

University of Missouri, St. Louis

IRL @ UMSL

---

UMSLCAB - UMSL's Political Science Millennial  
Era Saint Louis Local Curated Area Budgets

Political Science Department

---

1-1-2006

## Annual Report, 2005

Boles Fire Protection District

Follow this and additional works at: <https://irl.umsl.edu/cab>

---

### Recommended Citation

Boles Fire Protection District, "Annual Report, 2005" (2006). *UMSLCAB - UMSL's Political Science Millennial Era Saint Louis Local Curated Area Budgets*. 793.  
<https://irl.umsl.edu/cab/793>

This Book is brought to you for free and open access by the Political Science Department at IRL @ UMSL. It has been accepted for inclusion in UMSLCAB - UMSL's Political Science Millennial Era Saint Louis Local Curated Area Budgets by an authorized administrator of IRL @ UMSL. For more information, please contact [marvinh@umsl.edu](mailto:marvinh@umsl.edu).



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

May 19, 2006

Michael F. Casey, Jr., Secretary  
Boles Fire Protection District  
Franklin County  
P.O. Box 14  
Labadie, MO 63055-0014

Fiscal Period: One Year Ended December 31, 2005

Dear Mr. Casey:

In accordance with Section 105.145, RSMo, we acknowledge receipt of the financial report of your political subdivision for the above-described fiscal period.

Thank you for your cooperation in sending this information.

Sincerely,

CLAIRE C. McCASKILL  
STATE AUDITOR

A handwritten signature in cursive script that reads "Judy Buerky".

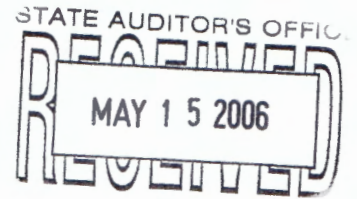
Judy Buerky  
Local Government Analyst

**Boles Fire Protection District  
of Franklin County, Missouri**

2731 HWY T

P. O. BOX 14

LABADIE, MISSOURI 63055-0014



April 12, 2006

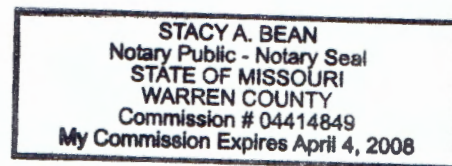
State Auditor of Missouri  
Attn: Judy Buerky  
P.O. Box 869  
Jefferson City, MO 65102-0869

I Michael F. Casey, Jr. Secretary & Treasurer of the Boles Fire Protection District do attest, under oath, that the attached is a true and accurate account of all fiscal transactions of Boles Fire Protection District for the fiscal year January 1, 2005 thru December 31, 2005.

A handwritten signature in cursive script that reads "Michael F. Casey, Jr.".

Michael F. Casey, Jr.  
Secretary of the Board

Subscribed and sworn before me this 12<sup>th</sup> day of April 2006.

A handwritten signature in cursive script that reads "Stacy A. Bean".  
(Notary Public)

My Commission expires 4-4-08.



**BOLES FIRE PROTECTION DISTRICT**

**ANNUAL REPORT**

**YEAR ENDED DECEMBER 31, 2005**

**ROSS, SPINNER & KUMMER, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

50 CRESTWOOD EXECUTIVE CENTER • SUITE 400

ST. LOUIS, MISSOURI 63126



# ROSS, SPINNER & KUMMER, P. C.

CERTIFIED PUBLIC ACCOUNTANTS

50 CRESTWOOD EXECUTIVE CENTER ~ SUITE 400

(WATSON & SAPPINGTON)

ST. LOUIS, MISSOURI 63126-1916

FOUNDED 1928

BY

FELIX G. KRAFT, C.P.A.

DENNIS J. ROSS, C.P.A.

GREGORY J. SPINNER, C.P.A.

BRUCE D. KUMMER, C.P.A.

(314)-842-1120

FAX: (314)-842-0921

MEMBER

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

MISSOURI SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
Boles Fire Protection District  
2731 Highway T  
Labadie, MO 63055

In planning and performing our audit of the financial statements of the

## BOLES FIRE PROTECTION DISTRICT

for the year ended December 31, 2005, 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 the 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 the Boles Fire Protection District's ability to record, process, summarize, and report financial data consistent with assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control elements 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 the internal control would not necessarily disclose all matters in the 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 Board of Directors, management, and others within the administration.

  
Certified Public Accountants

GS/cp  
April 21, 2006

1. **District Mail**

Currently, the District's mail is opened by various personnel.

**We recommend:**

All mail that is addressed to the District is District mail. It should be opened by one or two District employees, regardless of to whom it is addressed.

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
<b><u>INDEPENDENT AUDITORS' REPORT</u></b> .....	3 - 4
<b><u>MANAGEMENT'S DISCUSSION AND ANALYSIS</u></b> .....	6 - 11
<b><u>BASIC FINANCIAL STATEMENTS</u></b>	
<b>Government-Wide Financial Statements</b>	
Statement of Net Assets - Modified Cash Basis - Governmental Activities .....	13
Statement of Activities - Modified Cash Basis - Governmental Activities .....	14
<b>Fund Financial Statements</b>	
Balance Sheet - Modified Cash Basis - Governmental Funds .....	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis - Governmental Funds .....	16 - 17
<b><u>NOTES TO BASIC FINANCIAL STATEMENTS</u></b> .....	19 - 28
<b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>	
Budgetary Comparison Schedule - Modified Cash Basis - General Fund .....	30
Budgetary Comparison Schedule - Modified Cash Basis - Debt Service Fund .....	31
Budgetary Comparison Schedule - Modified Cash Basis - Capital Projects Fund .....	32
Notes to RSI - Budgetary Comparison Schedules .....	33



**ROSS, SPINNER & KUMMER, P. C.**  
CERTIFIED PUBLIC ACCOUNTANTS  
50 CRESTWOOD EXECUTIVE CENTER ~ SUITE 400  
(WATSON & SAPPINGTON)  
ST. LOUIS, MISSOURI 63126

FOUNDED 1928  
BY  
FELIX G. KRAFT, C.P.A.

DENNIS J. ROSS, C.P.A.  
GREGORY J. SPINNER, C.P.A.  
BRUCE D. KUMMER, C.P.A.

842-1120  
FAX: 842-0921

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

MISSOURI SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Boles Fire Protection District  
2731 Highway T  
Labadie, Missouri 63055

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

**BOLES 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 Boles Fire Protection District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities and each major fund of Boles Fire Protection District as of December 31, 2005 and the respective changes in financial position - modified cash basis thereof, for the year then ended in conformity with the basis of accounting described in Note 1 (C).

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

*Ross, Spier & Kummer, P.C.*  
Certified Public Accountants

April 21, 2006

GS/dm

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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



## **BOLES FIRE PROTECTION DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS** **YEAR ENDED DECEMBER 31, 2005**

The discussion and analysis of the Boles Fire Protection District's financial performance provides an overview of the District's financial activities for the year ended December 31, 2005, within the limitations of the District's modified cash basis of accounting. Please read it in conjunction with the District's financial statements.

#### **FINANCIAL HIGHLIGHTS**

**Key financial highlights for 2005 are as follows:**

- The net assets for the Governmental Activities increased by \$383,381.
- Governmental Activities revenue totaled \$1,651,678.
- Property tax revenue totaled \$1,578,026, or 93%.
- Total expenditures for the General activities totaled \$1,268,297.
- District paid \$180,000 of bond principal.
- House #2 was completed in 2005 and House #4 is under construction.

#### **USING THIS ANNUAL FINANCIAL REPORT**

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's modified cash basis of accounting.

##### **Report Components**

This annual report consists of four parts as follows:

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

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

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

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



## **Basis of Accounting**

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

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

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

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

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

The primary government includes the following legal entity:

- The Boles Fire Protection District.

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

One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all of the District's assets and liabilities resulting from the use of the modified cash basis of accounting.

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

In the Statement of Net Assets and the Statement of Activities, we have one kind of activity:

*Governmental activities* - All of the District's basic services are reported here. Property taxes and charges for services finance all of the activities.



**Reporting the District's Most Significant Funds**

***The Fund Financial Statements***

*Governmental funds* - All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. The governmental funds statement provides a detailed short-term view of the District's general government operations and the basic services it provides. Governmental funds information helps you determine (through a review of changes to fund balances) whether there are more or fewer financial resources that can be spent in the near future to finance the District's program. We describe the relationship (or differences) between governmental activity (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements. The District considers the General Fund 4 to be its significant or major governmental fund.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

The District's combined net assets, resulting from modified cash basis transactions, increased from approximately \$2,978,387 to \$3,361,769 between fiscal years 2005 and 2004.

	<u>Governmental Activities</u>		<u>Total</u>
	<u>2005</u>	<u>2004</u>	<u>Percentage Change</u>
			<u>2005 - 2004</u>
Current and other assets	\$ 4,367,817.	\$ 5,608,106.	(22%)
Capital assets	<u>3,658,370.</u>	<u>2,236,538.</u>	64%
Total assets	<u>\$ 8,026,187.</u>	<u>\$ 7,844,644.</u>	2%
Long-term debt outstanding	\$ 4,654,462.	\$ 4,854,372.	(4%)
Other liabilities	<u>9,957.</u>	<u>11,884.</u>	(16%)
Total liabilities	<u>\$ 4,664,419.</u>	<u>\$ 4,866,256.</u>	(4%)
<b>Net assets</b>			
Invested in capital assets, net of related debt	\$ 1,524,489.	\$ 1,600,727.	(5%)
Restricted for debt service	406,550.	427,822.	(5%)
Restricted for capital projects	2,538,580.	4,218,561.	(40%)
Unrestricted	<u>(1,107,851.)</u>	<u>(3,268,722.)</u>	66%
Total net assets	<u>\$ 3,361,768.</u>	<u>\$ 2,978,388.</u>	13%

Net assets of the District's governmental activities increased 13% to \$3,361,768. However, \$4,469,619 of those net assets either are restricted as to the purposes they can be used for or are invested in capital assets (buildings, equipment, vehicles and so on). Consequently, unrestricted net assets showed (\$1,107,851) at the end of this year. Changes from 2005 to 2004 reflect a favorable increase of 66%.



### Changes in Net Assets - Modified Cash Basis

For the year ended December 31, 2005, net assets of the primary government (resulting from modified cash basis transactions) changed as follows:

	<u>Governmental Activities</u>		<u>Total</u>
	<u>2005</u>	<u>2004</u>	<u>Percentage Change</u> <u>2005 - 2004</u>
<b><u>Revenues</u></b>			
Program revenues			
Permits	\$ 17,433.	\$ 19,768.	(12%)
General revenues			
Taxes	1,528,027.	1,722,605.	(11%)
Interest revenue	68,827.	66,879.	3%
Miscellaneous revenue	741.	115.	544%
Grant revenue	<u>36,650.</u>	<u>0.</u>	-
Total revenues	<u>\$ 1,651,678.</u>	<u>\$ 1,809,367.</u>	(9%)
<b><u>Expenses</u></b>			
Public safety - fire protection:			
Personal services - wages and fringe benefits	\$ 400,468.	\$ 366,525.	9%
Materials, supplies & maintenance	301,752.	196,196.	54%
Depreciation	187,293.	165,075.	13%
Interest	190,492.	208,168.	8%
Professional and insurance	117,021.	112,158.	4%
General and administrative	<u>71,271.</u>	<u>57,180.</u>	25%
Total expenses	<u>\$ 1,268,297.</u>	<u>\$ 1,105,302.</u>	15%
Increase in net assets	<u>\$ 383,381.</u>	<u>\$ 704,065.</u>	(46%)

### Governmental Activities

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

For the year ended December 31, 2005, total expenses for governmental activities, resulting from modified cash basis transactions, amounted to \$1,268,297. Of these total expenses, taxpayers and other general revenues funded \$1,214,214, while those directly benefiting from the program funded \$36,650 from grants and other contributions and \$17,433 from charges for services.

**Net Cost of Boles Fire Protection District's Governmental Activities - Modified Cash Basis**

	<u>Total Cost of Services</u>		<u>Percentage</u>	<u>Net Cost of Services</u>		<u>Percentage</u>
	<u>2005</u>	<u>2004</u>	<u>Change</u>	<u>2005</u>	<u>2004</u>	<u>Change</u>
			<u>2005 - 2004</u>			<u>2005 - 2004</u>
Public safety	\$ 1,268,297	\$1,105,302	15%	\$1,250,864	\$1,085,534	15%

**A FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

- The General Fund reported revenues of \$1,311,014 and expenditures of \$848,123, resulting in an increase in fund balance of \$462,891.

**General Fund Budgetary Highlights**

Over the course of the year, the Board of Directors revised the General Fund budget at various times. The final adjusted budget, however, was consistent with the prior year budget.

For the year ended December 31, 2005, General Fund expenditures were \$388,229 below final appropriations, while actual resources available for appropriation were \$74,662 above the final budgeted amount.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets - Modified Cash Basis**

At December 31, 2005, the District had \$3,658,370 invested in capital assets, net of depreciation, including buildings, equipment and vehicles. This represents a net increase of \$1,593,269 or 77% above last year.

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

	<u>Governmental Activities</u>	
	<u>Year Ended</u>	<u>Year Ended</u>
	<u>December 31, 2005</u>	<u>December 31, 2004</u>
Land	\$ 18,000.	\$ 18,000.
Buildings and improvements	2,448,593.	886,744.
Vehicles	958,863.	1,050,007.
Fire equipment	232,914.	276,787.
Office equipment	0.	5,000.
	<u>                    </u>	<u>                    </u>
TOTALS	\$ <u>3,658,370.</u>	\$ <u>2,236,538.</u>



This year's more significant capital asset additions included:

House #2 Construction	\$	1,141,438.
House #4 Construction		107,361.

**Long-Term Debt - Modified Cash Basis**

At December 31, 2005, the District had \$4,654,462 in long-term debt arising from modified cash basis transactions, compared to \$4,854,372 at December 31, 2004. This represents a decrease of 4%. All of the debt is related to governmental activities.

**Primary Government Long-Term Debt - Modified Cash Basis**

	<u>Balance at</u> <u>December 31, 2005</u>	<u>Balance at</u> <u>December 31, 2004</u>
General obligation bonds payable	\$ 4,535,000.	\$ 4,715,000.
Capital lease payable	<u>119,462.</u>	<u>139,372.</u>
	<u>\$ 4,654,462.</u>	<u>\$ 4,854,372.</u>

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

For the year ending December 31, 2006, the budget is fairly consistent with the December 31, 2005 budget.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens and taxpayers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions concerning this report or need additional information, contact Fire Chief Jim Casey at 2731 Highway T, Labadie, MO 63055-0014.



## BASIC FINANCIAL STATEMENTS

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

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

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

**BOLES FIRE PROTECTION DISTRICT**

**STATEMENT OF NET ASSETS - MODIFIED CASH BASIS  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2005**

**ASSETS**

Current assets:

Cash \$ 4,367,817.28

**TOTAL CURRENT ASSETS** \$ 4,367,817.28

Noncurrent assets:

Land \$ 18,000.00

Capital assets, net of accumulated depreciation 3,640,370.15

**TOTAL NONCURRENT ASSETS** \$ 3,658,370.15

**TOTAL ASSETS** \$ 8,026,187.43

**LIABILITIES**

Payroll withholdings \$ 9,956.85

Long-term liabilities:

Due within one year 206,132.96

Due in more than one year 4,448,328.92

**TOTAL LIABILITIES** \$ 4,664,418.73

**NET ASSETS**

Invested in capital assets, net of related debt \$ 1,524,488.63

Restricted for:

Debt service 406,550.44

Capital projects 2,538,580.36

Unrestricted (1,107,850.73)

**TOTAL NET ASSETS** \$ 3,361,768.70

See accompanying notes to the basic financial statements.

**BOLES FIRE PROTECTION DISTRICT**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
GOVERNMENTAL ACTIVITIES  
YEAR ENDED DECEMBER 31, 2005**

**EXPENSES**

Public safety - fire protection:

Personal services - wages and benefits	\$	400,467.64
Materials, supplies and maintenance		301,751.56
Depreciation		187,292.68
Interest		190,492.46
Professional and insurance		117,021.31
General and administrative		<u>71,270.70</u>

TOTAL PROGRAM EXPENSES \$ 1,268,296.35

**PROGRAM REVENUES**

Charges for services	\$	<u>17,432.50</u>
----------------------	----	------------------

NET PROGRAM EXPENSE \$ 1,250,863.85

**GENERAL REVENUES**

Property taxes	\$	1,528,026.99
Interest revenue		68,827.30
Miscellaneous revenue		741.00
Grant revenue		<u>36,650.00</u>

TOTAL GENERAL REVENUES \$ 1,634,245.29

INCREASE (DECREASE) IN NET ASSETS \$ 383,381.44

**NET ASSETS - Beginning of year** 2,978,387.26

**NET ASSETS - End of year** \$ 3,361,768.70

See accompanying notes to the basic financial statements.



**BOLES FIRE PROTECTION DISTRICT**

**BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2005**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 1,422,686.48	\$ 406,550.44	\$ 2,538,580.36	\$ 4,367,817.28
TOTAL ASSETS	<u>\$ 1,422,686.48</u>	<u>\$ 406,550.44</u>	<u>\$ 2,538,580.36</u>	<u>\$ 4,367,817.28</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
Liabilities:				
Payroll taxes	\$ 9,956.85	\$ 0.00	\$ 0.00	\$ 9,956.85
TOTAL LIABILITIES	<u>\$ 9,956.85</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 9,956.85</u>
Fund Balances:				
Unreserved	\$ 1,412,729.63	\$	\$	\$ 1,412,729.63
Reserved for debt service		406,550.44		406,550.44
Reserve for future capital expenditures			2,538,580.36	2,538,580.36
TOTAL FUND BALANCES	<u>\$ 1,412,729.63</u>	<u>\$ 406,550.44</u>	<u>\$ 2,538,580.36</u>	<u>\$ 4,357,860.43</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,422,686.48</u>	<u>\$ 406,550.44</u>	<u>\$ 2,538,580.36</u>	<u>\$ 4,367,817.28</u>
<b><u>RECONCILIATION TO STATEMENT OF NET ASSETS</u></b>				
Fund Balance - Total District Funds				\$ 4,357,860.43
Amounts reported for Governmental Activities in the Statement of Net Assets are different because:				
Capital assets used in governmental activities of \$5,688,495.71 are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$2,030,125.56.				3,658,370.15
Long-term liabilities of \$4,654,461.88 are not due and payable in the current period and are not reported in the funds.				<u>(4,654,461.88)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES				<u>\$ 3,361,768.70</u>

See accompanying notes to the basic financial statements.



**BOLES FIRE PROTECTION DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2005**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b><u>REVENUES</u></b>				
Property taxes	\$ 1,237,791.91	\$ 290,235.08	\$	\$ 1,528,026.99
Interest revenue	18,398.96	7,270.83	43,157.51	68,827.30
Permit revenue	17,432.50			17,432.50
Grant revenue	36,650.00			36,650.00
Miscellaneous revenue	<u>741.00</u>	<u></u>	<u></u>	<u>741.00</u>
TOTAL REVENUES	<u>\$ 1,311,014.37</u>	<u>\$ 297,505.91</u>	<u>\$ 43,157.51</u>	<u>\$ 1,651,677.79</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General and administrative	\$ 807,703.44	\$	\$ 82,807.77	\$ 890,511.21
Capital outlay:				
Current expenditures	11,951.98		1,597,172.68	1,609,124.66
Debt Service:				
Lease principal	19,910.45	180,000.00		199,910.45
Interest and fees	<u>8,557.46</u>	<u>181,935.00</u>	<u></u>	<u>190,492.46</u>
TOTAL EXPENDITURES	<u>\$ 848,123.33</u>	<u>\$ 361,935.00</u>	<u>\$ 1,679,980.45</u>	<u>\$ 2,890,038.78</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer-in	\$	\$ 43,157.51	\$	\$ 43,157.51
Transfer-out	<u></u>	<u></u>	<u>(43,157.51)</u>	<u>(43,157.51)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 0.00</u>	<u>\$ 43,157.51</u>	<u>\$ (43,157.51)</u>	<u>\$ 0.00</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<u>\$ 462,891.04</u>	<u>\$ (21,271.58)</u>	<u>\$ (1,679,980.45)</u>	<u>\$ (1,238,360.99)</u>
<b><u>FUND BALANCES - Beginning of year</u></b>	<u>949,838.57</u>	<u>427,822.02</u>	<u>4,218,560.81</u>	<u>5,596,221.40</u>
<b><u>FUND BALANCES - End of year</u></b>	<u>\$ 1,412,729.61</u>	<u>\$ 406,550.44</u>	<u>\$ 2,538,580.36</u>	<u>\$ 4,357,860.41</u>

See accompanying notes to the basic financial statements.

**BOLES FIRE PROTECTION DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2005**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

**NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS**                     \$ (1,238,360.99)

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

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

Capital asset purchases capitalized	1,609,124.66
Depreciation expense	(187,292.68)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	<u>199,910.45</u>
---	-------------------

**CHANGES IN NET ASSETS OF GOVERNMENTAL FUNDS**                                     \$ 383,381.44

See accompanying notes to the basic financial statements.

**NOTES TO FINANCIAL STATEMENTS**



**BOLES FIRE PROTECTION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 1(C), these financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

**A. Financial Reporting Entity**

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

Primary Government:	Boles Fire Protection District
Component Units:	None

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

**B. Basis of Presentation**

**Government-Wide Financial Statements**

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

**Fund Financial Statement**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. An emphasis is placed on major funds. 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 the individual governmental fund are at least 10% 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% of the corresponding total for all governmental funds combined.

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



## Governmental Funds

### General Fund

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

### Debt Service Fund

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

### Capital Projects Fund

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

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

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

### Measurement Focus

In the government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined in item (b) following.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. Governmental activities utilize an “economic resources” measurement focus in the Statement of Net Assets and in the Statement of Activities. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or non-current, financial or non-financial) associated with their activities are reported.

### Basis of Accounting

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



a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

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

##### Cash and Cash Equivalents

“Cash and cash equivalents” includes all demand and savings accounts, and certificates of deposit.

##### Capital Assets

The District’s modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate. The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

##### *Government-Wide Statements*

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

Depreciation of all exhaustible capital assets, arising from cash transactions, 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. A capitalization threshold of \$10,000 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

- Buildings and improvements	15 - 75 years
- Vehicles	5 - 20 years
- Office equipment	3 years
- Fire equipment	5 - 20 years

##### *Fund Financial Statements*

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



### Long-Term Debt

All long-term debt arising from cash basis transactions to be repaid from governmental resources are reported as liabilities in the government-wide statements.

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

### Compensated Absences

As a result of the use of the modified cash basis of accounting, liabilities related to accrued compensated absences are not recorded in the government-wide or fund financial statements. Expenditures/expenses related to compensated absences are recorded when paid.

### Equity Classification

#### *Government-Wide Statements:*

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

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws and 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."

It is the District's policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

#### *Fund Financial Statements:*

Governmental fund equity is classified as fund balance.

### **E. Property Tax**

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

**F. Revenues, Expenditures and Expenses**

**Program Revenues**

In the Statement of Activities, modified cash basis revenues that are derived directly from each activity or from parties outside the District's taxpayers are reported as program revenues. The District has the following program revenues in each activity:

Public Safety

Permits and fees

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

**Expenditures/Expenses**

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

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

Governmental Funds - By Character:

Current  
Capital Outlay  
Debt Service

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

**G. Use of Estimates**

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

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the district provides healthcare benefits to eligible former employees and eligible dependents. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the District under this program, and there are no participants in the program as of December 31, 2005.

**2. CASH AND CASH EQUIVALENTS**

The District has determined that interest-bearing checking accounts, certificates of deposit, repurchase agreements, United States Government Obligations, bonds, notes or other obligations of the State of Missouri, and any other securities or investments that are lawful for the investment of monies held in such funds or accounts under the law of the State of Missouri are appropriate types of deposits and investments for its needs.



<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 128,574.62
Collateralized:	
Collateral held by District's agent in the District's name	0.00
Collateral held by pledging bank's trust department in the District's name	4,312,280.06
Collateral held by pledging bank's trust department not in the District's name	0.00
Uninsured and uncollateralized	<u>0.00</u>
Total	<u>\$ 4,440,854.68</u>

### Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2005, \$0.00 of the District's bank balance of \$4,440,854.68 was exposed to credit risk as follows:

<u>Type of Deposit</u>	<u>Custody Credit Risk Amount</u>
Uninsured and Uncollateralized	\$ 0.00
Uninsured and collateralized by pledging bank's trust department not in the District's name	<u>0.00</u>
Total	<u>\$ 0.00</u>

### 3. CAPITAL ASSETS

Capital asset activity, resulting from modified cash basis transactions, for the year ended December 31, 2005 was as follows:

<u>Governmental Activities:</u>	<u>Balance Jan. 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2005</u>
Land	\$ 18,000.00	\$ 0.00	\$ 0.00	\$ 18,000.00
Buildings and improvements	1,094,181.94	1,597,172.68	0.00	2,691,354.62
Vehicles	2,044,955.21	11,951.98	0.00	2,056,907.19
Office equipment	30,000.00	0.00	0.00	30,000.00
Fire equipment	<u>892,233.90</u>	<u>0.00</u>	<u>0.00</u>	<u>892,233.90</u>
Totals at historical cost	<u>\$ 4,079,371.05</u>	<u>\$ 1,609,124.66</u>	<u>\$ 0.00</u>	<u>\$ 5,688,495.71</u>



Less accumulated depreciation:

Buildings and improvements	\$ 207,438.29	\$ 35,323.45	\$ 0.00	\$ 242,761.74
Vehicles	994,948.22	103,096.06	0.00	1,098,044.28
Office equipment	25,000.00	5,000.00	0.00	30,000.00
Fire equipment	<u>615,446.37</u>	<u>43,873.17</u>	<u>0.00</u>	<u>659,319.54</u>
Total accumulated depreciation	<u>\$ 1,842,832.88</u>	<u>\$ 187,292.68</u>	<u>\$ 0.00</u>	<u>\$ 2,030,125.56</u>
Governmental activities capital assets, net	<u>\$ 2,236,538.17</u>	<u>\$ 1,421,831.98</u>	<u>\$ 0.00</u>	<u>\$ 3,658,370.15</u>

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

Depreciation expense totaled \$187,292.68 for the year ended December 31, 2005.

#### 4. LONG-TERM DEBT

##### Governmental Activities

As of December 31, 2005, the long-term debt, arising from cash transactions, payable from the general revenue fund resources consisted of the following:

• General Obligation Bonds series 2003, payable in annual installments with interest from 1.4% to 4.75%, final payment due March 1, 2023.	\$ 4,535,000.00
• Capital lease for fire truck, payable in annual installments with interest at 6.393%, final payment due February 18, 2010.	<u>119,461.88</u>
Total	<u>\$ 4,654,461.88</u>

##### Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2005:

<u>Type of Debt</u>	<u>Balance Jan. 1, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2005</u>	<u>Amount Due Within One Year</u>
General obligation bonds	\$ 4,715,000.00	\$ 0.00	\$ 180,000.00	\$ 4,535,000.00	\$ 185,000.00
Capital lease	<u>139,372.33</u>	<u>0.00</u>	<u>19,910.45</u>	<u>119,461.88</u>	<u>21,132.96</u>
Total Governmental-Type Activities	<u>\$ 4,854,372.33</u>	<u>\$ 0.00</u>	<u>\$ 199,910.45</u>	<u>\$ 4,654,461.88</u>	<u>\$ 206,132.96</u>

##### Debt Service Requirement to Maturity

#### A. General Obligation Bonds

On April 8, 2003, with the approval of the voters, the District issued a \$4,715,000 in general obligation bonds series 2003. The proceeds will be used for acquiring land, constructing and furnishing new fire stations, renovating, improving and furnishing existing fire stations, acquiring fire trucks and

other vehicles, and acquiring and installing medical, communication and other equipment. The District will buy and collect an annual tax for the purpose of paying the principal of and interest on said bonds as they become due. The following is a summary of debt service requirements to maturity.

The payment schedule is as follows:

**General Obligation Bonds - Series 2003**

**Dated - August 1, 2003**

**Original amount of issue - \$4,715,000.00**

**Interest payable - Semi-annually March 1 and September 1 of each year.**

**Bond paying agent - United Missouri Bank**

<u>Date</u>	<u>Payment Amount</u>	<u>Principal</u>	<u>Interest</u>	<u>Purchase Price Balance</u>
				\$ 4,535,000.00
3/1/2006	\$ 275,322.50	\$ 185,000.00	\$ 90,322.50	4,350,000.00
9/1/2006	88,565.00		88,565.00	
3/1/2007	273,565.00	185,000.00	88,565.00	4,165,000.00
9/1/2007	86,391.25		86,391.25	
3/1/2008	276,391.25	190,000.00	86,391.25	3,975,000.00
9/1/2008	83,826.25		83,826.25	
3/1/2009	283,826.25	200,000.00	83,826.25	3,775,000.00
9/1/2009	80,826.25		80,826.25	
3/1/2010	285,826.25	205,000.00	80,826.25	3,570,000.00
9/1/2010	77,341.25		77,341.25	
3/1/2011	287,341.25	210,000.00	77,341.25	3,360,000.00
9/1/2011	73,561.25		73,561.25	
3/1/2012	293,561.25	220,000.00	73,561.25	3,140,000.00
9/1/2012	69,381.25		69,381.25	
3/1/2013	299,381.25	230,000.00	69,381.25	2,910,000.00
9/1/2013	64,838.75		64,838.75	
3/1/2014	299,838.75	235,000.00	64,838.75	2,675,000.00
9/1/2014	60,021.25		60,021.25	
3/1/2015	305,021.25	245,000.00	60,021.25	2,430,000.00
9/1/2015	54,876.25		54,876.25	
3/1/2016	314,876.25	260,000.00	54,876.25	2,170,000.00
9/1/2016	49,351.25		49,351.25	
3/1/2017	319,351.25	270,000.00	49,351.25	1,900,000.00
9/1/2017	43,546.25		43,546.25	
3/1/2018	323,546.25	280,000.00	43,546.25	1,620,000.00
9/1/2018	37,386.25		37,386.25	
3/1/2019	332,386.25	295,000.00	37,386.25	1,325,000.00
9/1/2019	30,748.75		30,748.75	
3/1/2020	340,748.75	310,000.00	30,748.75	1,015,000.00
9/1/2020	23,696.25		23,696.25	
3/1/2021	343,696.25	320,000.00	23,696.25	695,000.00
9/1/2021	16,336.25		16,336.25	
3/1/2022	356,336.25	340,000.00	16,336.25	355,000.00
9/1/2022	8,431.25		8,431.25	
3/1/2023	<u>363,431.25</u>	<u>355,000.00</u>	<u>8,431.25</u>	0.00
Totals	<u>\$ 6,523,572.50</u>	<u>\$ 4,535,000.00</u>	<u>\$ 1,988,572.50</u>	



## B. Capitalized Lease Obligation

The District has a lease agreement with National City Commercial Capital for a 2001 Pumper at an interest rate of 6.393%.

The payment schedule is as follows:

<u>Date</u>	<u>Payment Amount</u>	<u>Principal</u>	<u>Interest</u>	<u>Purchase Price Balance</u>
2/18/2006	\$ 28,467.91	\$ 21,132.96	\$ 7,334.95	\$ 100,295.49
2/18/2007	28,467.91	22,430.52	6,037.39	77,416.36
2/18/2008	28,467.91	23,807.75	4,660.16	53,132.46
2/18/2009	28,467.91	25,269.55	3,198.36	27,357.52
2/18/2010	<u>28,467.91</u>	<u>26,821.10</u>	<u>1,646.81</u>	0.00
Totals	<u>\$ 142,339.55</u>	<u>\$ 119,461.88</u>	<u>\$ 22,877.67</u>	

## 5. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters.

The District manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
a. Torts, errors, and omissions	Purchased commercial insurance	None
b. Workers compensation, health and life	Purchased commercial insurance	None
c. Physical property loss and natural disasters	Purchased commercial insurance	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

## 6. PENSION PLAN

The District has established an individual retirement account (IRA) for each full-time employee. The District contributes a sum equal to 6% of the employee's base salary to the IRA, up to a maximum of \$3,000 per year. The employee can contribute to the account, up to the maximum amount allowed by law. The pension plan expense for the year ended December 31, 2005 was \$17,465.87.



**7. ASSESSED VALUATION AND TAX LEVY**

	<u>2 0 0 5</u>	<u>2 0 0 4</u>
<u>Aggregate Assessed Valuation</u>	<u>\$ 232,536,140.00</u>	<u>\$ 207,469,584.00</u>
 Total assessed valuation		
	<u>Tax Levy Per \$100.00 of Assessed Valuation</u>	<u>Tax Levy Per \$100.00 of Assessed Valuation</u>
General Fund	\$ .5758	\$ .5911
Debt Service Fund	<u>.1129</u>	<u>.1382</u>
	<u>\$ .6887</u>	<u>\$ .7293</u>
 Total taxes assessed	<u>\$ 1,601,476.40</u>	<u>\$ 1,513,075.68</u>
 Total tax collections (including delinquent taxes)	<u>\$ 117,866.29</u>	<u>\$ 1,410,160.70</u>

The receipts of current and delinquent property taxes during the year ended December 31, 2005 aggregated approximately 7.4% of the 2005 assessed taxes and 93.2% of the 2004 assessed tax.

**8. DISTRICT OFFICIALS**

Director - Chairman	A. R. Holthaus
Director - Vice Chairman	Lloyd Harfst
Director - Secretary/Treasurer	Michael F. Casey, Jr.
Chief	Jim Casey

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

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

**BOLES FIRE PROTECTION DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**

**GENERAL FUND**

**YEAR ENDED DECEMBER 31, 2005**

	<b><u>Budgeted Amounts</u></b>	
	<b>Original and Final</b>	<b>Actual Amounts</b>
<b><u>BEGINNING BUDGETARY FUND BALANCE</u></b>	\$ 949,838.57	\$ 949,838.59
<b><u>RESOURCES (inflows):</u></b>		
Property taxes	1,226,352.00	1,237,791.91
Interest revenue	10,000.00	18,398.96
Permit revenue	0.00	17,432.50
Grant revenue	0.00	36,650.00
Miscellaneous revenue	0.00	741.00
	<u>                    </u>	<u>                    </u>
AMOUNTS AVAILABLE FOR APPROPRIATION	\$ 2,186,190.57	\$ 2,260,852.96
<b><u>CHARGES TO APPROPRIATIONS (outflows):</u></b>		
Current:		
Advertising	\$ 2,000.00	\$ 215.92
Payroll expenses	603,000.00	400,467.64
Legal and professional	10,000.00	8,773.82
Utilities	30,000.00	23,065.31
Training	35,000.00	24,670.98
Fire prevention and public relations	20,000.00	8,233.30
Insurance	145,200.00	108,247.49
Uniforms	20,000.00	13,207.25
Operating expense	60,000.00	85,866.52
Repairs and maintenance	125,000.00	58,321.18
Equipment expense	75,000.00	76,021.15
Miscellaneous and reimbursements	0.00	612.88
	<u>                    </u>	<u>                    </u>
	\$ 1,125,200.00	\$ 807,703.44
Capital outlay:		
Equipment	\$ 82,652.00	\$ 11,951.98
	<u>                    </u>	<u>                    </u>
	\$ 82,652.00	\$ 11,951.98
Debt Service:		
Lease payments principal	\$ 19,910.45	\$ 19,910.45
Interest and fees	8,589.55	8,557.46
	<u>                    </u>	<u>                    </u>
	\$ 28,500.00	\$ 28,467.91
	<u>                    </u>	<u>                    </u>
TOTAL CHARGES TO APPROPRIATIONS	\$ 1,236,352.00	\$ 848,123.33
<b><u>ENDING BUDGETARY FUND BALANCE</u></b>	\$ 949,838.57	\$ 1,412,729.63

See accompanying notes to the Budgetary Comparison Schedules.



**BOLES FIRE PROTECTION DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**

**DEBT SERVICE FUND**

**YEAR ENDED DECEMBER 31, 2005**

	<b><u>Budgeted Amounts</u></b>	
	<b>Original and Final</b>	<b>Actual Amounts</b>
<b><u>BEGINNING BUDGETARY FUND BALANCE</u></b>	\$ 427,822.02	\$ 427,822.02
<b><u>RESOURCES (inflows):</u></b>		
Property taxes	287,552.00	290,235.08
Interest revenue	<u>135,435.84</u>	<u>7,270.83</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	\$ <u>850,809.86</u>	\$ <u>725,327.93</u>
<b><u>CHARGES TO APPROPRIATIONS (outflows):</u></b>		
Current:		
Principal retirement	\$ 180,000.00	\$ 180,000.00
Interest and fees	<u>181,905.00</u>	<u>181,935.00</u>
TOTAL CHARGES TO APPROPRIATIONS	\$ <u>361,905.00</u>	\$ <u>361,935.00</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>		
Transfer-in	\$ <u>0.00</u>	\$ <u>43,157.51</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ <u>0.00</u>	\$ <u>43,157.51</u>
<b><u>ENDING BUDGETARY FUND BALANCE</u></b>	\$ <u>488,904.86</u>	\$ <u>406,550.44</u>

See accompanying notes to the Budgetary Comparison Schedules.

**BOLES FIRE PROTECTION DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
CAPITAL PROJECTS FUND  
YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b><u>BEGINNING BUDGETARY FUND BALANCE</u></b>	\$ 4,218,560.81	\$ 4,218,560.81	\$ 4,218,560.81
<b><u>RESOURCES (inflows):</u></b>			
Interest revenue	<u>0.00</u>	<u>0.00</u>	<u>43,157.51</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>\$ 4,218,560.81</u>	<u>\$ 4,218,560.81</u>	<u>\$ 4,261,718.32</u>
<b><u>CHARGES TO APPROPRIATIONS (outflows):</u></b>			
Current:			
Miscellaneous expenses	\$ 216,500.00	\$ 15,145.95	\$ 1,265.06
Equipment expense	349,185.00	179,292.71	81,542.71
Staff and small utilities	<u>100,000.00</u>	<u>0.00</u>	<u>0.00</u>
	<u>\$ 665,685.00</u>	<u>\$ 194,438.66</u>	<u>\$ 82,807.77</u>
Capital outlay:			
Buildings and training facilities	\$ 2,350,000.00	\$ 3,029,885.27	\$ 1,597,172.68
Vehicles	<u>1,400,000.00</u>	<u>1,000,000.00</u>	<u>0.00</u>
	<u>\$ 3,750,000.00</u>	<u>\$ 4,029,885.27</u>	<u>\$ 1,597,172.68</u>
OTHER FINANCING SOURCES (USES)			
Transfer-out	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 43,157.51</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 43,157.51</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>\$ 4,415,685.00</u>	<u>\$ 4,224,323.93</u>	<u>\$ 1,723,137.96</u>
<b><u>ENDING BUDGETARY FUND BALANCE</u></b>	<u>\$ (197,124.19)</u>	<u>\$ (5,763.12)</u>	<u>\$ 2,538,580.36</u>

See accompanying notes to the Budgetary Comparison Schedules.

**BOLES FIRE PROTECTION DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2005**

**Budgets and Budgetary Practices**

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

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

**Basis of Accounting**

The budget is prepared on the same modified cash basis of accounting as applied to the governmental funds in the basic financial statements. Revenues and expenditures are reported when they result from cash transactions.