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## Finalcial Statements, 2005

Florissant Valley Fire Protection District

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**FLORISSANT VALLEY FIRE  
PROTECTION DISTRICT**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2005**

# ***FLORISSANT VALLEY FIRE PROTECTION DISTRICT***

FLORISSANT, MISSOURI

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## INDEPENDENT AUDITORS' REPORT



Members of the Board of Directors of  
**FLORISSANT VALLEY FIRE PROTECTION DISTRICT**

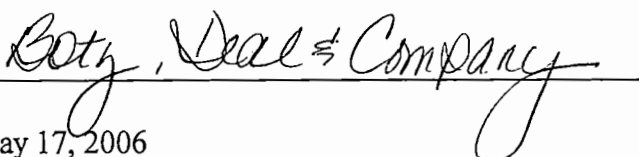
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Florissant Valley Fire Protection District, as of and for the year ended December 31, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Florissant Valley Fire Protection District, as of December 31, 2005, and the respective changes in the financial position where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2006 on our consideration of Florissant Valley Fire Protection District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 2 through 8 and 28 through 31, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

  
May 17, 2006

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**FLORISSANT VALLEY FIRE PROTECTION DISTRICT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005

This section of Florissant Valley Fire Protection District of St. Louis County, Missouri's (the District) annual financial report presents management's discussion and analysis of the District's financial activity for the year ended December 31, 2005. In order to have a comprehensive understanding of the Management Discussion and Analysis, we recommend that the attached financial statements, including all notes to the financial statements, be read in their entirety.

**Using this Annual Report**

In 2004, the District implemented GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments*. The attached financial statements, for the year ended December 31, 2005, are reported using this new reporting model - GASB 34. The District's basic financial statements, are designed to emulate corporate presentation models whereby all District activities are consolidated. This approach is intended to summarize and simplify the analysis of the costs associated with various emergency services provided by the District for the benefit of its residents.

**Overview of the Financial Statements**

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

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

Required supplementary information and additional supplementary information are also included in addition to the basic financial statements.

**Government-Wide Financial Statements**

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

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

**FLORISSANT VALLEY FIRE PROTECTION DISTRICT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005

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

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

### **Fund Financial Statements**

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

### **Governmental Funds**

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Statement Of Revenues, Expenditures And Changes In Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

### **Fiduciary Funds**

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governmental units and/or other funds. The District's Fiduciary Fund is not reflected in the government-wide financial statements because the resources of this fund are not available to support the District's own programs. The District's fiduciary fund is the Pension Trust Fund.

**FLORISSANT VALLEY FIRE PROTECTION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a complete understanding of the information reported in the government-wide and fund financial statements.

**Required and Other Supplementary Information**

In addition to the basic financial statements and accompanying notes to the basic financial statements, this financial report also contains certain required supplementary information. Required Supplementary Information includes a Budgetary Comparison Schedule for the General Fund.

**Financial Analysis of the District as a Whole**

**Government-Wide Financial Analysis**

As mentioned earlier, net assets may serve over time as a useful indicator of a government's financial position. The condensed statement of net assets as of December 31, is as follows:

	Statement of Net Assets		
	2005	2004	Increase (Decrease)
<b>Assets:</b>			
Current and other assets	\$ 19,988,958	\$ 12,205,987	\$ 7,782,971
Capital assets, net of depreciation	2,914,309	2,648,388	265,921
Total Assets	<u>22,903,267</u>	<u>14,854,375</u>	<u>8,048,892</u>
<b>Liabilities:</b>			
Current and other liabilities	808,981	616,912	192,069
Non-current liabilities	9,102,184	4,295,486	4,806,698
Total Liabilities	<u>9,911,165</u>	<u>4,912,398</u>	<u>4,998,767</u>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	839,382	1,347,177	( 507,795)
Restricted	3,265,189	902,773	2,362,416
Unrestricted	8,887,531	7,692,027	1,195,504
Total Net Assets	<u>\$ 12,992,102</u>	<u>\$ 9,941,977</u>	<u>\$ 3,050,125</u>

The District's assets exceeded liabilities (net assets) by \$12,992,102 as of December 31, 2005. Of this amount, \$839,382 is invested in capital assets, net of related debt; \$3,265,189 is restricted by the District for debt service; and \$8,887,531 is unrestricted and available to provide for current and future obligations of the District.

**FLORISSANT VALLEY FIRE PROTECTION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

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

The District's net assets increased by \$3,050,125 during the year ended December 31, 2005. This increase is primarily a result of revenues exceeding expenses during the year. The key elements of this increase are presented in the following condensed statement of changes in net assets:

	Statement of Activities		Increase (Decrease)
	2005	2004	
Revenues			
Program revenues			
Charges for services	\$ 1,479,500	\$ 1,121,307	\$ 358,193
General revenues			
Property taxes and contract fees	10,080,097	9,793,629	286,468
Interest and investment earnings	192,945	59,985	132,960
Gain (loss) on disposal of capital assets	(591)	-	(591)
Miscellaneous income	33,095	130	32,965
Transfers	(481,297)	(161,334)	(319,963)
Total Revenues	<u>11,303,749</u>	<u>10,813,717</u>	<u>490,032</u>
Expenses			
Public safety	8,034,048	7,868,526	165,522
Interest and fiscal charges	219,576	174,486	45,090
Total Expenses	<u>8,253,624</u>	<u>8,043,012</u>	<u>210,612</u>
Change in net assets	3,050,125	2,770,705	279,420
Net Assets, beginning of year	9,941,977	7,171,272	2,770,705
Net Assets, end of year	<u>\$ 12,992,102</u>	<u>\$ 9,941,977</u>	<u>\$ 3,050,125</u>

Program revenue includes activities that have the characteristics of exchange transactions, such as commercial and residential inspections. General revenues include activities that have the characteristics of non-exchange transactions, such as property taxes. Program expenses are those expenses for the purpose of providing fire protection, emergency medical services and operational activities of the District. Total revenues increased by \$490,032, when comparing 2005 to 2004, primarily due to increase ambulance call volume and billing revenue.



**FLORISSANT VALLEY FIRE PROTECTION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

**Fund Analysis**

General Fund Revenues

	2005	2004	Increase (Decrease)
Property taxes and contract fees	\$ 4,415,457	\$ 5,326,979	\$ (911,522)
Permits and reports	44,087	24,312	19,775
Interest	108,279	18,446	89,833
Miscellaneous	33,095	130	32,965
	<u>\$ 4,600,918</u>	<u>\$ 5,369,867</u>	<u>\$ (768,949)</u>

*General Fund*

General Fund revenues decreased \$768,949 in 2005 from 2004. This decrease was primarily attributable to the fact that St. Louis County had a significant number of protested commercial tax assessments related to tax year 2005. As such, the remittance policy of tax dollars to the political subdivisions (including Fire Protection Districts) in St. Louis County was changed by the St. Louis County Assessor's Office resulting in a delay in receipt of certain protested 2005 property tax revenue. General fund expenditures exceeded general fund revenues by \$1,182,721, prior to consideration of operating transfers. The general fund balance increased by \$896,025, after consideration of operating transfers. The increase in the general fund balance was primarily due to the District's conservative approach to budgeting and monthly monitoring of expenses.

*Ambulance Fund and Dispatch Fund*

The combined total of the Ambulance Fund and Dispatch Fund revenues exceeded expenditures by \$397,662, prior to consideration of operating transfers. The combined fund balances increased by \$397,662. Dispatch service expenditures provide for the District's communications and dispatching services. These services are contracted with North Central County Fire Alarm System.

*Capital Projects Fund*

The capital projects fund expenses exceed revenues by \$959,879, prior to consideration of \$5,000,000 in proceeds from long-term debt. The expenses are the result of the fact that the District is in the process of building new fire stations and procuring new fire trucks, ambulances and life-saving equipment. The District is utilizing long-term fire protection bonds, approved by the District's voters in 2002, to finance these capital projects. In 2005, the District's capital projects fund balance increased by \$4,040,121.

**Budget Analysis**

The District adopts an annual budget for each of its governmental funds, pursuant to Missouri State Statutes.

**FLORISSANT VALLEY FIRE PROTECTION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

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

The difference between the original budget as adopted by the Board for 2005 and the final amended budget as approved by the Board for 2005, in January 2006, was primarily due to the timing of tax receipt collections from St. Louis County. Timing of tax receipt collections could result from a) the economy, or b) tax collections received by St. Louis County, or c) the processing of tax collections by St. Louis County, or d) all of the above.

**Capital Assets**

GASB 34 requires the District to include in capital assets all real estate to house firefighters and ambulance personnel and emergency vehicles, the District's administrative building and all emergency and administrative equipment and vehicles owned by the District. The District has adopted a capitalization policy with specific useful lives by capital asset category. More detailed information on the District's capital asset assets is presented in the notes to the financial statements.

	2005	2004	Increase (Decrease)
Land	\$ 269,000	\$ 269,000	\$ -
Buildings	602,103	602,103	-
Furniture and equipment	194,205	194,205	-
Vehicles	2,375,332	3,016,919	(641,587)
Construction in progress	721,344	-	721,344
Total	4,161,984	4,082,227	79,757
Less: Accumulated depreciation	( 1,247,675)	(1,433,839)	186,164
Net Capital Assets	<u>\$ 2,914,309</u>	<u>\$ 2,648,388</u>	<u>\$ 265,921</u>

**Long-Term Debt**

During the year ended December 31, 2002, the District issued \$5,000,000 in Fire Protection Bonds, with an average interest rate ranging from 3.50% through 5.0%. During the year ended December 31, 2005, the District issued an additional \$5,000,000, with an average interest rate ranging from 3.0% through 6.0%. These bonds were issued for the purpose of constructing, equipping, and maintaining fire stations and purchasing ambulances and fire protection and fire-fighting apparatus and auxiliary equipment. During the year ended December 31, 2005, the District made principal payments totaling \$125,000. Outstanding bonds payable at year-end are \$8,900,000. More detailed information on the District's long-term liabilities is presented in the notes to the financial statements.

***FLORISSANT VALLEY FIRE PROTECTION DISTRICT***  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**Economic Factors**

The District serves over 77,000 residents and has mutual aid agreements with all Fire Protection Districts and Fire Departments in the 'Region C' area of Missouri. The District also participates in the statewide mutual aid program through the State of Missouri's Division of Fire Safety. While the District includes office buildings, regional and local shopping areas, churches, residential care and light manufacturing facilities, it primarily consists of single and multi-family residential housing. Hence, the District is somewhat insulated from significant changes in the economy.

**Contact Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. This financial report hereby demonstrates the District's spirit of full disclosure to provide readers of this report with an overview of the District's financial operations. For questions or requests for additional information, please direct requests to the Chief of the Fire Protection District at 605 rue St. Catherine, Florissant, Missouri 63031.

**FLORISSANT VALLEY FIRE PROTECTION DISTRICT**

**STATEMENT OF NET ASSETS**

**DECEMBER 31, 2005**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 14,323,164
Taxes receivable:	
Property	4,364,308
Contract fees	753,894
Accounts receivable other	114,498
Prepaid expenses	325,812
Bond issuance costs	26,199
Other assets	81,083
Capital assets - net:	
Nondepreciable	990,344
Depreciable	1,923,965
<b>TOTAL ASSETS</b>	<u>22,903,267</u>
<b>LIABILITIES</b>	
Accounts payable	368,460
Payroll liabilities	11,285
Accrued wages	331,789
Due to other funds	6,072
Accrued interest payable	91,375
Noncurrent liabilities:	
Due in one year	300,000
Due in more than one year	8,802,184
<b>TOTAL LIABILITIES</b>	<u>9,911,165</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	839,382
Restricted for:	
Ambulance services	885,454
Dispatch services	522,869
Bond retirement	1,665,647
Unrestricted	9,078,750
<b>TOTAL NET ASSETS</b>	<u>\$ 12,992,102</u>

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, 2005

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>	<u>Net (Expense)</u> <u>Revenue and</u> <u>Change in Net Assets</u>
		<u>Charges for</u> <u>Service</u>	<u>Governmental</u> <u>Activities</u>
<b>Governmental Activities</b>			
Public safety	\$ 8,034,048	\$ 1,479,500	\$ (6,554,548)
Interest and fiscal charges	219,576	-	(219,576)
<b>TOTAL GOVERNMENTAL</b> <b>ACTIVITIES</b>	<u>\$ 8,253,624</u>	<u>\$ 1,479,500</u>	<u>(6,774,124)</u>
	Taxes		9,726,886
	Contract revenues		353,211
	Interest income		192,945
	Other miscellaneous revenue		33,095
	Transfers - external activities		(481,297)
	Loss on sale of assets		(591)
	<b>TOTAL GENERAL REVENUES</b>		<u>9,824,249</u>
	<b>CHANGE IN NET ASSETS</b>		<u>3,050,125</u>
	<b>NET ASSETS - BEGINNING OF YEAR,</b> <b>AS PREVIOUSLY STATED</b>		9,459,231
	Correction of prepaid expenses and ambulance billings		<u>482,746</u>
	<b>NET ASSETS - BEGINNING OF YEAR,</b> <b>AS RESTATED</b>		<u>9,941,977</u>
	<b>NET ASSETS - END OF YEAR</b>		<u>\$ 12,992,102</u>

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

**FLORISSANT VALLEY FIRE PROTECTION DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2005**

	General Fund	Ambulance Fund	Dispatch Fund	Capital Projects Fund	Debt Service Fund	Total
<b>ASSETS</b>						
Cash	\$ 5,534,987	\$ 353,692	\$ 380,486	\$ 7,028,137	\$ 1,025,862	\$14,323,164
Property taxes receivable	2,225,587	1,428,061	162,538	-	548,122	4,364,308
Contract fees receivable	387,134	246,416	28,017	-	92,327	753,894
Accounts receivable other	-	114,498	-	-	-	114,498
Prepaid expenses	134,593	191,219	-	-	-	325,812
Due from other funds	1,066,407	-	7,878	-	-	1,074,285
Other assets	81,083	-	-	-	-	81,083
<b>TOTAL ASSETS</b>	<u>\$ 9,429,791</u>	<u>\$ 2,333,886</u>	<u>\$ 578,919</u>	<u>\$ 7,028,137</u>	<u>\$ 1,666,311</u>	<u>\$21,037,044</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 16,779	\$ 15,622	\$ 56,050	\$ 280,009	\$ -	\$ 368,460
Payroll liabilities	11,285	-	-	-	-	11,285
Deferred revenue:						
Property taxes	910,027	618,917	70,972	-	277,561	1,877,477
Contract fees	295,247	187,929	21,367	-	70,413	574,956
Accrued wages	155,941	175,848	-	-	-	331,789
Due to other funds	13,950	1,065,743	-	-	664	1,080,357
<b>TOTAL LIABILITIES</b>	<u>1,403,229</u>	<u>2,064,059</u>	<u>148,389</u>	<u>280,009</u>	<u>348,638</u>	<u>4,244,324</u>
<b>FUND EQUITY</b>						
Unreserved:						
Undesignated	1,491,969	78,608	430,530	-	1,317,673	3,318,780
Designated for:						
Future appropriations	6,400,000	-	-	-	-	6,400,000
Reserved for:						
Prepaid items	134,593	191,219	-	-	-	325,812
Capital expenditures	-	-	-	6,748,128	-	6,748,128
<b>TOTAL FUND EQUITY</b>	<u>8,026,562</u>	<u>269,827</u>	<u>430,530</u>	<u>6,748,128</u>	<u>1,317,673</u>	<u>16,792,720</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 9,429,791</u>	<u>\$ 2,333,886</u>	<u>\$ 578,919</u>	<u>\$ 7,028,137</u>	<u>\$ 1,666,311</u>	<u>\$21,037,044</u>

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

***FLORISSANT VALLEY FIRE PROTECTION DISTRICT***

RECONCILIATION OF THE STATEMENT OF NET ASSETS  
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET  
DECEMBER 31, 2005

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

Total fund balance per balance sheet	\$ 16,792,720
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,914,309
Receivables not collected in the current period are not available to pay current expenditures and, therefore, are deferred in the funds.	2,452,433
Bond issuance costs are amortized over the life of the bonds on the statement of net assets.	26,199
Interest payable recorded in the statement of net assets does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(91,375)
Long-term liabilities, including bonds payable and capital leases payable, are not due and payable in the current period and therefore, are not reported in the funds.	<u>(9,102,184)</u>
Net assets of governmental activities	<u><u>\$ 12,992,102</u></u>

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

**FLORISSANT VALLEY FIRE PROTECTION DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

	General Fund	Ambulance Fund	Dispatch Fund	Capital Projects Fund	Debt Service Fund	Total
<b>REVENUES</b>						
Property taxes	\$ 4,228,426	\$ 2,628,993	\$ 300,142	\$ -	\$ 883,208	\$ 8,040,769
Contract fees	187,031	115,989	13,372	-	36,819	353,211
Service fees	-	1,434,423	-	-	-	1,434,423
Interest	108,279	6,776	8,301	58,649	10,940	192,945
Permits and reports	44,087	990	-	-	-	45,077
Miscellaneous income	33,095	-	-	-	-	33,095
<b>TOTAL REVENUES</b>	<b>4,600,918</b>	<b>4,187,171</b>	<b>321,815</b>	<b>58,649</b>	<b>930,967</b>	<b>10,099,520</b>
<b>EXPENDITURES</b>						
Public Safety:						
Personnel	2,538,700	2,802,330	-	-	-	5,341,030
Employee benefits	510,915	578,387	-	-	-	1,089,302
Building and mobile equipment	45,905	49,344	-	-	-	95,249
Administration and miscellaneous	322,677	476,229	16,630	-	-	815,536
Dispatching	-	-	188,404	-	-	188,404
Capital outlay	-	-	-	1,018,528	-	1,018,528
Debt service:						
Principal, interest and fiscal charges	-	-	-	-	294,813	294,813
<b>TOTAL EXPENDITURES</b>	<b>3,418,197</b>	<b>3,906,290</b>	<b>205,034</b>	<b>1,018,528</b>	<b>294,813</b>	<b>8,842,862</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,182,721</b>	<b>280,881</b>	<b>116,781</b>	<b>(959,879)</b>	<b>636,154</b>	<b>1,256,658</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(481,296)	-	-	-	-	(481,296)
Proceeds from sale of assets	194,600	-	-	-	-	194,600
Proceeds from long-term debt	-	-	-	5,000,000	-	5,000,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(286,696)</b>	<b>-</b>	<b>-</b>	<b>5,000,000</b>	<b>-</b>	<b>4,713,304</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>896,025</b>	<b>280,881</b>	<b>116,781</b>	<b>4,040,121</b>	<b>636,154</b>	<b>5,969,962</b>
<b>FUND BALANCES - BEGINNING OF YEAR, AS PREVIOUSLY STATED</b>	<b>7,066,132</b>	<b>(429,395)</b>	<b>313,749</b>	<b>2,708,007</b>	<b>681,519</b>	<b>10,340,012</b>
Correction of prepaid expenses and ambulance billings	64,405	418,341	-	-	-	482,746
<b>FUND BALANCES - BEGINNING OF YEAR, AS RESTATED</b>	<b>7,130,537</b>	<b>(11,054)</b>	<b>313,749</b>	<b>2,708,007</b>	<b>681,519</b>	<b>10,822,758</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 8,026,562</b>	<b>\$ 269,827</b>	<b>\$ 430,530</b>	<b>\$ 6,748,128</b>	<b>\$ 1,317,673</b>	<b>\$ 16,792,720</b>

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



**FLORISSANT VALLEY FIRE PROTECTION DISTRICT**  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2005

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

Change in fund balance-total governmental funds	\$ 5,969,962
The acquisition of capital assets requires the use of current financial resources but has no effect on net assets.	721,344
The cost of capital assets is allocated over their estimated useful lives and are reported as depreciation expense in the statement of activities.	(260,232)
In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the assets sold.	(195,191)
Revenues that do not provide current financial resources are not included in the fund financial statements	1,686,116
The decrease in compensated absences liability does not require the use of current financial resources but is recorded as an expense in the statement of activities.	10,491
Proceeds from long-term debt provides current financial resources to governmental funds, but the issuance of debt increases long-term liabilities in the statement of activities.	(5,000,000)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	125,000
Bond issue costs are amortized over the life of the bonds on the statement of activities.	26,199
Interest payable does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	<u>(33,564)</u>
Change in net assets of governmental activities	<u><u>\$ 3,050,125</u></u>

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

***FLORISSANT VALLEY FIRE PROTECTION DISTRICT***

**STATEMENT OF FIDUCIARY NET ASSETS**

**DECEMBER 31, 2005**

	<u>Pension Trust Fund</u>
<b>ASSETS</b>	
Cash	\$ 1,029,154
Property taxes receivable	324,318
Contract fees receivable	56,032
Due from other funds	6,072
Investments	7,480,639
TOTAL ASSETS	<u>8,896,215</u>
 <b>LIABILITIES</b>	
Accounts payable	3,374
Deferred revenue:	
Property taxes	139,317
Contract fees	42,733
TOTAL LIABILITIES	<u>185,424</u>
 <b>NET ASSETS</b>	
Held in trust for pension benefits	<u>\$ 8,710,791</u>

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, 2005**

	Pension Fund
<b>ADDITIONS</b>	
Property taxes	\$ 603,624
Contract services	26,725
Employee contributions	41,635
Transfers from other funds	481,297
Net appreciation in fair value of investments	360,328
<b>TOTAL ADDITIONS</b>	<u>1,513,609</u>
 <b>DEDUCTIONS</b>	
Administrative expenses	<u>10,509</u>
 <b>INCREASE IN NET ASSETS</b>	1,503,100
 <b>NET ASSETS - BEGINNING OF YEAR</b>	<u>7,207,691</u>
 <b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 8,710,791</u></u>

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

**FLORISSANT VALLEY FIRE PROTECTION DISTRICT**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Florissant Valley Fire Protection District was formed for the purpose of providing fire protection, fire prevention and ambulance services to the citizens of the District.

**A. REPORTING ENTITY**

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

**B. BASIC FINANCIAL STATEMENTS**

Basic financial statements consist of the following:

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

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

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

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

B. **BASIC FINANCIAL STATEMENTS - continued**

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

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

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

Separate fund based financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The major governmental funds are the General Fund, Ambulance Fund, and Capital Projects Fund. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The Dispatch Fund and Debt Service Fund do not meet the minimum criteria, however, management feels these funds are important to the District and warrant reporting them as major funds.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified-accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District in general considers revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due.

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

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

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

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

The District reports the following major governmental funds:

**The General Fund** - The District's primary operating fund, which accounts for all the financial resources and the legally authorized activities of the District except those required to be accounted for in other specialized funds.

**Ambulance Fund** - The District uses this fund to account for activities connected with providing EMS services to the District.

**Dispatch Fund** - The District uses this fund to account for taxes collected to provide dispatching services to the District.

**Capital Projects Fund** - The District uses this fund to account for bond proceeds designated for capital projects.

**Debt Service Fund** - The District uses this fund to account for revenues collected for the repayment of long-term debt.

Additionally, the District reports the following fund types:

**Fiduciary Fund** - The District uses this fund to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations and other governments. The Pension Trust Fund accounts for the assets of the District's retirement plan.

D. **CAPITAL ASSETS**

Capital assets, which include land, buildings and improvements, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is not capitalized.

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

D. **CAPITAL ASSETS - continued**

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

<u>Major Group</u>	<u>Life</u>
Buildings and improvements	15 - 40 years
Fire fighting equipment	5 - 10 years
Office equipment	5 - 10 years
Vehicles	5 - 10 years

E. **ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the District to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Actual results could vary from the estimates that management uses.

F. **INTERFUND TRANSACTIONS**

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

G. **COMPENSATED ABSENCES**

The District has adopted a formal personnel policy with policies in effect that relate to vacation and sick pay. Vacation days not used within the same calendar year will be bought back from the District at the employee's established hourly rate. Employees are paid for accumulated sick leave upon retirement at a rate of \$40 per day up to a total accumulation of 120 days for union employees and \$12 per day for nonunion employees. A liability for accrued vacation and sick leave has been recorded in the government-wide financial statements.

H. **LONG-TERM LIABILITIES**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Initial-issue bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the unamortized portion of applicable premium or discount. Bond issuance costs, including underwriters' discount, are reported as deferred bond issuance costs. Amortization of bond premiums or discounts, and issuance costs are included in interest expense.

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

I. **NET ASSETS AND FUND EQUITY**

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

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

J. **INVESTMENTS**

The District is authorized to invest funds not immediately needed for the purposes to which the funds are applicable, in obligations of the United States Treasury, United States Government Agencies, Repurchase Agreements, Certificates of Deposit, Banker's Acceptance and Commercial Paper. The Pension Trust Fund is also authorized to invest in corporate stocks and bonds as allowed by state law. Investments are carried at market value.

K. **CONCENTRATION OF LABOR**

Approximately 92% of the labor force was subject to a collective bargaining agreement that expired December 31, 2005.

2. **BUDGETS AND BUDGETARY ACCOUNTING**

**Budgetary Process** - Prior to January 1, the budget is legally enacted. Projected expenditures cannot exceed estimated revenues plus any unencumbered balance estimated for the beginning of the budget year. The budget is prepared on a cash basis of accounting. The District did not prepare a budget for the Capital Projects Fund in 2005.

3. **CASH**

The District's bank deposits are required by state law to be secured by the deposit of certain securities with the District or trustee institution. The value of the securities must amount to the total of the District's cash not insured by the Federal Deposit Insurance Corporation. As of December 31, 2005, the carrying amount of the District's bank deposits totaled \$14,323,164 with bank balances of \$12,968,425 in the governmental funds and bank balances totaling \$1,029,154 in the fiduciary funds. The bank balances were covered by federal depository insurance or collateralized by securities held by the pledging financial institution in the District's name.



#### 4. INVESTMENTS

The District is authorized to invest funds not immediately needed for the purposes to which the funds are applicable, in obligations of the United States Treasury, United States Government Agencies, Repurchase Agreements, Certificates of Deposit, Banker's Acceptance and Commercial Paper. Investments are carried at cost or amortized cost. The Pension Trust Fund is also authorized to invest in corporate stocks and bonds as allowed by state law.

At December 31, 2005, the District's only investments were in the Pension Trust Fund. Investments held by the pension plan are recorded at fair value and consisted of the following at December 31, 2005.

<u>Investment Type</u>	<u>Fair Value</u>
Money market	\$ 720,021
Equity security funds	6,760,618
Total	<u>\$ 7,480,639</u>

#### 5. PROPERTY TAX

The District's property tax is levied each year on the assessed value listed as of the prior January 1 for all real and personal property located in the District. Taxes are levied on September 1 and payable by December 31. A lien is placed on the property on January 1 and is then subject to interest and penalties. The assessed value at January 1, 2005, upon which the 2005 levy was based on an assessed value as follows:

Assessed Valuation and Tax Rate	
Real estate - residential	\$ 518,559,220
Real estate - commercial	130,094,530
Real estate - agricultural	193,780
Personal property	131,755,600
State Assessed Railroad Utility	
Real	12,266,653
Property	3,000,701
Total Assessed Valuation	<u>\$ 795,870,484</u>

The District's tax rate was levied per \$100 of assessed value as follows:

<u>Fund</u>	<u>Residential</u>	<u>Agricultural</u>	<u>Commercial</u>	<u>Personal Property</u>
General Fund	\$ .6080	\$ .7410	\$ .7040	\$ .7170
Ambulance Fund	.3870	.4340	.4330	.4400
Dispatching Fund	.0440	.0500	.0490	.0500
Debt Service Fund	.1450	.1450	.1450	.1450
Pension Fund	.0880	.0990	.0990	.1000

## 6. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2005 is as follows:

	BALANCE, BEGINNING OF YEAR	TRANSFERS AND ADDITIONS	TRANSFERS AND DELETIONS	BALANCE, END OF YEAR
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 269,000	\$ -	\$ -	\$ 269,000
Construction in progress	-	721,344	-	721,344
Total capital assets, not being depreciated	269,000	721,344	-	990,344
Capital assets, being depreciated:				
Buildings and improvements	602,103	-	-	602,103
Fire fighting equipment	181,205	-	-	181,205
Office equipment	13,000	-	-	13,000
Vehicles	3,016,919	-	( 641,587)	2,375,332
Total capital assets, being depreciated	3,813,227	-	( 641,587)	3,171,640
Less accumulated depreciation for:				
Buildings and improvements	( 299,807)	( 18,676)	-	( 318,483)
Fire fighting equipment	( 68,044)	( 18,529)	-	( 86,573)
Office equipment	( 3,537)	( 3,537)	-	( 6,137)
Vehicles	(1,062,451)	( 220,427)	446,396	( 836,482)
Total accumulated Depreciation	(1,433,839)	( 260,232)	( 195,191)	(1,247,675)
Total capital assets, being depreciated, net	2,379,388	( 260,232)	( 195,191)	1,923,965
Total governmental Activities	\$ 2,648,388	\$ 461,112	\$ ( 195,191)	\$ 2,914,309

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

## 7. LONG-TERM DEBT

**General Obligation Bonds Payable** - The District has been authorized to issue up to \$15,000,000 in bonds. The bonds were issued for the purpose of constructing, purchasing, equipping and maintaining fire stations, and purchasing fire-fighting apparatus and auxiliary equipment for the District. These bonds are being serviced through a separate property tax.

2002 Bonds with annual installments of \$304,909 to \$346,288 through March 2022, interest at 3.5% to 5%	\$3,900,000
2005 Bonds with annual installments of \$308,081 to \$612,000 through March 2025, interest at 3% to 6%	5,000,000
	<u>\$8,900,000</u>

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

	BALANCE, BEGINNING OF YEAR	ADDITIONS	REDUCTIONS	BALANCE, END OF YEAR	DUE WITHIN ONE YEAR
Governmental activities:					
General Obligation Bonds:					
Series 2002	\$ 4,025,000	\$ -	\$ (125,000)	\$ 3,900,000	\$ 150,000
Series 2005	-	5,000,000	-	5,000,000	150,000
Compensated absences	212,675	25,000	( 35,491)	202,184	-
Subtotal governmental activities	<u>\$ 4,237,675</u>	<u>\$ 5,025,000</u>	<u>\$ (160,491)</u>	<u>\$ 9,102,184</u>	<u>\$ 300,000</u>

Annual debt service payments are as follows:

YEAR	PRINCIPAL	INTEREST	TOTAL
2006	\$ 300,000	\$ 320,568	\$ 620,568
2007	325,000	358,887	683,887
2008	325,000	342,412	667,412
2009	350,000	324,962	674,962
2010	350,000	307,222	657,222
2011 - 2015	2,150,000	1,253,906	3,403,906
2016 - 2020	2,650,000	752,080	3,402,080
2021 - 2025	2,450,000	232,397	2,682,397
Total	<u>\$ 8,900,000</u>	<u>\$ 3,892,434</u>	<u>\$ 12,792,434</u>

## 8. **RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined together with other districts to form a group of self-insurers for workers' compensation, a public entity risk pool currently operating as a common risk management and insurance program for worker compensation claims. The District pays an annual premium to the pool for its insurance coverage. The agreement provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event.

The pooling agreement allows for the pool to use 5% of assessment to make the pool self-sustaining for supplemental aggregate reinsurance coverage. This coverage will be funded until the cumulative balance reaches \$1,000,000. The Missouri Fire and Ambulance Districts' Insurance Trust (MoFAD) has published its own financial report for the year ended December 31, 2004 that can be obtained from MoFAD.

## 9. **PENSION PLANS**

### **Defined Benefit Plan**

The District has established pension plans covering its employees - a defined benefit plan and a defined contribution plan. The defined benefit plan is a single employer plan, administered by Ritter Pension Services, LLC, which covers each employee who work over 20 hours per month an at least 5 months per year. Employees are eligible to enter on the first of the month on or next following the employee's date of hire. Normal retirement begins at age 60 or upon the completion of 30 years of service with a monthly benefit equal to 2.5% of average monthly earnings for each year of credited service, limited to 30 years. If hired prior to November 1, 1999 employees with 5 years of service are entitled to 100% of monthly benefits at normal retirement age. If hired after November 1, 1999 employees are 50% vested at 10 years of service and 100% vested at 15 years of service. Plan participants are eligible for permanent and total disability equal to an actuarial equivalent of the pension benefit.

The most recent actuarial valuation completed is dated January 1, 2006 for the Plan year ended December 31, 2005 and includes the following methods and assumptions:

1. Actuarial Funding Method Used - Entry Age Normal Cost Method
2. Interest
  - Pre - retirement - 6.75%
  - Post - retirement - 6.75%
3. Morality rates - 1983 Group Annuity Mortality Table
4. Retirement assumed at age 60
5. Normal form of retirement is a life annuity
6. Asset valuation method - market value
7. Amortization method - level dollar closed

## 9. PENSION PLANS - continued

### Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to (i) help users assess the Plan's funding status on a going-concern basis, (ii) assess progress being made in accumulating sufficient assets to pay benefits when due and (iii) allow comparisons among public employee retirement plans. The measure is independent of the actuarial funding method used to determine contributions to the Plan. A separate stand-alone financial statement is not available for this plan.

### Funding Policy

The District is obligated by state statute to make contributions to the Plans in the amount equal to tax collections on the District's pension tax levy. The District's policy is to fund the defined benefit plan in the amount determined by the District's actuary.

The significant actuarial assumptions used to determine the actuarially determined employer contribution requirements are the same as those used to compute the pension benefit obligation.

Total defined benefit plan pension contributions for fiscal year 2005 totaled \$1,182,676. The defined benefit plan contribution consisted of normal cost and amortization of the unfunded accrued liability.

### Trend Information

Historical trend information about the defined benefit 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 benefit when due and make comparisons with other public employee retirement systems (PERS).

Valuation Date	Actuarial Value Of Assets	Accrued Liability	Percentage Funded		Unfunded Accrued Liability (UAL)	Covered Payroll	UAL as a Percentage Of Covered Payroll
12/31/03	\$ 4,914,827	\$ 11,521,989	42.66	%	\$ 649,951	\$ 3,937,242	167.81%
12/31/04	6,506,405	12,787,246	50.88		602,052	3,990,451	157.40
12/31/05	8,026,182	14,234,526	56.39		632,704	4,238,256	146.48

9. **PENSION PLANS - continued**

For The Years Ended December 31,	Annual Required Contribution (ARC)	Contribution Made	Percentage Of ARC Contributed	Net Pension Obligation
12/31/03	\$ 998,498	\$ 712,476	71 %	\$ ( 65,535)
12/31/04	1,011,221	1,243,331	123	(296,921)
12/31/05	987,134	1,182,676	120	(489,180)

10. **DEFERRED COMPENSATION PLAN**

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

11. **COMMITMENTS**

At December 31, 2005, the District had commitments totaling \$1,075,508 related to the construction of a fire station.

12. **SUBSEQUENT EVENTS**

In January 2006, the District authorized the sale of an additional \$5,000,000 in general obligation bonds to be used for the purpose of constructing, purchasing, equipping and maintaining the fire stations.

13. **PRIOR PERIOD ADJUSTMENTS**

Prepaid insurance and receivables from ambulance billings were reported on the cash basis of accounting in previous years, rather than on the modified accrual basis of accounting. Accordingly, adjustments of \$64,405 and \$418,341 were made to the General Fund and Ambulance Fund, respectively, during 2005 to report these assets at the beginning of the year. Corresponding entries were made to increase previously reported net assets.

**REQUIRED SUPPLEMENTARY INFORMATION**

**FLORISSANT VALLEY FIRE PROTECTION DISTRICT**

## REQUIRED SUPPLEMENTARY INFORMATION

## BUDGETARY COMPARISON SCHEDULE

## GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>OPERATING REVENUE</b>				
Property taxes	\$ 4,184,823	\$ 4,496,355	\$ 4,496,355	\$ -
Contract fees	738,498	417,302	417,302	-
Interest	84,000	108,279	108,279	-
Permits and reports	30,000	44,140	44,140	-
Miscellaneous income	1,300	33,106	33,105	(1)
TOTAL OPERATING REVENUE	<u>5,038,621</u>	<u>5,099,182</u>	<u>5,099,181</u>	<u>(1)</u>
<b>EXPENDITURES</b>				
Public safety:				
Personnel	2,598,173	2,513,007	2,513,007	-
Employee benefits	511,125	512,786	512,786	-
Building and mobile equipment	39,315	43,755	43,756	(1)
Administration and miscellaneous	645,299	679,697	392,999	286,698
TOTAL EXPENDITURES	<u>3,793,912</u>	<u>3,749,245</u>	<u>3,462,548</u>	<u>286,697</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	1,244,709	1,349,937	1,636,633	286,696
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(481,296)	481,296
Proceeds from sale of assets	-	-	194,600	(194,600)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(286,696)</u>	<u>286,696</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,244,709	1,349,937	1,349,937	<u>\$ 573,392</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>5,318,590</u>	<u>5,318,590</u>	<u>5,318,590</u>	
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 6,563,299</u>	<u>\$ 6,668,527</u>	<u>\$ 6,668,527</u>	
<b>FUND BALANCE - END OF YEAR - BUDGET BASIS</b>			\$ 6,668,527	
Accrual adjustments:				
Revenues			1,407,447	
Expenditures			(49,412)	
<b>FUND BALANCE - END OF YEAR - GAAP BASIS</b>			<u>\$ 8,026,562</u>	

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



**FLORISSANT VALLEY FIRE PROTECTION DISTRICT**

## REQUIRED SUPPLEMENTARY INFORMATION

## BUDGETARY COMPARISON SCHEDULE

## AMBULANCE FUND

FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>OPERATING REVENUE</b>				
Property taxes	\$ 2,588,344	\$ 2,783,484	\$ 2,783,484	\$ -
Contract fees	456,767	256,687	256,687	-
Service fees	1,300,000	1,561,573	1,561,573	-
Interest	5,000	6,776	6,776	-
Miscellaneous income	750	990	990	-
TOTAL OPERATING REVENUE	<u>4,350,861</u>	<u>4,609,510</u>	<u>4,609,510</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public safety:				
Personnel	2,929,854	2,806,349	2,806,349	-
Employee benefits	576,375	578,387	578,387	-
Building and mobile equipment	44,333	49,343	49,344	(1)
Administration and miscellaneous	450,467	491,957	491,957	-
TOTAL EXPENDITURES	<u>4,001,029</u>	<u>3,926,036</u>	<u>3,926,037</u>	<u>(1)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	349,832	683,474	683,473	<u>\$ (1)</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>(1,395,524)</u>	<u>(1,395,524)</u>	<u>(1,395,524)</u>	
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$(1,045,692)</u></u>	<u><u>\$ (712,050)</u></u>	<u><u>\$ (712,051)</u></u>	
<b>FUND BALANCE - END OF YEAR - BUDGET BASIS</b>			\$ (712,051)	
Accrual adjustments:				
Revenues			982,129	
Expenditures			(251)	
<b>FUND BALANCE - END OF YEAR - GAAP BASIS</b>			<u><u>\$ 269,827</u></u>	

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

**FLORISSANT VALLEY FIRE PROTECTION DISTRICT**

## REQUIRED SUPPLEMENTARY INFORMATION

## BUDGETARY COMPARISON SCHEDULE

## DISPATCH FUND

FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>OPERATING REVENUE</b>				
Property taxes	\$ 295,507	\$ 319,930	\$ 319,930	\$ -
Contract fees	52,148	29,831	29,831	-
Interest	6,000	8,301	8,301	-
Miscellaneous income	-	31,788	-	(31,788)
TOTAL OPERATING REVENUE	<u>353,655</u>	<u>389,850</u>	<u>358,062</u>	<u>(31,788)</u>
<b>EXPENDITURES</b>				
Public safety:				
Administration and miscellaneous	31,000	16,586	16,586	-
Dispatching	<u>298,124</u>	<u>373,264</u>	<u>373,264</u>	-
TOTAL EXPENDITURES	<u>329,124</u>	<u>389,850</u>	<u>389,850</u>	-
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	24,531	-	(31,788)	<u>\$ (31,788)</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>420,152</u>	<u>420,152</u>	<u>420,152</u>	
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 444,683</u>	<u>\$ 420,152</u>	<u>\$ 388,364</u>	
<b>FUND BALANCE - END OF YEAR - BUDGET BASIS</b>			\$ 388,364	
Accrual adjustments:				
Revenues			98,216	
Expenditures			<u>(56,050)</u>	
<b>FUND BALANCE - END OF YEAR - GAAP BASIS</b>			<u>\$ 430,530</u>	

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

**FLORISSANT VALLEY FIRE PROTECTION DISTRICT**

## REQUIRED SUPPLEMENTARY INFORMATION

## BUDGETARY COMPARISON SCHEDULE

## DEBT SERVICE FUND

FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>OPERATING REVENUE</b>	\$ 262,847	\$ 715,768	\$ 715,768	\$ -
Property taxes	46,385	36,201	36,201	-
Contract fees	11,000	10,940	10,940	-
Interest	320,232	762,909	762,909	-
TOTAL REVENUE				
<b>EXPENDITURES</b>				
Current:				
Administration and miscellaneous	450	450	450	-
Debt services:				
Principal, interest and fiscal charges	294,363	294,363	294,363	-
TOTAL EXPENDITURES	294,813	294,813	294,813	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	25,419	468,096	468,096	\$ -
<b>FUND BALANCES - BEGINNING OF YEAR</b>	557,102	557,102	557,102	
<b>FUND BALANCES - END OF YEAR</b>	\$ 582,521	\$ 1,025,198	\$ 1,025,198	
<b>FUND BALANCE - END OF YEAR - BUDGET BASIS</b>			\$ 1,025,198	
Accrual adjustments:				
Revenues			292,475	
Expenditures				
<b>FUND BALANCE - END OF YEAR - GAAP BASIS</b>			\$ 1,317,673	

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

***FLORISSANT VALLEY FIRE PROTECTION DISTRICT***  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2005

**1. BUDGETARY INFORMATION**

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

**SUPPLEMENTARY INFORMATION**

***FLORISSANT VALLEY FIRE PROTECTION DISTRICT***

**SCHEDULE OF PRINCIPAL OFFICE HOLDERS**

**DECEMBER 31, 2005**

<u>OFFICE HOLDER</u>	<u>OFFICE</u>	<u>ANNUAL COMPENSATION</u>
Shannon Larrigan	President	\$ 8,033
Diane Marischen		6,758
Shannon Duffy	Secretary	6,333
Tina Goldstein		1,767
Diane Marischen	Treasurer	See above
Dashawna Hatten-Bowers		3,133

***FLORISSANT VALLEY FIRE PROTECTION DISTRICT***

**SCHEDULE OF INSURANCE IN FORCE**

**DECEMBER 31, 2005**

<u>INSURANCE IN FORCE</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
Commercial Automobile Policy	American Alternative Insurance	
Liability		\$ 1,000,000 Liability
Auto Medical Payments		5,000/Person
Uninsured & Underinsured Motorists		1,000,000/Accident
Comprehensive Coverage		Actual cash value/stated amounts
Collision		Actual cash value/stated amounts
Commercial Umbrella		5,000,000/Occurrence
		10,000,000/Products completed o
Commercial General Liability		1,000,000/Occurrence
		3,000,000/Products completed op
		3,000,000 General aggregate
		1,000,000 Personal injury
		10,000 Medical expense
		1,000,000 Fire damage legal liabil
Management Liability		1,000,000 Each wrongful act
		3,000,000 Aggregate limit
		5,000 Each injuctive relief
Commercial Property		
Buildings		2,191,035
Business Personal Property		Replacement cost
Business Income		12 months actual loss sustained
Commercial Crime Policy		
Employee Dishonesty		20,000/Director
		20,000/Chief
		20,000/Secretary
		20,000/Treasurer
Portable Equipment		Guaranteed replacement cost
Other insurance:		
Workers compensation	MoFAD	as required by state statutes

**COMPLIANCE AND INTERNAL CONTROL SECTION**



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



Board of Directors

***FLORISSANT VALLEY FIRE PROTECTION DISTRICT***

We have audited the basic financial statements of Florissant Valley Fire Protection District (the District), as of and for the year ended December 31, 2005, and have issued our report thereon dated May 17, 2006. 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 and Other Matters**

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

**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 basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the basic 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 operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management in a separate letter dated May 17, 2006.

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FAX (636) 946-2975  
botzdeal@botzdeal.com

This report is intended solely for the information of the Board of Directors, management and the State Auditors Office and is not intended to be and should not be used by anyone other than these specified parties.

Boty, Deal & Company

May 17, 2006