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Comprehensive Annual Financial Report, 2004

City of Clayton

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COMMUNITY FIRE PROTECTION DISTRICT
FINANCIAL STATEMENTS
DECEMBER 31, 2004

WESTERHEIDE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

COMMUNITY FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

DECEMBER 31, 2004

COMMUNITY FIRE PROTECTION DISTRICT
December 31, 2004

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WESTERHEIDE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

11430 Gravois Road
St. Louis, Missouri 63126

Telephone (314) 843-6555
Fax (314) 843-4310

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Community Fire Protection District
St. Louis, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Community Fire Protection 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 Community Fire Protection District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 Community Fire Protection District 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.

In accordance with Government Auditing Standards, we have also issued our report dated June 27, 2005, on our consideration of Community 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 used in conjunction with this report in considering the results of our audit.

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

The management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 33 through 34 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Community Fire Protection District. Such information has been subjected to auditing procedure applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Westerheide + Co.

Westerheide & Company
Certified Public Accountants, P.C.

June 27, 2005
St. Louis, Missouri

COMMUNITY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004

This section of Community Fire Protection District's (the District) annual financial report presents management's discussion and analysis of the District's financial activity for the year ended December 31, 2004. This is the first year the current accounting model has been used by the District in the annual financial audit report. As such, comparisons between years - 2004 and 2003 - are limited. 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 34 - *Governmental Accounting Standards Board Statement - Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments*. The attached financial statements, for the year ended December 31, 2004, are reported using this new reporting model - GASB 34. The District's basic financial statements, referenced herein, 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 is also included in addition to the basic financial statements. The District has elected to present the government-wide and fund financial statements in a single report, pursuant to GASB 34 reporting requirements. Because this reporting model significantly changes both the recording and presentation of financial data, the District has not restated the prior years for the purpose of providing comparative information for the Management's Discussion and Analysis. In future years, when prior year information is available, a comparative analysis of government-wide data will be included in this report. The District believes this is the best reporting format of its operations and financial condition because the district has one (1) single purpose - emergency response services, although it is required, by state statute, to operate with five (5) separate tax ad-

COMMUNITY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004

valorem tax rates and funds (general, ambulance, dispatch, debt service and pension.)

Government-Wide Financial Statements

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

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

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

The government-wide financial statements report functions of the District that are principally supported by taxes and charges for services. The governmental activities for the District include fire protection, 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 is 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 resource and uses or in essence, near-term inflows and outflows of expendable resources, as well as the balances of expendable resources available at the end of the year. Such information may be useful in evaluating a District's near-term financing requirements.

COMMUNITY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004

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. The fund financial statements can be located on pages 13 through 17 of this financial report.

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 funds are the expendable trust fund and the agency fund.

These funds are accounted for using the accrual basis of accounting. Revenue is recognized when earned and payments are recognized when due and payable. The basic fiduciary fund financial statements can be found on pages 18 and 19 of this financial report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a complete understanding of the information reported in the government-wide and fund financial statements. The notes to the basic financial statements can be located on pages 20 through 31 of this financial report.

Required and Other Supplementary Information

In addition to the basic financial statements and accompanying notes to the basic financial statements, this financial report also contains certain required supplementary information which can be located on pages 32 and 33 of this financial report.

**COMMUNITY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004**

Financial analysis of the District as a Whole (Consolidated)

*Statement of Net Assets
December 31, 2004*

	<u>Amount</u>
Current assets (net of inter-fund receivables)	\$18,365,904
Non-current assets	
Capital assets, net of depreciation	<u>1,896,787</u>
Total Assets	<u>\$20,262,691</u>
Current liabilities (net of inter-fund payables)	\$ 1,304,925
Non-current liabilities	<u>8,890,711</u>
Total Liabilities	\$10,195,636
Net Assets	
Invested in capital assets, net of related debt	1,128,736
Restricted	5,977,020
Unrestricted	<u>2,961,299</u>
Total Net Assets	<u>\$10,067,055</u>
Total Liabilities and Net Assets	<u>\$20,262,691</u>

**COMMUNITY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004**

*Statement of Changes in Net Assets
For the Year Ended December 31, 2004*

	<u>Amount</u>
Revenues	
Program revenues	
Charges for services	\$ 282,472
General revenues	
Property taxes	7,113,583
Interest and investment earnings	<u>186,403</u>
Total Revenues	\$ <u>7,582,458</u>
Expenses	
Fire protection, ambulance and EMS services	\$ 6,505,144
Dispatching	225,666
Debt service	<u>413,169</u>
Total Expenses	\$ <u>7,143,979</u>
Change in net assets	\$ 438,479
Net Assets, beginning of year	<u>9,628,576</u>
Net Assets, end of year	<u><u>\$10,067,055</u></u>

The District's assets exceeded liabilities (net assets) by \$10,067,055 as of December 31, 2004. Of this amount, \$1,128,736 is invested in capital assets, net of related debt; \$5,977,020 million is restricted by the District for: a) capital projects, b) debt service, b) dispatching services, c) ambulance and EMS services, d) pension contributions and e) future appropriations; \$2,961,299 is unrestricted and available to provide for current and future obligations of the District.

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

Operating revenue includes activities that have the characteristics of exchange transactions, such as commercial and residential inspections and ambulance billings. Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as property taxes and investment earnings. Operating expenses are those expenses for the purpose of providing fire protection, emergency medical services and operational activities of the District. The District's operating expenses are funded primarily through non-operating revenue. Total revenue, net of operating expenses, for the year ended December 31, 2004, was \$438,479.

COMMUNITY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004

Fund Analysis

General Fund

General fund revenue exceeded general fund expenditures by \$438,177. This increase in the general fund balance was primarily the result of the District's conservative approach to budgeting and monthly monitoring of expenses.

Ambulance Fund

Ambulance fund expenses exceeded ambulance fund revenue by \$179,925. This decrease in the ambulance fund balance was primarily the result of the increase in ambulance calls and related ambulance expenses being mitigated to the best of the District's ability by the District's conservative approach to budgeting and monthly monitoring of expenses.

Dispatch Fund

Dispatch fund expenses exceeded dispatch fund revenue by \$20,001. The decrease in the dispatch fund balance was primarily the result of the timing of tax receipts from St. Louis County and payments to North Central County Fire Alarm System (NCCFAS.) Dispatch service expenditures provide for the District's communications and dispatching services. These services are contracted with NCCFAS.

Debt Service Fund

Debt service fund expenses exceeded debt service fund revenue by \$7,334. The decrease in the debt service fund balance was primarily the result of the timing of tax receipts from St. Louis County and bond payments (principal and interest) to said bond holders.

Expendable Trust Fund and Agency Fund (Pension Funds)

The net pension fund revenue exceeded the net pension fund expenses by \$1,096,105. The increase in the net pension fund balance was primarily due to investment earning coupled with the net appreciation in fair value of assets, net of the District's benefit distributions.

Budget Analysis

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

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

COMMUNITY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004

The difference between the original budget adopted for 2004 and the amended budget for 2004, approved in January 2005, was primarily due to the timing of tax collections received from St. Louis County. Tax collection receipts can significantly vary from year-to-year, based on the economy, timeliness of tax payments made by District residents and/or the timeliness of the processing and subsequent remittance to the District of said tax payment receipts by St. Louis County

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.

	<u>Amount</u>
Capital Assets	
Land and buildings	\$ 276,870
Ambulance and EMS service equipment and vehicles	612,566
Fire protection equipment and vehicles	1,307,615
Equipment, furniture and fixtures	100,224
Construction project - work in process	<u>1,338,886</u>
Total	\$ 3,636,161
Less: Accumulated Depreciation	<u>(1,739,374)</u>
Net Capital Assets	<u><u>\$ 1,896,787</u></u>

Long-Term Debt

During the year ended December 31, 2002, the District issued Five Million Dollars (\$5,000,000) in general obligations bonds. During the year ended, December 31, 2003, the District issued an additional Five Million Dollars (\$5,000,000) in general obligations bonds. The average interest rates on these bonds issued are from 3.4% to 7.0%. These bonds were issued for the purpose of purchasing land, constructing, equipping, and maintaining fire stations and purchasing ambulances and fire protection and firefighting apparatus and auxiliary equipment for said District and were authorized at an election held in said District at the time of the holding of the general municipal election.

COMMUNITY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004

Long-Term Debt (con't)

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

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 300,000	\$ 393,919	\$ 693,919
2006	325,000	375,325	700,325
2007	350,000	354,763	704,763
2008	350,000	333,325	683,325
2009	375,000	311,406	686,406
2010-2014	2,150,000	1,330,165	3,480,165
2015-2019	2,625,000	814,027	3,439,027
2020-2023	<u>2,550,000</u>	<u>216,169</u>	<u>2,766,169</u>
Totals	<u>\$9,025,000</u>	<u>\$4,129,099</u>	<u>\$13,154,099</u>

Economic Factors

The District serves over 47,000 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 said request to Chief of the Fire Protection District at Fire Station No. 2, 9501 Lackland Road, St. Louis, Missouri 63114.

**COMMUNITY FIRE PROTECTION DISTRICT
STATEMENT OF NET ASSETS
DECEMBER 31, 2004**

ASSETS

Cash and cash equivalents	\$14,291,048
Receivables, net	3,800,020
Prepaid expenses	246,125
Other assets	28,711
Capital Assets:	
Land, improvements, and construction in progress, net	1,373,887
Other capital assets, net	522,900
Total capital assets	<u>1,896,787</u>
 Total assets	 <u>20,262,691</u>

LIABILITIES

Accounts payable and accrued expenses	175,536
Deferred revenue	829,389
Long-term liabilities:	
Due within one year	300,000
Due in more than one year	<u>8,890,711</u>
 Total liabilities	 <u>10,195,636</u>

NET ASSETS

Invested in capital assets, net of related debt	1,128,736
Restricted for:	
Capital project	73,805
Debt service	1,411,167
Dispatch services	16,211
Ambulance services	1,475,837
General Fund - Future purchases	3,000,000
Unrestricted	<u>2,961,299</u>
 Total net assets	 <u><u>\$10,067,055</u></u>

The accompanying audit report and notes should be read in conjunction
with the financial statements.

**COMMUNITY FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004**

EXPENSES

Emergency responses	\$ 5,970,787
Dispatching services	225,666
Administrative support	295,186
Other expenses	13,099
Depreciation	226,072
Interest on debt	<u>413,169</u>
Total expenses	7,143,979

PROGRAM REVENUES

Licenses and permits	135,783
Charges for ambulance services	<u>146,689</u>
Net program expense	<u>6,861,507</u>

GENERAL REVENUES

Property taxes	7,113,583
Investment earnings	<u>186,403</u>

Total general revenues	<u>7,299,986</u>
Change in net assets	438,479

Net Assets - beginning	<u>9,628,576</u>
Net Assets - ending	<u><u>\$ 10,067,055</u></u>

The accompanying audit report and notes should be read in conjunction
with the financial statements.

**COMMUNITY FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2004**

ASSETS	General Fund	Dispatch Fund	Ambulance Fund	Debt Service Fund	Capital Project Fund	Total Governmental Funds
Cash and cash equivalents	\$ 3,911,361	\$ 41,527	\$ 887,923	\$ -	\$ -	\$ 4,840,811
Cash-restricted	-	-	-	1,193,287	8,256,950	9,450,237
Investments	-	-	-	-	-	-
Prepaid expenses	234,629	11,496	-	-	-	246,125
Taxes receivable	2,511,300	75,333	627,824	333,040	-	3,547,497
Allowance for uncollectible property taxes	(14,886)	(447)	(3,722)	(1,950)	-	(21,005)
Unamortized bond costs	-	-	-	-	28,711	28,711
Accounts receivables	-	-	218,733	-	-	218,733
Interest receivable	11,407	-	477	5,247	37,664	54,795
Due from other funds	226,530	-	-	-	7,430	233,960
TOTAL ASSETS	\$ 6,880,341	\$ 127,909	\$ 1,731,235	\$ 1,529,624	\$ 8,330,755	\$ 18,599,864

The accompanying audit report and notes should be read in conjunction
with the financial statements.

**COMMUNITY FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2004**

LIABILITIES & FUND EQUITY	General Fund	Dispatch Fund	Ambulance Fund	Debt Service Fund	Capital Project Fund	Total Governmental Funds
LIABILITIES						
Accounts payable	\$ 5,579	\$ 16,738	\$ -	\$ -	-	\$ 22,317
Accrued payroll and related expenses	144,591	-	-	-	-	144,591
Due to other funds	15,358	77,328	108,447	41,455	-	242,588
Deferred revenue	587,804	17,632	146,951	77,002	-	829,389
Total Liabilities	753,332	111,698	255,398	118,457	-	1,238,885
FUND EQUITY						
Fund balance:						
Unreserved:						
Designated for equipment replacement	-	-	-	-	8,330,755	8,330,755
Designated for future purchases	3,000,000	-	-	1,411,167	-	4,411,167
Undesignated	3,127,009	16,211	1,475,837	-	-	4,619,057
Total Fund Equity	6,127,009	16,211	1,475,837	1,411,167	8,330,755	17,360,979
TOTAL LIABILITIES AND FUND EQUITY	\$ 6,880,341	\$ 127,909	\$ 1,731,235	\$ 1,529,624	\$ 8,330,755	\$ 18,599,864

The accompanying audit report and notes should be read in conjunction
with the financial statements.

**COMMUNITY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
DECEMBER 31, 2004**

Total fund balance - governmental funds	\$ 17,360,979
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,896,787
Some liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	<u>(9,190,711)</u>
Net assets of governmental activities	<u><u>\$ 10,067,055</u></u>

The accompanying audit report and notes should be read in conjunction
with the financial statements.

COMMUNITY FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>General Fund</u>	<u>Dispatch Fund</u>	<u>Ambulance Fund</u>	<u>Debt Service Fund</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
REVENUES						
Property taxes	\$ 4,975,081	\$ 149,248	\$ 1,243,828	\$ 745,426	\$ -	\$ 7,113,583
Licenses, permits, and fees	135,783	-	-	-	-	135,783
Investment income	40,099	-	5,650	11,109	129,545	186,403
Ambulance calls	-	-	146,689	-	-	146,689
Other income	-	-	-	-	-	-
Total revenues	5,150,963	149,248	1,396,167	756,535	129,545	7,582,458
EXPENDITURES						
Dispatching services	56,417	169,249	-	-	-	225,666
Emergency responses	4,385,602	-	1,567,933	-	-	5,953,535
Administrative support	270,767	-	8,159	700	15,560	295,186
Capital outlay	-	-	-	-	1,121,050	1,121,050
Pension benefits	-	-	-	-	-	-
Bond retirement	-	-	-	350,000	-	350,000
Bond interest expense	-	-	-	413,169	-	413,169
Total expenditures	4,712,786	169,249	1,576,092	763,869	1,136,610	8,358,606
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	438,177	(20,001)	(179,925)	(7,334)	(1,007,065)	(776,148)
FUND BALANCE						
Beginning of year	5,688,832	36,212	1,655,762	1,418,501	9,337,820	18,137,127
End of year	\$ 6,127,009	\$ 16,211	\$ 1,475,837	\$ 1,411,167	\$ 8,330,755	\$ 17,360,979

The accompanying audit report and notes should be read in conjunction
with the financial statements.

**COMMUNITY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004**

Net change in fund balances - total governmental funds	\$ (776,148)
Compensated absences (reported as wages) in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(17,252)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net assets. This is the amount of bond principal repayment.	350,000
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$1,107,951) exceeded depreciation (\$226,072) in the current period.	<u>881,879</u>
Change in net assets of governmental activities	<u><u>\$ 438,479</u></u>

The accompanying audit report and notes should be read in conjunction
with the financial statements.

**COMMUNITY FIRE PROTECTION DISTRICT
STATEMENTS OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2004**

	Expendable Trust Fund	Agency Fund
<u>ASSETS</u>		
Cash and cash equivalents	\$ 300,732	\$ -
Investments	-	8,933,298
Taxes receivable	251,129	-
Allowance for uncollectible property taxes	(1,489)	-
Interest receivable	123	-
Due from other funds	8,628	-
	<u>\$ 559,123</u>	<u>\$ 8,933,298</u>
TOTAL ASSETS	<u>\$ 559,123</u>	<u>\$ 8,933,298</u>
<u>LIABILITIES & NET ASSETS</u>		
LIABILITIES		
Deferred revenue	\$ 58,780	\$ -
Pension contribution payable	483,000	-
Pension benefits payable	-	8,933,298
	<u>541,780</u>	<u>\$ 8,933,298</u>
TOTAL LIABILITIES	<u>541,780</u>	<u>\$ 8,933,298</u>
NET ASSETS		
Held in trust for pension benefits and other purposes	<u>\$ 17,343</u>	

The accompanying audit report and notes should be read in conjunction
with the financial statements.

**COMMUNITY FIRE PROTECTION DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2004**

	Expendable Trust Fund	Agency Fund
ADDITIONS:		
Investment earnings:		
Contributions	\$ -	\$ 571,000
Net increase in value of investments	-	1,188,432
Dividends	-	112,702
Interest income	1,549	-
Tax revenues	497,510	-
	<hr/>	<hr/>
Total additions	499,059	1,872,134
	<hr/>	<hr/>
DEDUCTIONS:		
Pension contributions	571,000	-
Transfer - proceeds from sale of stock	445,724	-
Professional fees	2,649	-
Benefits paid	-	255,715
	<hr/>	<hr/>
Total deductions	1,019,373	255,715
	<hr/>	<hr/>
Change in net assets	(520,314)	1,616,419
Net assets at beginning of the year	537,657	7,316,879
Net assets at end of the year	<u>\$ 17,343</u>	<u>\$ 8,933,298</u>

The accompanying audit report and notes should be read in conjunction
with the financial statements.

COMMUNITY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements, Financial Accounting Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflicts with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note. For the year ended December 31, 2004, the District implemented the reporting requirements of GASB Statement 33 and 34. As a result, an entirely new financial presentation format has been implemented.

FINANCIAL REPORTING ENTITY

The District's financial reporting entity comprises the following:

Primary Government: Community Fire Protection District

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity."

BASIS OF PRESENTATION

Government-wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

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

emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Project Fund

The Capital Project Fund is used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes only one Capital Project Fund and it is used to account for the acquisition of capital assets.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principle on the general long-term debt of the District. Ad valorem taxes are used for the payment of principal and interest on the District's judgment.

Fiduciary Funds (Not included in government-wide statements)

Expendable Trust Fund

The Expendable Trust Fund is used to account for resources restricted for the employees pension.

Agency Fund

The Agency Fund is used to account for resources held at Scudder Investments for the employees pension.

Major and Nonmajor Funds

The funds are further classified as major or nonmajor as follows:

Fund Major:	Brief Description
Debt Service:	See above for description.
Capital Project:	See above for description.
Special Revenue Fund:	
Dispatch	Accounts for revenues and expenditures legally restricted for Dispatch.
Ambulance	Accounts for revenues and expenditures legally restricted for ambulance services.
Fiduciary:	
Expendable Trust Fund	See above description.
Agency Fund	See above description.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets, and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the "current financial resources" measurement focus is used. Under this

measurement focus only current financial assets and liabilities are generally included on the balance sheet. The operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is used as the measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses.

ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

For the purpose of the Statement of Net Assets, "cash and cash equivalents" includes all demand, savings accounts, repurchase agreements and short-term bonds of the District.

Investments are all short-term and are included in cash and cash equivalents.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and service type transactions are classified as "due to and from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the government activities include real estate, personal property, and ambulance fees.

In fund financial statements, material receivables in governmental funds include revenue accruals such as real estate, personal property and other similar intergovernmental revenues since they are usually both measurable and available. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered measurable and available. Allowances for uncollectible accounts receivable are based upon historical trends and periodic aging of accounts receivable.

Fixed Assets

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to December 31, 2004.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	25-50 years
Improvements	10-50 years
Machinery and Equipment	3-20 years

Fund Financial Statements

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

Long-term Debt

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest are reported as expenditures.

Compensated Absences

The District's policies regarding sick leave permit employees to accumulate earned but unused sick leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

Equity Classifications

Government-wide Statements

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

- a. Invested in capital assets, net of related debt-Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets-Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets-All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

REVENUES, EXPENDITURES, AND EXPENSES

Property Tax

St. Louis County assesses property taxes based on real and personal property owned as of January first of each preceding year. Property tax bills are sent out in November and are due December 31. The County submits revenues collected to the District on a regular basis.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function.

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

Governmental Funds - By Character:

Current (further classified by function)

Debt Service

Capital Project

2. DEPOSITS AND INVESTMENTS

Deposits

Missouri State Law requires deposits to be secured by certain securities held by the District or a trustee institution. The value of the securities must be equal to or greater than the District's cash and cash equivalent investments not insured by the Federal Deposit Insurance Corporation. As of December 31, 2004, the District's deposits remained fully secured; the carrying amount of the District's deposits with financial institutions amounted to \$253,458 and the bank balances totaled \$290,044. Bank balances by categories:

Deposits insured by FDIC	\$	100,000
Collateralized deposits		<u>190,044</u>
Total deposits held with financial institutions	\$	<u><u>290,044</u></u>

Investments

Statutes authorize the District to invest in obligations of the U.S. Treasury, U.S. Agencies, municipal securities and repurchase agreements. The Pension Trust Fund, by authorization, may invest in corporate common or preferred stocks, bond and mortgages, real or personal property and other evidence of indebtedness or ownership. Investments held at financial institutions can be categorized according to three levels of risk:

Category 1

Investments insured registered or held by entity or by its agent in the District's name.

Category 2

Investments uninsured and unregistered, held by the counterpart's trust department or agent in the District's name.

Category 3

Uninsured and unregistered investments held by the counterpart, its trust or its agent, but not in the District's name.

Investments, categorized by level of risk:

	Categories			Carrying Amount/Fair Value
	1	2	3	
U.S. Government Agency Securities	\$ 13,633,040	\$ -	\$ -	\$ 13,633,040
Repurchase Agreement	-	760,000	-	760,000
Mutual Funds	-	-	-	8,450,298
	<u>\$ 13,633,040</u>	<u>\$ 760,000</u>	<u>\$ -</u>	<u>\$ 22,843,338</u>

Investments by the district in mutual funds are considered unclassified as to credit risk because no evidence of securities exists in physical or book entry form.

3. RESTRICTED CASH

In order to allow the District to fund the repayment of the bonds outstanding, cash held in the bond retirement account is restricted solely for this purpose.

4. GENERAL FIXED ASSETS

	Balance January 1, 2004	Additions	Deletions	Balance December 31, 2004
Land & Buildings	\$ 276,870	\$ -	\$ -	\$ 276,870
Ambulance Equip. & Vehicles	612,566	-	-	612,566
Fire Equipment & Vehicles	1,294,016	13,599	-	1,307,615
Equipment & Fixtures	95,720	4,504	-	100,224
Capital Project-Work in Process	249,038	1,089,848	-	1,338,886
Totals	\$ 2,528,210	\$ 1,107,951	\$ -	\$ 3,636,161

5. PROTECTION FROM RISK

The District is exposed to losses related to torts; theft of, damage to, and destructions of assets; errors and omissions and natural disasters for which the district carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage for the past three years.

The District participates in a public entity risk pool with other districts covering workmen compensation benefits. The district pays an annual premium to the pool, of which 5% is used to purchase commercial insurance coverage. Stop-loss coverage exists for individual claims exceeding \$1,000,000.

6. INTERFUND RECEIVABLES/PAYABLES

	Interfund Receivable	Interfund Payable
General fund	\$ 226,530	\$ 15,358
Ambulance fund	-	108,447
Dispatch fund	-	77,328
Capital Project fund	7,430	-
Expendable trust fund	8,628	-
Debt service fund	-	41,455
	\$ 242,588	\$ 242,588

7. BONDS OUTSTANDING

On December 1, 2002, the District issued \$5,000,000 in bonds and on September 1, 2003, the District issued \$5,000,000 in bonds for a total of \$10,000,000 in bonds for the purpose of constructing and equipping a fire station. The District utilized portions of the proceeds to purchase new fire protection equipment during 2002, 2003, and 2004. General obligation bonds are direct obligations issued on a pledge of the general taxing power for the payment of debt obligations of the District. General obligation bonds require the District to compute, at the time taxes are levied, the rate required to fund the interest and principal at maturity. The District is in compliance with this requirement. The outstanding bonds carry interest rates of 3.4% to 7.00% and mature from March 1, 2003 to 2023.

Maturity Date	Bond	Interest	Total
2005	300,000	393,919	693,919
2006	325,000	375,325	700,325
2007	350,000	354,763	704,763
2008	350,000	333,325	683,325
2009	375,000	311,406	686,406
2010-2014	2,150,000	1,330,165	3,480,165
2015-2019	2,625,000	814,027	3,439,027
2020-2023	2,550,000	216,169	2,766,169
Total	9,025,000	4,129,099	13,154,099

The board of directors of the District voted to reserve, unto itself, the right to issue an additional \$4,000,000 in bonds as it sees necessary.

8. CHANGES IN LONG-TERM DEBT OBLIGATIONS

	December 31, 2003	Additions	Payment and Deletions	December 31, 2004
Bonds Payable	9,375,000	-	350,000	\$ 9,025,000
Compensated Absences	148,459	17,252	-	165,711
Leases Payable	18,432	-	18,432	-
Total	\$ 9,541,891	\$ 17,252	\$ 368,432	\$ 9,190,711

9. DEFERRED COMPENSATION PLAN

All employees of the District may choose to participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or an unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts are held by the financial institution, in trust for the exclusive benefit of the employees or beneficiaries.

10. DEFINED CONTRIBUTION PLAN

The District established a defined contribution plan to provide retirement benefits to all employees who have completed one year of full-time service. The annual contribution is determined by the proceeds of the pension tax levy as required by Missouri State Statutes. Employees become 100 percent vested in the District's contributions after five full years of employment. The District's contribution to the plan this year totaled \$483,000. In addition, a contribution of \$88,000 was made for the year 2003 because of excess tax revenues for 2003.

Contributions are allocated to each individual as follows. First, each Participant's account will be credited with an amount equal to One Hundred Dollars (\$100) for each full Year of Service which the Participant has accumulated with the District as of the end of the Plan Year for which the contribution is made. If the District contribution is not large enough to fund this allocation, each Participant's allocation will be reduced on a pro rata basis. Second, remaining District contributions for the Plan Year will be allocated equally, on a per capita basis, among all Participants who are eligible to receive a contribution allocation. Scudder Investments administers the plan assets. At December 31, 2004 a total of 56 participants remained in the plan.

11. CONTRACTUAL AGREEMENTS

The District entered into a contractual agreement with North Central County Fire Alarm System (NCCFAS) for dispatching services. Terms of the agreement require that all tax monies received (per levy of 4 cents per \$100.00 assessed valuation for 2004) be remitted to NCCFAS.

Community also contracts with Gateway Ambulance Service to track and collect ambulance call revenues. Terms of the agreement include a fee equal to 7.5% of the funds collected by Gateway and an annual renewal clause. Termination may occur upon sixty day written notice by either party.

12. AMORTIZATION OF BOND ISSUE COST

Expenses related to the Bond Issue cost of \$31,813 have been amortized in the Capital Project Fund over a period of 21 years, the approximate life of the Bond Issue. Expense for the year 2004 was \$1,113. See schedule for future amortization.

Maturity	Bond	Bond	Total	
2003	625,000	-	625,000	1,988.28
2004	200,000	150,000	350,000	1,113.44
2005	200,000	100,000	300,000	954.38
2006	175,000	150,000	325,000	1,033.91
2007	175,000	175,000	350,000	1,113.44
2008	175,000	175,000	350,000	1,113.44
2009	175,000	200,000	375,000	1,192.97
2010	200,000	200,000	400,000	1,272.50
2011	200,000	200,000	400,000	1,272.50
2012	200,000	225,000	425,000	1,352.03
2013	200,000	250,000	450,000	1,431.56
2014	225,000	250,000	475,000	1,511.09
2015	225,000	250,000	475,000	1,511.09
2016	250,000	250,000	500,000	1,590.63
2017	250,000	275,000	525,000	1,670.16
2018	275,000	275,000	550,000	1,749.69
2019	275,000	300,000	575,000	1,829.22
2020	300,000	300,000	600,000	1,908.75
2021	325,000	300,000	625,000	1,988.28
2022	350,000	300,000	650,000	2,067.81
2023	-	675,000	675,000	2,147.34
	<u>4,175,000</u>	<u>4,850,000</u>	<u>10,000,000</u>	<u>28,710.79</u>

13. PURCHASE COMMITMENT

On January 6, 2004, Community Fire Protection District entered into an agreement with Sutphen Corporation to purchase one Sutphen Custom 95' Aerial Platform truck for \$762,126. Delivery of the apparatus was not made until January, 2005.

14. CORRECTION OF AN ESTIMATE

In August 2004 the District made an additional pension contribution for 2003 totaling \$88,000. The contribution was made due to the receipt of additional tax revenues for 2003. Originally the 2003 contribution was \$426,500. The additional \$88,000 was expensed in 2004.

15. CORRECTION OF AN ERROR

Subsequent to the issuance of the audit report for the year ended December 31, 2004 an error was discovered in the reporting of the Statements of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets. In previous years these statements were not required, however, due to the compliance with GASB 34 these statements are now required. The previously reported statements did not include the accrued contribution in the Agency Fund Statement of Fiduciary Net Assets and did not include the Agency Fund activity in the Statement of Changes in Fiduciary Net Assets. These changes have been corrected in this report.

COMMUNITY FIRE PROTECTION DISTRICT
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	General Fund				Dispatch Fund				Ambulance Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues												
Property taxes	\$ 4,923,182	\$ 5,641,906	\$ 5,643,838	\$ 1,932	\$ 147,695	\$ 169,250	\$ 169,301	\$ 51	\$ 1,230,795	\$ 1,411,016	\$ 1,411,016	\$ -
License, permits, and fees	75,000	135,782	135,782	-	-	-	-	-	-	-	-	-
Investment income	25,000	29,352	27,420	(1,932)	-	-	-	-	7,500	4,759	5,181	422
Ambulance calls	-	-	-	-	-	-	-	-	75,000	103,088	103,088	-
Other income	-	-	-	-	-	-	-	-	-	30,000	-	(30,000)
Total revenue	<u>5,023,182</u>	<u>5,807,040</u>	<u>5,807,040</u>	<u>-</u>	<u>147,695</u>	<u>169,250</u>	<u>169,301</u>	<u>51</u>	<u>1,313,295</u>	<u>1,548,863</u>	<u>1,519,285</u>	<u>(29,578)</u>
Expenditures												
Personnel	4,207,721	4,535,000	4,384,093	(150,907)	-	-	-	-	-	1,458,280	1,391,771	(66,509)
Administrative expense	71,500	76,000	122,141	46,141	-	-	-	-	10,900	14,100	8,519	(5,581)
Operating expense	162,000	171,000	147,649	(23,351)	-	-	-	-	90,800	72,100	132,201	60,101
Equipment purchase	-	-	-	-	-	-	-	-	-	-	-	-
Pension benefits	-	-	-	-	-	-	-	-	1,462,780	-	-	-
Dispatching service	49,232	-	56,417	56,417	147,695	262,212	192,439	(69,773)	-	-	-	-
Total expenditures	<u>4,490,453</u>	<u>4,782,000</u>	<u>4,710,300</u>	<u>(71,700)</u>	<u>147,695</u>	<u>262,212</u>	<u>192,439</u>	<u>(69,773)</u>	<u>1,564,480</u>	<u>1,544,480</u>	<u>1,532,491</u>	<u>(11,989)</u>
Excess (deficiency) of Revenues over (under) expenses	<u>532,729</u>	<u>1,025,040</u>	<u>1,096,740</u>	<u>71,700</u>	<u>-</u>	<u>(92,962)</u>	<u>(23,138)</u>	<u>69,824</u>	<u>(251,185)</u>	<u>4,383</u>	<u>(13,206)</u>	<u>(17,589)</u>
Reconciliation to GAAP-basis income												
Revenue accruals			(656,077)				(20,053)				(123,118)	
Expenditure accruals			(2,486)				23,190				(43,601)	
GAAP-Basis Net Income (Loss)			438,177				(20,001)				(179,925)	
Fund Balance Beginning			<u>5,688,832</u>				<u>36,212</u>				<u>1,655,762</u>	
Fund Balance Ending			6,127,009				16,211				1,475,837	

The accompanying audit report and notes should be read in conjunction with the financial statements.

COMMUNITY FIRE PROTECTION DISTRICT
NOTES TO BUDGETARY COMPARISON SCHEDULES
December 31, 2004

A. BUDGET TO ACTUAL RECONCILIATION

An explanation of the difference between inflows and outflows and revenues and expenditures determined in accordance with Generally Accepted Accounting Principles as follows:

	<u>General Fund</u>	<u>Dispatch Fund</u>	<u>Ambulance Fund</u>
Sources/Inflows of Resources:			
Actual amounts (budgetary basis) available for "appropriation" from the budgetary comparison schedule	\$ 5,807,040	\$ 169,301	\$ 1,519,285
Differences - budget to GAAP:			
Difference between current year and prior year accrual of subsequent receipts	<u>(656,077)</u>	<u>(20,053)</u>	<u>(123,118)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds	<u>\$ 5,150,963</u>	<u>\$ 149,248</u>	<u>\$ 1,396,167</u>
Uses/Outflows of Resources:			
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 4,710,300	\$ 192,439	\$ 1,532,491
Differences - budget to GAAP:			
Difference between beginning and ending year accruals	<u>2,486</u>	<u>(23,190)</u>	<u>43,601</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 4,712,786</u>	<u>\$ 169,249</u>	<u>\$ 1,576,092</u>

**COMMUNITY FIRE PROTECTION DISTRICT
SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2004**

TAX REVENUES RECOGNIZED

	For the year ended December 31, 2004
Real estate and personal property	\$ 6,875,529
Surcharge income	151,111
Railroad and utilities	226,665
Merchants and manufacturers' licenses	<u>302,221</u>
 Total	 <u><u>\$ 7,555,526</u></u>
 Allocation of the above revenues:	
General Fund	\$ 4,941,107
Debt Service Fund	736,695
Pension Trust Fund	494,114
Dispatch Fund	148,185
Ambulance Fund	<u>1,235,425</u>
 Total	 <u><u>\$ 7,555,526</u></u>

ALLOCATION OF TAX RATE BY FUND

	Real Estate			Personal Property	Tax Rate per \$100 of Assessed Valuation
	Residential	Agricultural	Commercial		
General Fund	1.000	-	1.000	1.000	\$ 1.000
Debt Service Fund	0.131	0.131	0.131	0.131	0.131
Pension Fund	0.100	-	0.100	0.100	0.100
Dispatch Fund	0.030	-	0.030	0.030	0.030
Ambulance Fund	0.250	-	0.250	0.250	<u>0.250</u>
 Total	 1.511	 0.131	 1.511	 1.511	 <u><u>\$ 1.511</u></u>

Total assessed valuation of property in the District totaled \$504,212,566 for 2004.

The accompanying audit report and notes should be read in conjunction
with the supplemental information.

**COMMUNITY FIRE PROTECTION DISTRICT
SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2004**

SCHEDULE OF INSURANCE

<u>Company</u>	<u>Coverage</u>	<u>Limits</u>
American Alternatives	Automobile Policy	\$1,000,000 limit per accident
American Alternatives	Umbrella Policy	\$4,000,000 limit per occurrence
American Alternatives	Property Liability Policy	\$1,000,000 limit per occurrence
American Alternatives	Management Liability Policy	\$1,000,000 limit per occurrence
Capitol Indemnity	Public Official's Bond	\$1,000 - \$20,000 limit
Traveler's Insurance Co.	ERISA Bond	\$500,000 limit per occurrence
Zurich America	Pollution Policy	\$1,000,000 limit per occurrence
Missouri Fire and Ambulance	Worker's Compensation	Per Missouri Statutes

DIRECTORS' SALARIES AND EXPENSES

<u>Director</u>	<u>Salary</u>	<u>Expenses</u>
Leo Morrow	\$ 10,800	\$ 1,896
Donald Doerr	10,600	-
Francis Costello	10,600	-
Total	<u>\$ 32,000</u>	<u>\$ 1,896</u>

The accompanying audit report and notes should be read in conjunction with the supplemental information.

WESTERHEIDE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

11430 Gravois Road
St. Louis, Missouri 63126

Telephone (314) 843-6555
Fax (314) 843-4310

To The Board of Directors
Community Fire Protection District

In planning and performing our audit of the financial statements of Community Fire Protection District for the year ended December 31, 2004, we considered its internal control 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. However, we noted certain matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect Community Fire Protection District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.

- a. Prior to January 1, 2004, the District was not required to keep records related to the costs on fixed assets purchased. However, due to the implementation of GASB 34 the District has purchased a fixed asset system to track major fixed asset purchases in the future. It is our recommendation that proper training be given so that all fixed assets are getting entered and accounted for correctly. Furthermore, it would be helpful for the accountant to review the fixed asset listing on a semi-annual basis to ensure that the program is reconciling with the general ledger.

In an attempt to specifically identify the purchase and subsequent inventory of fixed assets by the District, we recommend that the District tag their fixed assets so that they can be easily tracked to the fixed asset program.

- b. The current policy of the District is to capitalize assets over \$1,000. Due to the size of the District, we recommend that Community continue using the \$1,000 threshold for all office equipment and to increase the capitalization threshold on all other equipment to \$5,000.
- c. In an effort to properly match revenues and expenditures, it would be advantageous for management to accurately estimate the total pension contribution for the year. Management should include any additional pension based on excess collected tax revenues by the due date of the audit report, so the expense can be included in the proper year.

A material weakness is a reportable 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 fraud 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.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, none of the reportable conditions described above is believed to be a material weakness.

This report is intended solely for the information and use of the management of Community Fire Protection District and is not intended to be and should not be used by anyone other than these specified parties.

Westerheide & Co.

Westerheide & Company
Certified Public Accountants, P.C.

June 27, 2005