$3,000,000 General Aggregate \$1,000,000 Personal Injury \$1,000,000 Fire Damage Legal Liability
Management Liability	American Alternative Insurance Corp.	\$1,000,000 Each Wrongful Act \$3,000,000 Aggregate Limit
Commercial Property Buildings Business Personal Property Business Income	American Alternative Insurance Corp.	\$ 1,368,916 (All Buildings) Replacement Cost 12 Months Actual Loss Sustained
Commercial Crime Policy Employee Dishonesty	American Alternative Insurance Corp.	\$20,000/Director \$20,000/Chief \$20,000/Secretary
Portable Equipment	American Alternative Insurance Corp.	Guaranteed Replacement Cost
Workers' Compensation	MoFAD	Statutory Limits

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
 SCHEDULE OF ASSESSED VALUATION, TAX RATE AND TAX LEVY
 Tax Year 2004

<u>ASSESSED VALUATION</u>	<u>2004</u>
Real estate	\$568,382,631
Personal property	129,263,709
Total Assessed Valuation	<u>\$697,646,340</u>

<u>TAX RATE (PER \$100 OF ASSESSED VALUATION)</u>	<u>2004</u> <u>Residential</u>	<u>2004</u> <u>Agricultural</u>	<u>2004</u> <u>Commercial</u>	<u>2004</u> <u>Personal</u> <u>Property</u>
General fund	.695	.750	.741	.717
Ambulance fund	.437	.440	.439	.440
Debt service fund	.045	.045	.045	.045
Pension fund	.100	.100	.100	.100
Dispatching fund	.050	.050	.050	.050
Total Tax Rate	<u>1.327</u>	<u>1.385</u>	<u>1.375</u>	<u>1.352</u>

<u>TAX LEVY</u>	<u>2004</u>
From assessed valuation	\$ 8,507,931
From surtax levy	117,178
TOTAL LEVY	<u>\$ 8,625,109</u>

Assessed valuations were made on real and personal properties owned by taxpayers on January 1.

FLORISSANT VALLEY FIRE PROTECTION DISTRICT
SCHEDULE OF PRINCIPAL OFFICE HOLDERS
December 31, 2004

<u>OFFICE HOLDER</u>		<u>ANNUAL COMPENSATION</u>
Shannon Duffy	President	\$ 8,650
John Gallagher	Secretary	\$ 5,800
Shannon Larrigan	Treasurer	\$ 10,600

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

Each member of the Board may receive a fee not to exceed \$100 for attending each regularly called board meeting, or special meeting, but shall not be paid for attending more than four in any calendar month. The Chairman may receive an additional \$50 for up to two meetings per month. Each member is to be reimbursed for actual expenditures in the performance of his or her duties on behalf of the District. The Secretary and Treasurer may each receive additional compensation for the performance of their duties, not to exceed \$1,000 per year.



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

To the Board of Directors
Florissant Valley Fire Protection District
St. Louis County, Missouri

We have audited the financial statements of Florissant Valley Fire Protection District (the District), as of and for the year ended December 31, 2004, and have issued our report thereon dated June 30, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Florissant Valley Fire Protection District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Florissant Valley Fire Protection District in a separate letter dated June 30, 2005.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Florissant Valley Fire Protection District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or

irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Florissant Valley Fire Protection District in a separate letter dated June 30, 2005.

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

An Log + Associates, P.C.

June 30, 2005