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Financial Statements, 2005

Community Fire Protection District

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COMMUNITY FIRE PROTECTION DISTRICT
FINANCIAL STATEMENTS
DECEMBER 31, 2005

WESTERHEIDE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

COMMUNITY FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

DECEMBER 31, 2005

COMMUNITY FIRE PROTECTION DISTRICT
December 31, 2005

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT DISCUSSION AND ANALYSIS	3-9
FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Assets	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet - Governmental Funds	12-14
Statements of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds	15-16
Statement of Fiduciary Net Assets	17
Statement of Changes in Fiduciary Net Assets	18
NOTES TO FINANCIAL STATEMENTS	19-31
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund, Dispatch Fund, and Ambulance Fund	32-35
OTHER SUPPLEMENTARY SCHEDULES	
Tax Revenues, Assessments, and Allocations by fund	34
Schedule of Insurance	35
Schedule of Directors' Salaries and Expenses	35
Report on Compliance and on Internal Control over Financial Reporting on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	36-37

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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, 2005, 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, 2005, 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 29, 2006, 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, 2005.

The management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 32 through 35 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 + Company

Westerheide & Company
Certified Public Accountants, P.C.

June 29, 2006
St. Louis, Missouri

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

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

Using this Annual Report

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

Overview of the Financial Statements

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

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

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

Fiduciary Funds

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

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

Notes to the Basic Financial Statements

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

Required and Other Supplementary Information

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

Financial Analysis of the District as a Whole

Government-Wide Financial Analysis

As mentioned earlier, net assets may serve over time as a useful indicator of a government's financial position. The condensed statement of net assets as of December 31, 2005 is as follows:

		Statement of Net Assets		
		2005	2004	Increase (Decrease)
Assets:				
Current and other assets	\$	20,817,435	\$ 18,365,904	\$ 2,451,531
Capital assets, net of depreciation		5,510,877	1,896,787	3,614,090
Total Assets		26,328,312	20,262,691	6,065,621
Liabilities:				
Current and other liabilities		3,040,302	1,304,925	1,735,377
Non-current liabilities		11,750,000	8,890,711	2,859,289
Total Liabilities		14,790,302	10,195,636	4,594,666
Net Assets:				
Invested in capital assets, net of related debt		4,284,511	1,128,736	3,155,775
Fund balances		7,253,499	8,938,319	(1,684,820)
Total Net Assets		11,538,010	10,067,055	\$ 1,470,955

The District's assets exceeded liabilities (net assets) by \$11,538,010 as of December 31, 2005. Of this amount, \$4,284,511 is invested in capital assets, net of related debt; \$7,253,499 is in fund balances and available to provide for current and future obligations of the District.

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

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

The District's net assets increased by \$1,470,955, during the year ended December 31, 2005. This increase is primarily a result of revenues exceeding expenses during the year. The key elements of this increase are presented in the following condensed statement of changes in net assets:

	Statement of Activities		Increase
	2005	2004	(Decrease)
Revenues			
Program revenues			
Charges for services	\$ 113,841	\$ 282,472	\$ (168,631)
General revenues			
Property taxes	8,790,519	7,113,583	1,676,936
Interest and investment earnings	311,940	186,403	125,537
Other income	162,325		162,325
	<u>9,378,625</u>	<u>7,582,458</u>	<u>1,796,167</u>
Expenses			
Public safety	7,496,398	6,730,810	765,588
Interest and fiscal charges	393,919	413,169	(19,250)
Total Expenses	<u>7,890,317</u>	<u>7,143,979</u>	<u>746,338</u>
Change in net assets	1,488,308	438,479	1,049,829
Net Assets, beginning of year	10,049,702	9,628,576	421,126
	<u>\$ 11,538,010</u>	<u>\$ 10,067,055</u>	<u>\$ 1,470,955</u>

Program revenue includes activities that have the characteristics of exchange transactions, such as commercial and residential inspections. General revenues include activities that have the characteristics of non-exchange transactions, such as property taxes. Program expenses are those expenses for the purpose of providing fire protection, emergency medical services and operational activities of the District. Total revenues increased by \$1,796,167, when comparing 2005 to 2004, primarily due to the timing of property tax collections from St. Louis County.

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

Fund Analysis

General Fund Revenues

	2005	2004	Increase (Decrease)
Property taxes	\$ 5,958,259	\$ 4,975,081	\$ 983,178
Licenses, permits and fees	99,505	135,783	(36,278)
Interest	110,833	40,099	70,734
Miscellaneous	155,163		155,163
	<u>\$ 6,323,760</u>	<u>\$ 5,150,963</u>	<u>\$ 1,172,797</u>

General Fund

General Fund revenues increased \$1,172,797 in 2005 from 2004. This increase was primarily attributable to the timing of tax receipts collected from St. Louis County. General fund expenditures were less than general fund revenues by \$948,325; hence, the general fund balance increased by \$948,325. The increase in the general fund balance was primarily due to the District's conservative approach to budgeting and monthly monitoring of expenses

Ambulance Fund and Dispatch Fund

The combined total of the Ambulance Fund and Dispatch Fund revenues exceeded expenditures by \$66,374. The combined fund balances increased by the same amount, \$66,374. Dispatch service expenditures provide for the District's communications and dispatching services. These services are contracted with North Central County Fire Alarm System.

Capital Projects Fund

The capital projects fund expenses exceed revenues by \$925,736. The expenses are the result of the fact that the District is in the process of building new fire stations and procuring new fire trucks, ambulances and life-saving equipment. The District is utilizing long-term fire protection bonds, approved by the District's voters in 2002, to finance these capital projects. In 2005, the District's capital projects fund balance decreased by \$925,736.

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, 2005

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

Capital Assets

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

	2005	2004	Increase (Decrease)
Land & Buildings	\$ 4,386,342	\$ 276,870	\$ 4,109,472
Ambulance Equipment & Vehicles	659,691	612,566	47,125
Fire Equipment & Vehicles	1,737,738	1,307,615	430,123
Equipment & Fixtures	311,770	100,224	211,546
Construction in progress	108,520	1,338,886	(1,230,366)
Total	7,204,061	3,636,161	3,567,900
Less: Accumulated depreciation	(1,693,184)	(1,739,374)	46,190
Net Capital Assets	\$ 5,510,877	\$ 1,896,787	\$ 3,614,090

Long-Term

During the year ended December 31, 2002, 2003 and 2005, the District issued \$5,000,000, \$5,000,000 and \$3,000,000, respectively, in Fire Protection Bonds, with an average interest rate ranging from 3.20% through 7.00%. These bonds were issued for the purpose of constructing, equipping, and maintaining fire stations and purchasing ambulances and fire protection and fire-fighting apparatus and auxiliary equipment. During the year ended December 31, 2005, the District made principal payments totaling \$300,000. Outstanding bonds payable at year-end are \$11,725,000. More detailed information on the District's long-term liabilities is presented in the notes to the financial statements.

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

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 requests to the Chief of the Fire Protection District at 9411 Marlowe Avenue, St. Louis, Missouri 63114.

**COMMUNITY FIRE PROTECTION DISTRICT
STATEMENT OF NET ASSETS
DECEMBER 31, 2005**

ASSETS

Cash and cash equivalents	\$14,902,703
Receivables, net	5,605,566
Prepaid expenses	281,409
Other assets	27,757
Capital Assets:	
Land, improvements, and construction in progress, net	4,220,763
Other capital assets, net	1,290,114
Total capital assets	<u>5,510,877</u>
 Total assets	 <u>26,328,312</u>

LIABILITIES

Accounts payable and accrued expenses	591,691
Deferred revenue	2,448,611
Long-term liabilities:	
Due within one year	575,000
Due in more than one year	11,175,000
 Total liabilities	 <u>14,790,302</u>

NET ASSETS

Invested in capital assets, net of related debt	4,284,511
Fund balances	3,000,000
Undesignated	4,253,499
 Total net assets	 <u><u>\$11,538,010</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, 2005**

EXPENSES

Emergency responses	\$ 6,147,957
Dispatching services	228,369
Administrative support	678,236
Other expenses	112,534
Depreciation	329,302
Interest on debt	<u>393,919</u>
 Total expenses	 7,890,317

PROGRAM REVENUES

Licenses and permits	99,505
Charges for ambulance services	14,336
Other Income	<u>162,325</u>
Net program expense	<u>276,166</u>

GENERAL REVENUES

Property taxes	8,790,519
Investment earnings	<u>311,940</u>
 Total general revenues	 <u>9,102,459</u>
Change in net assets	1,488,308

Net Assets - beginning	<u>10,049,702</u>
Net Assets - ending	<u><u>\$ 11,538,010</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, 2005**

ASSETS	General Fund	Dispatch Fund	Ambulance Fund	Debt Service Fund	Capital Project Fund	Total Governmental Funds
Cash and cash equivalents	\$ 5,177,039	\$ 17,132	\$ 870,200	\$ -	\$ -	\$ 6,064,371
Cash-restricted	-	-	-	1,116,987	7,721,345	8,838,332
Investments	-	-	-	-	-	-
Prepaid expenses	275,809	-	-	-	5,600	281,409
Taxes receivable	3,462,013	103,851	865,502	1,125,966	-	5,557,332
Allowance for uncollectible property taxes	(32,248)	(968)	(8,063)	(20,734)	-	(62,013)
Unamortized bond costs	-	-	-	-	27,757	27,757
Accounts receivable	-	-	99,291	-	-	99,291
Interest receivable	10,488	-	71	280	117	10,956
Due from other funds	146,779	-	72,926	501,782	1,792	723,279
TOTAL ASSETS	\$ 9,039,880	\$ 120,015	\$ 1,899,927	\$ 2,724,281	\$ 7,756,611	\$ 21,540,714

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, 2005**

LIABILITIES & FUND EQUITY	General Fund	Dispatch Fund	Ambulance Fund	Debt Service Fund	Capital Project Fund	Total Governmental Funds
LIABILITIES						
Accounts payable	\$ 94,529	\$ 34,538	\$ -	\$ -	-	\$ 129,067
Accrued payroll and related expenses	166,438	-	-	-	-	166,438
Due to other funds	430,235	28,587	41,859	1,600	351,592	853,873
Deferred revenue	1,273,345	38,200	318,336	818,730	-	2,448,611
Total Liabilities	1,964,547	101,325	360,195	820,330	351,592	3,597,989
FUND EQUITY						
Fund balance:						
Unreserved:						
Designated for equipment replacement	-	-	-	-	7,405,019	7,405,019
Designated for future purchases	3,000,000	-	-	1,903,951	-	4,903,951
Undesignated	4,075,333	18,690	1,539,732	-	-	5,633,755
Total Fund Equity	7,075,333	18,690	1,539,732	1,903,951	7,405,019	17,942,725
TOTAL LIABILITIES AND FUND EQUITY	\$ 9,039,880	\$ 120,015	\$ 1,899,927	\$ 2,724,281	\$ 7,756,611	\$ 21,540,714

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, 2005**

Total fund balance - governmental funds	\$ 17,942,725
Capital assets used in governmental activities that are not financial resources and therefore are not reported in the funds.	5,510,877
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>(11,915,592)</u>
Net assets of governmental activities	<u><u>\$ 11,538,010</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, 2005**

	General Fund	Dispatch Fund	Ambulance Fund	Debt Service Fund	Capital Project Fund	Total Governmental Funds
REVENUES						
Property taxes	\$5,958,259	\$178,670	\$ 1,489,648	\$1,163,942	\$ -	\$8,790,519
Licenses, permits, and fees	99,505	-	-	-	-	99,505
Investment income	110,833	637	32,326	23,661	144,483	311,940
Ambulance calls	-	-	14,336	-	-	14,336
Other income	155,163	-	-	-	-	155,163
Total revenues	6,323,760	179,307	1,536,310	1,187,603	144,483	9,371,463
EXPENDITURES						
Dispatching services	51,541	176,828	-	-	-	228,369
Emergency responses	4,678,365	-	1,462,062	-	-	6,140,427
Administrative support	645,529	-	10,353	900	21,454	678,236
Capital outlay	-	-	-	-	4,055,927	4,055,927
Pension benefits	-	-	-	-	-	-
Bond retirement	-	-	-	300,000	-	300,000
Bond interest expense	-	-	-	393,919	-	393,919
Total expenditures	5,375,435	176,828	1,472,415	694,819	4,077,381	11,796,878
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	948,325	2,479	63,895	492,784	(3,932,898)	(2,425,415)
OTHER FINANCIAL SOURCES						
Bond Proceeds	-	-	-	-	3,007,162	3,007,162
Total Other Financing Sources	-	-	-	-	3,007,162	3,007,162
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	948,325	2,479	63,895	492,784	(925,736)	581,747
FUND BALANCE						
Beginning of year	6,127,008	16,211	1,475,837	1,411,167	8,330,755	17,360,978
End of year	<u>\$ 7,075,333</u>	<u>\$18,690</u>	<u>\$1,539,732</u>	<u>\$ 1,903,951</u>	<u>\$ 7,405,019</u>	<u>\$ 17,942,725</u>

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, 2005**

Net change in fund balances - total governmental funds	\$ 581,747
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.	(7,530)
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.	300,000
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 (\$3,943,393) exceeded depreciation (\$329,301) in the current period.	3,614,091
Governmental funds report proceeds from bonds as income from other financing sources since debt is not recognized. However in the statement of activities this amount should not be recognized as income.	<u>(3,000,000)</u>
Change in net assets of governmental activities	<u><u>\$1,488,308</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, 2005**

	Expendable Trust Fund	Agency Fund
<u>ASSETS</u>		
Cash and cash equivalents	\$ 206,758	\$ -
Investments		10,049,265
Taxes receivable	346,199	-
Allowance for uncollectible property taxes	(3,225)	-
Interest receivable	23	-
Due from other funds	130,595	-
	<u>\$ 680,350</u>	<u>\$ 10,049,265</u>
TOTAL ASSETS	\$ 680,350	\$ 10,049,265
<u>LIABILITIES & NET ASSETS</u>		
LIABILITIES		
Deferred revenue	\$ 127,334	\$ -
Pension contribution payable	475,000	-
Pension benefits payable	-	10,049,265
	<u>602,334</u>	<u>10,049,265</u>
TOTAL LIABILITIES	602,334	\$ 10,049,265
NET ASSETS		
Held in trust for pension benefits and other purposes	<u>\$ 78,016</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, 2005

	Expendable Trust Fund	Agency Fund
ADDITIONS:		
Investment earnings:		
Contributions	\$ -	\$ 532,000
Net increase in value of investments	-	403,784
Dividends	-	335,551
Interest income	2,688	-
Tax revenues	596,319	-
	<hr/>	<hr/>
Total additions	599,007	1,271,335
	<hr/>	<hr/>
DEDUCTIONS:		
Pension contributions	532,000	-
Professional fees	6,334	-
Benefits paid	-	155,368
	<hr/>	<hr/>
Total deductions	538,334	155,368
	<hr/>	<hr/>
Change in net assets	60,673	1,115,967
Net assets at beginning of the year	17,343	8,933,298
Net assets at end of the year	<u>\$ 78,016</u>	<u>\$ 10,049,265</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, 2005**

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, 2005, 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 ADP Retirement Services 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, 2005.

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	25-40 years
Improvements	25-40 years
Machinery and Equipment	5-10 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, 2005, the District's deposits remained fully secured; the carrying amount of the District's deposits with financial institutions amounted to \$6,918,212 and the bank balances totaled \$7,021,451. Bank balances by categories:

Deposits insured by FDIC	\$ 6,284,723
Collateralized deposits	736,728
Total deposits held	<hr/>
with financial institutions	<u>\$ 7,021,451</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 the 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	\$ 449,050	\$ -	\$ -	\$ 449,050
Repurchase Agreement	-	7,925,347	-	7,925,347
Mutual Funds	-	-	-	9,574,265
	\$ 449,050	\$ 7,925,347	\$ -	\$ 17,948,662

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, 2005	Additions	Deletions	Balance December 31, 2005
Land & Buildings	\$ 276,870	\$ 4,109,472	\$ -	\$ 4,386,342
Ambulance Equip. & Vehicles	612,566	78,125	31,000	659,691
Fire Equipment & Vehicles	1,307,615	774,616	344,493	1,737,738
Equipment & Fixtures	100,224	211,546	-	311,770
Capital Project-Work in Process	1,338,886	2,879,106	4,109,472	108,520
Totals at Historical Cost	3,636,161	8,052,865	4,484,965	\$ 7,204,061
Less Accumulated Depreciation				
Land & Buildings	(241,870)	(32,229)	-	(274,099)
Ambulance Equipment & Vehicles	(253,333)	(76,428)	31,000	(298,761)
Fire Equipment & Vehicles	(1,194,171)	(189,663)	344,493	(1,039,341)
Equipment & Fixtures	(50,000)	(30,983)	-	(80,983)
Capital Projected Work in Process	-	-	-	-
Totals Accumulated Depreciation	(1,739,374)	* (329,303)	375,493	1,693,184
Net Fixed Assets	\$ 1,896,787	\$ 7,723,562	\$ (4,109,472)	\$ 5,510,877

* Depreciation expense was charged to governmental activities as follows:

General Fund	\$ 252,875
Ambulance Fund	76,428
	<u>\$ 329,303</u>

A. The \$4,109,472 moved from capital project - work in process to land and buildings is the cost of constructing a new firehouse and administrative building on Marlowe Street.

B. The amount in capital project-work in process at year end December 31, 2005 represents the costs of land purchased at 3225 Marshall Road for the construction of a new firehouse.

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	\$ 146,779	\$ 430,235
Ambulance fund	72,926	41,859
Dispatch fund	-	28,587
Capital Project fund	1,792	351,593
Expendable trust fund	130,595	-
Debt service fund	501,782	1,600
	<u>\$ 853,874</u>	<u>\$ 853,874</u>

7. BONDS OUTSTANDING

The District issued \$5,000,000 in bonds on December 1, 2002, \$5,000,000 in bonds on September 1, 2003 and \$3,000,000 in bonds on September 1, 2005 for a total of \$13,000,000 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. 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 3.2% to 7.00% and mature from March 1, 2006 to 2023.

Maturity Date	Bond	Interest	Total
2006	\$ 575,000	\$ 491,856	\$ 1,066,856
2007	600,000	458,794	1,058,794
2008	600,000	437,356	1,037,356
2009	600,000	402,937	1,002,937
2010	600,000	363,606	963,606
2011-2015	3,050,000	1,474,623	4,524,623
2016-2020	3,100,000	868,772	3,968,772
2021-2025	2,600,000	216,258	2,816,258
Total	\$ 11,725,000	\$ 4,714,202	\$ 16,439,202

The board of directors of the District voted to reserve, unto itself, the right to issue an additional \$1,000,000 in bonds as it sees necessary.

8. CHANGES IN LONG-TERM DEBT OBLIGATIONS

	December 31, 2004	Additions	Payment and Deletions	December 31, 2005
Bonds Payable	\$ 9,025,000	\$ 3,000,000	\$ 300,000	\$ 11,725,000
Compensated Absences	165,711	-	119	165,592
Total	\$ 9,190,711	\$ 3,000,000	\$ 300,119	\$ 11,890,592

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. CORRECTION OF AN ESTIMATE

In 2005 the District made an additional Pension contribution for the previous year totaling \$57,000. The contribution was made due to the receipt of additional tax revenues for 2004. The additional \$57,000 was expensed in 2005.

11. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was required for the net assets beginning of year on the the Statements of Activities. This adjustment of \$17,353 was due to an incorrect balance in fixed assets for prior years.

12. 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 \$475,000. In addition a contribution of \$57,000 was made for previous years because of excess tax revenues.

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, 2005 a total of 64 participants remained in the plan.

13. 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 2005) 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.

14. 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 2005 was \$954. 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>5,000,000</u>	<u>5,000,000</u>	<u>10,000,000</u>	<u>31,812.51</u>

15. SALE OF FIXED ASSETS

The District sold a fire truck that cost \$344,493 and was fully depreciated. The proceeds of \$107,495.00 are recorded as other income in the general fund.

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, 2005

	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	\$ 4,960,346	\$ 5,712,083	\$ 5,712,083	\$ -	\$ 148,810	\$ 171,290	\$ 171,290	\$ -	\$ 1,240,086	\$ 1,428,104	\$ 1,428,104	\$ -
License, permits, and fees	75,000	99,505	99,505	-	-	-	-	-	-	-	-	-
Investment income	20,000	110,118	110,118	-	-	587	587	-	5,000	32,323	32,323	-
Ambulance calls	-	-	-	-	-	-	-	-	80,000	133,779	133,779	-
Other income	231,147	155,163	155,163	-	-	32,775	-	32,775	193,461	-	-	-
Total revenue	5,286,493	6,076,869	6,076,869	-	148,810	204,652	171,877	32,775	1,518,547	1,594,206	1,594,206	-
Expenditures												
Personnel	4,561,889	4,682,569	4,698,378	(15,809)	-	-	-	-	1,309,547	1,309,547	1,371,513	(61,966)
Administrative expense	60,000	60,374	60,374	-	-	-	-	-	8,000	10,353	10,353	-
Operating expense	615,000	620,230	607,778	12,452	-	-	-	-	201,000	110,656	90,549	(20,107)
Equipment purchase	-	-	-	-	-	-	-	-	-	-	-	-
Pension benefits	-	-	-	-	-	-	-	-	-	-	-	-
Dispatching service	-	-	57,120	(57,120)	148,810	204,652	204,652	-	-	-	-	-
Total expenditures	5,236,889	5,363,173	5,423,650	(60,477)	148,810	204,652	204,652	-	1,518,547	1,430,556	1,472,415	(82,073)
Excess (deficiency) of Revenues over (under) expenses	49,604	713,696	653,219	(60,477)	-	-	(32,775)	32,775	-	163,650	121,791	(82,073)
Reconciliation to GAAP-basis income												
Revenue accruals			246,891				7,430				(57,896)	
Expenditure accruals			48,215				27,824				-	
GAAP-Basis Net Income (Loss)			948,325				2,479				63,895	
Fund Balance Beginning			6,127,009				16,211				1,475,837	
Fund Balance Ending			<u>\$ 7,075,334</u>				<u>18,690</u>				<u>1,539,732</u>	

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, 2005

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	\$ 6,076,869	\$ 171,877	\$ 1,594,206
Differences - budget to GAAP:			
Difference between current year and prior year accrual of subsequent receipts	<u>246,891</u>	<u>7,430</u>	<u>(57,896)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds	<u>\$ 6,323,760</u>	<u>\$ 179,307</u>	<u>\$ 1,536,310</u>
Uses/Outflows of Resources:			
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 5,423,650	\$ 204,652	\$ 1,472,415
Difference - budget to GAAP:			
Difference between beginning and ending year accruals	<u>(48,215)</u>	<u>(27,824)</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 5,375,435</u>	<u>\$ 176,828</u>	<u>\$ 1,472,415</u>

**COMMUNITY FIRE PROTECTION DISTRICT
SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2005**

TAX REVENUES RECOGNIZED

	For the year ended December 31, 2005
Real estate and personal property	\$ 5,666,285
Surcharge income	124,534
Railroad and utilities	186,801
Merchants and manufacturers' licenses	<u>249,067</u>
 Total	 <u><u>\$ 6,226,687</u></u>

Allocation of the above revenues:

General Fund	\$ 3,826,319
Debt Service Fund	883,169
Pension Trust Fund	383,127
Dispatch Fund	114,723
Ambulance Fund	<u>1,019,349</u>
 Total	 <u><u>\$ 6,226,687</u></u>

ALLOCATION OF TAX RATE BY FUND

	Real Estate				Personal Property	Tax Rate per \$100 of Assessed Valuation
	Residential	Agricultural	Commercial	Commercial		
General Fund	0.9170	-	1.0000	1.0000	\$0.9170 to 1.000	
Debt Service Fund	0.2500	0.2500	0.2500	0.2500	0.2500 to 0.2500	
Pension Fund	0.0920	-	0.1000	0.1000	0.0920 to 0.1000	
Dispatch Fund	0.0280	-	0.0290	0.0300	0.0280 to 0.0300	
Ambulance Fund	0.2290	-	0.2500	0.2500	<u>0.2290 to 0.2500</u>	
 Total	 1.5160	 0.2500	 1.6290	 1.6300	 <u><u>\$1.5160 to 1.6300</u></u>	

Total assessed valuation of property in the District totaled \$561,707,686 for 2005.

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, 2005**

SCHEDULE OF INSURANCE

<u>Company</u>	<u>Coverage</u>	<u>Limits</u>
American Alternatives	General Liability	\$1,000,000 limit per occurrence or medical incident
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 Casualty & Surety 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	\$ -
Donald Doerr	10,600	-
Francis Costello	10,600	-
Total	<u>\$ 32,000</u>	<u>\$ -</u>

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

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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, 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 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. In some instances, the District's assets have been entered at catalogue prices instead of at cost. We recommend that all assets be entered from their invoice at cost and a copy of the invoice put in a separate file for the auditor.
- b. After determining the cost of the new firehouse at 9411 Marlowe in Overland, which amounted to roughly \$3.8 million, the District's current insurance policy on the firehouse is insufficient to cover the entire cost of the building. The current policy will cover \$3.6 million of the building's cost.
- c. The District's current policy is to obtain Board approval for disbursements of \$5,000 or greater. During 2005, there was one disbursement that required Board approval under the current policy, but had no record of approval by the Board.

Furthermore, on disbursements of \$10,000 or greater, there was no record of the required bidding process on one item. Of the disbursements tested those that required Board approval, a bid, or both were auto repairs on truck #3830. It is our suggestion that the District consider a new process for urgent repairs on automobiles, or other disbursements that require attention too immediate for Board approval or the bidding process.

- d. During 2005, many of the District's employees attended training classes, and seminars. An employee is required to provide proof of payment in the form of a receipt or letter. For a few of the reimbursements proper documentation was lacking. It is recommended that the District require a filing of a proof-of-payment, or an invoice attached to the reimbursement record.
- e. During 2005, 58% of all ambulance calls were over 180 days old. This has caused a decrease in revenues due to the large amount of receivables being written off as not collectible. Since it is unlikely to collect from receivables that are outstanding for more than 180 days, it is our recommendation that the District considers implementing a collection policy for ambulance calls receivables. Prospective policies may include the involvement of a collection agency once an account reaches a specified amount of days overdue, or implementing incremental payment plans with patients billed for ambulance calls. The District is responsible for safeguarding its' assets.

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 there 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, 2006