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Annual Report, 2007

Cedar Hill Fire Protection District

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CEDAR HILL FIRE PROTECTION DISTRICT

ANNUAL REPORT

YEAR ENDED DECEMBER 31, 2007

ROSS, SPINNER & KUMMER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

50 CRESTWOOD EXECUTIVE CENTER • SUITE 400

• ST. LOUIS, MISSOURI 63126

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ROSS, SPINNER & KUMMER, P. C.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Cedar Hill Fire Protection District
6766 Cedar Hill Rd
Cedar Hill, Missouri 63016

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

CEDAR HILL FIRE PROTECTION DISTRICT


as of and for the year ended December 31, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Cedar Hill 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), Cedar Hill 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 Cedar Hill Fire Protection District as of December 31, 2007 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 supplementary information. However, we did not audit the information and express no opinion on it.


Certified Public Accountants

January 23, 2008
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.

CEDAR HILL FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2007

The discussion and analysis of the Cedar Hill Fire Protection District's financial performance provides an overview of the District's financial activities for the year ended December 31, 2007, within the limitations of the District's modified cash basis of accounting. Please read it in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The net assets for the Governmental Activities increased by \$223,503.
- Governmental Activities revenue was \$1,600,361.
- Property taxes represented \$1,393,427 of the Governmental Activities revenue total or 87%.
- Expenses for the Governmental Activities were \$1,376,859.
- The District paid \$105,000 of principal on its outstanding bonds.

USING THIS ANNUAL 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's Discussion and Analysis and the General Fund Budgetary Comparison Schedule represent financial information required by 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 Cedar Hill Fire Protection District is fiscally responsible.

The primary government includes the following legal entity:

- Cedar Hill 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 permit fees finance most of these activities.

Reporting the District's Most Significant Funds

The Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, the District Officials establish certain other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental funds - All of the District's basic services are reported in the 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 fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine (through a review of changes to fund balance) 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 activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental fund in a reconciliation at the bottom of the fund financial statements. The District considers the General Fund to be its significant or major governmental fund.

Fiduciary fund - The District uses this fund to account for assets that are held in a trustee capacity such as pension plan assets, assets held per trust agreements and similar arrangements.

A FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Assets - Modified Cash Basis

The District's combined net assets, resulting from modified cash basis transactions, increased from approximately \$1,571,165 to \$1,794,668 between fiscal years 2007 and 2006.

	<u>Governmental Activities</u>		<u>Total</u>
	<u>2007</u>	<u>2006</u>	<u>Percentage Change</u>
			<u>2007 - 2006</u>
Current and other assets	\$ 639,555.	\$ 499,478.	28%
Capital assets	<u>1,725,918.</u>	<u>1,410,029.</u>	22%
Total assets	\$ <u>2,365,473.</u>	\$ <u>1,909,507.</u>	24%
Long-term debt outstanding	\$ 569,000.	\$ 335,000.	70%
Other liabilities	<u>1,805.</u>	<u>3,342.</u>	(46%)
Total liabilities	\$ <u>570,805.</u>	\$ <u>338,342.</u>	69%
Net assets			
Invested in capital assets, net of related debt	\$ 1,156,918.	\$ 1,075,029.	8%
Unrestricted	<u>637,750.</u>	<u>496,136.</u>	29%
Total net assets	\$ <u>1,794,668.</u>	\$ <u>1,571,165.</u>	14%

Net assets of the District's governmental activities increased 14% to \$1,794,668. However, \$1,156,918 of those net assets either is 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 only \$637,750 at the end of this year. Changes between 2007 and 2006 reflect a favorable increase of 29%.

Changes in Net Assets - Modified Cash Basis

For the year ended December 31, 2007, net assets of the primary government (resulting from modified cash basis transactions) changed as follows:

	<u>Governmental Activities</u>		<u>Total</u>
	<u>2007</u>	<u>2006</u>	<u>Percentage Change</u>
			<u>2007 - 2006</u>
<u>Revenues</u>			
Program revenues			
Permits	\$ 32,939.	\$ 12,794.	157%
Grants	103,969.	42,157.	147%
General revenues			
Taxes	1,393,427.	1,330,052.	5%
Interest revenue	40,402.	30,420.	33%
Miscellaneous revenue	764.	1,967.	(60%)
Sale of assets	20,860.	0.	-
Donations	<u>8,000.</u>	<u>0.</u>	-
Total revenues	<u>\$ 1,600,361.</u>	<u>\$ 1,417,390.</u>	13%
<u>Expenses</u>			
Public safety - fire protection:			
Personal services - wages and fringe benefits	\$ 908,651.	\$ 889,283.	2%
Materials, supplies & maintenance	83,080.	72,912.	14%
Depreciation	201,843.	205,098.	(2%)
Interest	12,275.	9,775.	26%
Insurance	78,891.	83,299.	(5%)
Communications - dispatching, telephone and paging	38,771.	40,537.	(4%)
General and administrative	<u>53,347.</u>	<u>48,424.</u>	10%
Total expenses	<u>\$ 1,376,858.</u>	<u>\$ 1,349,328.</u>	2%
Change in net assets	<u>\$ 223,503.</u>	<u>\$ 68,062.</u>	228%

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, 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, 2007, total expenses for governmental activities, resulting from modified cash basis transactions, amounted to \$1,376,859. Of these total expenses, taxpayers and other general revenues funded \$1,239,951, while those directly benefiting from the program funded \$103,969 from grants and other contributions and \$32,939 from charges for services.

Net Cost of Cedar Hill 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>2007</u>	<u>2006</u>	<u>Change</u>	<u>2007</u>	<u>2006</u>	<u>Change</u>
			<u>2007 - 2006</u>			<u>2007 - 2006</u>
General government -						
Public safety	\$ 1,376,859.	\$ 1,349,328.	2%	\$ 1,239,951.	\$ 1,294,377.	(4%)

A FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

- On the modified cash basis of accounting, the General Fund reported revenues of \$1,751,717 and expenditures and net transfers of \$1,615,867, resulting in an increase in fund balance of \$135,850.

General Fund Budgetary Highlights

Over the course of the year, the Board officials 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, 2007, General Fund expenditures were \$59,840 below final appropriations, while actual resources available for appropriation were \$426,905 above the final budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - Modified Cash Basis

At December 31, 2007, the District had \$1,725,918 invested in capital assets, net of depreciation, including buildings, equipment and vehicles. This represents a net increase of \$315,889, or 22%, below 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, 2007</u>	<u>December 31, 2006</u>
Land	\$ 476,571.	\$ 112,424.
Buildings	667,263.	644,535.
Vehicles	248,074.	366,176.
Equipment	334,010.	286,894.
TOTALS	\$ 1,725,918.	\$ 1,410,029.

This year's more significant capital asset additions included:

Generator	\$	50,591.
Land for new House #1	\$	364,147.

Long-Term Debt - Modified Cash Basis

At December 31, 2007, the District had \$569,000 in long-term debt arising from modified cash basis transactions, which is related to governmental-type activities, compared to \$335,000 in long-term debt at December 31, 2006. This represents an increase of 70%. The District's long-term debt is comprised of a long-term bond obligation for the building and equipment.

Primary Government Long-Term Debt - Modified Cash Basis

	<u>Balance at December 31, 2007</u>	<u>Balance at December 31, 2006</u>
Refunding Fire Protection Bond	\$ 230,000.	\$ 335,000.
Lease purchase obligation	<u>339,000.</u>	<u>0.</u>
	<u>\$ 569,000.</u>	<u>\$ 335,000.</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

For the year ending December 31, 2008, the District's budget is fairly consistent with the December 31, 2007 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions concerning this report or need additional information, contact Fire Chief Terry Soer at 6766 Cedar Hill Rd., Cedar Hill, Missouri.

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
 - Fiduciary fund

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.

CEDAR HILL FIRE PROTECTION DISTRICT

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2007**

EXPENSES

Public safety - fire protection:	
Personal services - wages and fringe benefits	\$ 908,650.81
Materials, supplies and maintenance	83,080.04
Depreciation	201,843.81
Interest	12,275.28
Insurance	78,891.27
Communications - dispatching, telephone and paging	38,771.19
General and administrative	<u>53,346.68</u>
	TOTAL PROGRAM EXPENSES
	\$ <u>1,376,859.08</u>

PROGRAM REVENUES

Charges for services	\$ 32,939.17
Grant revenue	<u>103,969.00</u>
	TOTAL PROGRAM REVENUE
	\$ <u>136,908.17</u>
	NET PROGRAM EXPENSE
	\$ <u>1,239,950.91</u>

GENERAL REVENUES

Property taxes	\$ 1,393,427.00
Interest earned	40,402.02
Miscellaneous	764.50
Sale of assets	20,860.00
Donations	<u>8,000.00</u>
	TOTAL GENERAL REVENUES
	\$ <u>1,463,453.52</u>

INCREASE (DECREASE) IN NET ASSETS \$ 223,502.61

NET ASSETS - Beginning of period 1,571,165.22

NET ASSETS - End of period \$ 1,794,667.83

See accompanying notes to the basic financial statements.

CEDAR HILL FIRE PROTECTION DISTRICT

**BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2007**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and investments	\$ 479,478.37	\$ 28,549.24	\$ 131,527.04	\$ 639,554.65
TOTAL ASSETS	<u>\$ 479,478.37</u>	<u>\$ 28,549.24</u>	<u>\$ 131,527.04</u>	<u>\$ 639,554.65</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Payroll withholdings	\$ 1,805.00	\$ 0.00	\$ 0.00	\$ 1,805.00
TOTAL LIABILITIES	<u>\$ 1,805.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 1,805.00</u>
Fund Balance:				
Fund Balance - unreserved	\$ 477,673.37	\$ 28,549.24	\$ 131,527.04	\$ 637,749.65
TOTAL FUND BALANCES	<u>\$ 477,673.37</u>	<u>\$ 28,549.24</u>	<u>\$ 131,527.04</u>	<u>\$ 637,749.65</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 479,478.37</u>	<u>\$ 28,549.24</u>	<u>\$ 131,527.04</u>	

**RECONCILIATION TO STATEMENT
OF NET ASSETS**

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

Capital assets used in governmental activities of \$4,181,977.98 are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$2,456,059.80.

1,725,918.18

Long-term liabilities of \$569,000.00 are not due and payable in the current period and are not reported in the funds.

(569,000.00)

NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 1,794,667.83

See accompanying notes to the basic financial statements.

CEDAR HILL FIRE PROTECTION DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2007**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>				
Taxes, penalties and interest (less fees)	\$ 1,212,217.80	\$ 69,034.44	\$ 112,174.76	\$ 1,393,427.00
Permit and fees	32,939.17			32,939.17
Interest revenue	33,966.91	1,306.67	5,128.44	40,402.02
Capital lease proceeds	339,000.00			339,000.00
Grant revenue	103,969.00			103,969.00
Sale of assets	20,860.00			20,860.00
Donations	8,000.00			8,000.00
Miscellaneous	<u>764.50</u>			<u>764.50</u>
TOTAL REVENUES	<u>\$ 1,751,717.38</u>	<u>\$ 70,341.11</u>	<u>\$ 117,303.20</u>	<u>\$ 1,939,361.69</u>
<u>EXPENDITURES</u>				
Current:				
General and administration	\$ 1,093,481.39	\$ 69,258.60		\$ 1,162,739.99
Capital outlay:				
Current expenditures	517,732.79			517,732.79
Debt Service:				
Principal retirement	0.00		105,000.00	105,000.00
Interest and fees	<u>4,652.78</u>		<u>7,622.50</u>	<u>12,275.28</u>
TOTAL EXPENDITURES	<u>\$ 1,615,866.96</u>	<u>\$ 69,258.60</u>	<u>\$ 112,622.50</u>	<u>\$ 1,797,748.06</u>
<u>NET CHANGE IN FUND BALANCES</u>	\$ 135,850.42	\$ 1,082.51	\$ 4,680.70	\$ 141,613.63
<u>FUND BALANCES - Beginning of year</u>	<u>341,822.95</u>	<u>27,466.73</u>	<u>126,846.34</u>	<u>496,136.02</u>
<u>FUND BALANCES - End of year</u>	<u>\$ 477,673.37</u>	<u>\$ 28,549.24</u>	<u>\$ 131,527.04</u>	<u>\$ 637,749.65</u>

See accompanying notes to the basic financial statements.

CEDAR HILL FIRE PROTECTION DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2007**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 141,613.63

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	517,732.79
Depreciation expense	(201,843.81)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	105,000.00
--	------------

Proceeds from capital lease obligations are revenue in the governmental funds, but the proceeds are a long-term liability in the statement of net assets.	<u>(339,000.00)</u>
---	---------------------

CHANGES IN NET ASSETS OF GOVERNMENTAL FUNDS \$ 223,502.61

See accompanying notes to the basic financial statements.

CEDAR HILL FIRE PROTECTION DISTRICT

**STATEMENT OF FIDUCIARY NET ASSETS - MODIFIED CASH BASIS
FIDUCIARY FUND
DECEMBER 31, 2007**

ASSETS

Cash	\$	0.00
Investments, at fair value:		
Volunteer pension plan - annuities		88,861.58
U. S. Government obligations		58,335.66
Corporate bonds		112,576.87
Corporate stocks		928,285.65
Other investments		<u>25,496.43</u>
	TOTAL ASSETS	\$ <u>1,213,556.19</u>

LIABILITIES

	\$ <u>0.00</u>
TOTAL LIABILITIES	\$ <u>0.00</u>

NET ASSETS

Held in trust for pension benefits and other purposes	\$ <u>1,213,556.19</u>
TOTAL NET ASSETS	\$ <u>1,213,556.19</u>

See accompanying notes to the basic financial statements.

CEDAR HILL FIRE PROTECTION DISTRICT

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - MODIFIED CASH BASIS
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2007**

ADDITIONS

Contributions:		
Employer		\$ 78,157.28
Plan members		<u>23,823.50</u>
	TOTAL CONTRIBUTIONS	\$ <u>101,980.78</u>
Investments earnings:		
Net increase (decrease) in fair market value of investments		\$ <u>71,846.64</u>
	TOTAL INVESTMENT EARNINGS	\$ 71,846.64
Less investment expense		<u>0.00</u>
	NET INVESTMENT EARNINGS	\$ <u>71,846.64</u>
	TOTAL ADDITIONS	\$ <u>173,827.42</u>

DEDUCTIONS

Benefits		\$ 5,235.00
Administrative expenses		<u>0.00</u>
	TOTAL DEDUCTIONS	\$ <u>5,235.00</u>

<u>CHANGE IN NET ASSETS</u>		\$ 168,592.42
<u>NET ASSETS - Beginning of year</u>		<u>1,044,963.77</u>
<u>NET ASSETS - End of year</u>		\$ <u>1,213,556.19</u>

See accompanying notes to the basic financial statements.

NOTES TO FINANCIAL STATEMENTS

CEDAR HILL FIRE PROTECTION DISTRICT

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

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:	Cedar Hill 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.

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 constitutes 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.

Special Revenue Fund

Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Pension Fund is accounted for as a special revenue fund.

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.

Fiduciary Fund Type

Pension Trust Fund

This fund was established to provide pension benefits for District employees. The principal revenue source for this fund is a tax levy.

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 limitation 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 or short-term investments with an original maturity of three months or less.

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 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 \$500 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

- Buildings	10 - 40 years
- Equipment	3 - 40 years
- Vehicles	5 - 40 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 transactions to be repaid from governmental resources are reported as liabilities in the government-wide statements.

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. Employees must use accrued vacation leave. If not used during the year, the vacation time will be lost. Employees are paid 100% of their accumulated vacation pay when they terminate their employment for any reason. Accumulated sick leave is not paid upon termination of employment.

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 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 15 and payable by December 31. Taxes paid after December 31 are subject to penalties. Jefferson County bills, collects and remits the 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:

General Government

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.

Operating Revenue and Expenses

Operating revenue and expenses include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

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.

H. Post - Employment Health Care Benefits

The District provides health care benefits to eligible former employees and eligible dependents as required by Missouri Statute. The premium is paid in full by the insured to the District. 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, 2007.

2. CASH AND INVESTMENTS

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	\$ 200,000.00
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	518,884.02
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>\$ 718,884.02</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, 2007, \$0.00 of the District's bank balance of \$718,884.02 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, 2007 was as follows:

<u>Governmental Activities:</u>	<u>Balance Jan. 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2007</u>
Land	\$ 112,423.50	\$ 364,147.42	\$ 0.00	\$ 476,570.92
Buildings	1,071,118.51	50,591.00	0.00	1,121,709.51
Vehicles	1,574,170.03	750.00	103,991.00	1,470,929.03
Equipment	<u>1,010,524.15</u>	<u>102,244.37</u>	<u>0.00</u>	<u>1,112,768.52</u>
Totals at historical cost	<u>\$ 3,768,236.19</u>	<u>\$ 517,732.79</u>	<u>\$ 103,991.00</u>	<u>\$ 4,181,977.98</u>
Less accumulated depreciation:				
Buildings	\$ 426,583.35	\$ 27,863.41	\$ 0.00	\$ 454,446.76
Vehicles	1,207,993.69	118,851.97	103,991.00	1,222,854.66
Equipment	<u>723,629.95</u>	<u>55,128.43</u>	<u>0.00</u>	<u>778,758.38</u>
Total accumulated depreciation	<u>\$ 2,358,206.99</u>	<u>\$ 201,843.81</u>	<u>\$ 103,991.00</u>	<u>\$ 2,456,059.80</u>
Governmental activities capital assets, net	<u>\$ 1,410,029.20</u>	<u>\$ 315,888.98</u>	<u>\$ 0.00</u>	<u>\$ 1,725,918.18</u>

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

Depreciation expense totaled \$201,843.81 for the year ended December 31, 2007.

4. LONG-TERM DEBT

Governmental Activities

As of December 31, 2007, the long-term debt, arising from cash transactions consisted of the following:

• Refunding Fire Protection Bonds, Series 2003, payable in semi-annual installments, with the final payment due March 1, 2009. (payable from Debt Service Fund)	\$ 230,000.00
• Lease purchase agreement – U.S. Bank, payable in semi-annual installments, with the final payment due March 1, 2018. (payable from General Fund)	<u>339,000.00</u>
Total	<u>\$ 569,000.00</u>

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2007:

<u>Type of Debt</u>	<u>Balance January 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2007</u>	<u>Amount Due Within One Year</u>
Governmental-Type Activities:					
Fire Protection Bond Payable	\$ 335,000.00	\$ 0.00	\$ 105,000.00	\$ 230,000.00	\$ 110,000.00
Lease purchase obligation – Land	<u>0.00</u>	<u>339,000.00</u>	<u>0.00</u>	<u>339,000.00</u>	<u>13,227.77</u>
Total Governmental-Type Activities	<u>\$ 335,000.00</u>	<u>\$ 339,000.00</u>	<u>\$ 105,000.00</u>	<u>\$ 569,000.00</u>	<u>\$ 123,227.77</u>

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, for long-term debt, except for refundable deposits, as of December 31, 2007, are as follows:

A. General Obligations Bonds

On February 18, 2003, the Board of Directors of the Cedar Hill Fire Protection District adopted a resolution calling for redemption on April 1, 2003, of all of the outstanding Fire Protection Bonds of the District issued under the date of December 1, 1994. Then, on March 25, 2003, the District issued \$610,000 of Refunding Fire Protection Bonds for the redemption value of the outstanding 1994 bond issue. Debt service on the fire protection bonds is payable from an annual tax levy and is reflected in the debt Service Fund.

The payment schedule is as follows:

General Obligation Refunding Bonds - Series 2003

Dated – March 1, 2003

Original amount of issue - \$610,000.00

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

Bond paying agent – Bank of New York

<u>Payment Date</u>	<u>Total Payments</u>	<u>Principal</u>	<u>Interest</u>	<u>Purchase Price Balance</u>
03/01/2008	\$ 113,085.00	\$ 110,000.00	\$ 3,085.00	\$ 120,000.00
09/01/2008	1,710.00	0.00	1,710.00	
03/01/2009	<u>121,710.00</u>	<u>120,000.00</u>	<u>1,710.00</u>	0.00
	<u>\$ 236,505.00</u>	<u>\$ 230,000.00</u>	<u>\$ 6,505.00</u>	

B. Capitalized Lease Obligation

On May 31, 2007, the District entered into a lease purchase agreement with U.S. Bank for the purchase of land for a new House #1, at an interest rate of 5.49%.

The payment schedule is as follows:

<u>Lease Date</u>	<u>Lease Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Purchase Price Balance</u>
05/31/2007	\$	\$	\$	\$ 339,000.00
09/01/2007	4,704.47		4,704.47	
03/01/2008	22,533.32	13,227.77	9,305.55	325,772.23
09/01/2008	8,942.45		8,942.45	
03/01/2009	18,295.34	9,352.89	8,942.45	316,419.34
09/01/2009	8,685.71		8,685.71	
03/01/2010	18,552.08	9,866.37	8,685.71	306,552.97
09/01/2010	8,414.88		8,414.88	
03/01/2011	18,822.91	10,408.03	8,414.88	296,144.94
09/01/2011	8,129.18		8,129.18	
03/01/2012	19,108.61	10,979.43	8,129.18	285,165.51
09/01/2012	7,827.79		7,827.79	
03/01/2013	19,409.99	11,582.20	7,827.79	273,583.31
09/01/2013	7,509.86		7,509.86	
03/01/2014	19,727.93	12,218.07	7,509.86	261,365.24
09/01/2014	7,174.48		7,174.48	
03/01/2015	20,063.32	12,888.84	7,174.48	248,476.40
09/01/2015	6,820.68		6,820.68	
03/01/2016	20,417.11	13,596.43	6,820.68	234,879.97
09/01/2016	6,447.46		6,447.46	
03/01/2017	20,790.34	14,342.88	6,447.46	220,537.09
09/01/2017	6,053.74		6,053.74	
03/01/2018	<u>226,590.83</u>	<u>220,537.09</u>	<u>6,053.74</u>	
	<u>\$ 505,022.48</u>	<u>\$ 339,000.00</u>	<u>\$ 166,022.48</u>	

5. PENSION PLANS

A. DEFINED CONTRIBUTION

The District has a pension plan, which covers all employees who meet the plan's eligibility requirements. The District's covered payroll for 2007 was \$583,467.54 as compared to total payroll for all employees of \$594,888.04. All employees who are full-time and have completed six months of entry service are eligible to participate in the plan. Participants vest in the plan in 20% increments and are fully vested after 5 years. District contributions to the plan for the year ended December 31, 2007 totaled \$58,346.78. The District contributes 10% of the eligible participants' compensation to the plan. Employees may contribute a portion of their salary.

B. DEFINED BENEFIT PLAN

(a) Plan Description

Substantially all volunteers are covered by the Length of Service Awards Program for the Cedar Hill Fire Protection District. The plan administrator is the District's Board of Directors.

As of December 1, 2007, volunteer membership data related to the pension plan was not available.

The December 1, 2006 is as follows:

Participants currently receiving benefits:	1
Active participants:	
Vested	15
Non-vested	6
Terminated participants:	
Vested	<u>1</u>
Total	<u>23</u>

The pension plan provides pension benefits. A member may be entitled to benefits after reaching the age of 65. Benefits vest after 5 years of service.

FORMULA FOR MONTHLY BENEFIT PAID AT ENTITLEMENT AGE

- (a) \$15.00 multiplied by Years of Service completed before the Effective Date of the Plan. For members who were age 40 or over at the plan's inception, such past Years of Service shall not exceed 10 Years of Service. For all other members such past Years of Service shall not exceed 5 Years of Service.
- (b) \$15.00 multiplied by Years of Service completed after the Effective Date of the Plan, with such future Years of Service not to exceed 30 years.
- (c) Total Years of Service not to exceed 30 years.
- (d) \$450.00 is the maximum monthly benefit that may be earned.

The District makes annual contributions to the pension plan. The amount of contributions is actuarially determined by using the modified aggregate actuarial cost method, and the UP84 mortality table.

For the year ended December 31, 2007, the District's contribution for volunteers was \$19,810.50.

The plan assets are invested in life insurance and annuities by the Hartford Life Insurance Company. There are no investments in, loans to, or leases with parties related to the pension plan.

Trend Information

<u>Year</u>	<u>Required Contribution</u>	<u>Actual Contribution</u>
2003	\$ 34,584.00	\$ 34,584.00
2004	\$ 22,191.70	\$ 22,191.70
2005	\$ 20,235.80	\$ 20,235.80
2006	\$ 19,378.00	\$ 19,810.50
2007	not available	

6. 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.

7. ASSESSED VALUATION AND TAX LEVY

	<u>2 0 0 7</u>	<u>2 0 0 6</u>
Aggregate Assessed Valuation	\$ 153,787,837.00	\$ 140,605,355.00
	Tax Levy Per \$100.00 of Assessed Valuation	Tax Levy Per \$100.00 of Assessed Valuation
General Fund	.8056	\$.8498
Special Revenue Fund	.0459	.0484
Debt Service Fund	.0736	.0785
	\$.9251	\$.9767
Total taxes assessed	\$ 1,422,691.28	\$ 1,373,292.50
Less - 1.6% collection fee	(22,763.06)	(21,972.68)
	\$ 1,399,928.22	\$ 1,351,319.82
Tax collections (including delinquent taxes)	\$ 0.00	\$ 1,393,427.00

The receipts of current and delinquent property taxes during the year ended December 31, 2007 aggregated approximately 0.00% of the 2007 assessed taxes and 103.1% of the 2006 assessed taxes.

8. DISTRICT OFFICIALS

Board Chairman	Delbert Viehland
Director/Vice Chairman	Mark Carley
Director/Treasurer	Gary W. Hahn, Sr.
Fire Chief	Terry Soer
Fire Marshal	Gary Kilb

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 Fund
- Budgetary Comparison Schedule - Modified Cash Basis - Debt Service Fund
- Notes to RSI - Budgetary Comparison Schedule

CEDAR HILL FIRE PROTECTION DISTRICT

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<u>BEGINNING BUDGETARY FUND BALANCE</u>	\$ 341,822.95	\$ 341,822.95	\$ 341,822.95
<u>RESOURCES (inflows):</u>			
Taxes, penalties & interest	1,171,679.00	1,171,679.00	1,159,090.94
Delinquent taxes	0.00	0.00	53,126.86
Permits & fees	30,000.00	30,000.00	32,939.17
Interest revenue	12,000.00	12,000.00	33,966.91
Miscellaneous revenue	2,000.00	2,000.00	764.50
Grant revenue	0.00	109,133.00	103,969.00
Capital lease proceeds	0.00	0.00	339,000.00
Donations	0.00	0.00	8,000.00
Sale of assets	<u>0.00</u>	<u>0.00</u>	<u>20,860.00</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	\$ <u>1,557,501.95</u>	\$ <u>1,666,634.95</u>	\$ <u>2,093,540.33</u>
<u>CHARGES TO APPROPRIATIONS (outflows):</u>			
Current:			
Accounting	\$ 5,280.00	\$ 5,520.00	\$ 5,725.00
Legal	5,000.00	8,000.00	7,806.36
Gas, oil and diesel	23,000.00	23,000.00	17,573.20
Auto reimbursement	400.00	400.00	368.10
Truck repairs	41,500.00	43,936.00	18,613.80
Building maintenance #1 house	7,675.00	7,675.00	6,540.14
Building maintenance #2 house	3,675.00	3,675.00	1,705.70
Building maintenance #3 house	14,975.00	14,975.00	1,769.25
Directors fees	7,200.00	7,200.00	6,900.00
Election & legal notice	500.00	500.00	673.07
Firefighter health & safety	1,970.00	1,970.00	1,156.50
Dispatching	27,717.00	27,717.00	27,717.00
Radio repair	5,803.00	5,803.00	4,905.01
Membership dues & fees	1,600.00	1,600.00	2,718.76
Volunteer pension expense	28,000.00	28,000.00	19,810.50
Equipment maintenance	11,972.00	11,972.00	13,089.30
Housekeeping expense	750.00	750.00	10.00
Insurance - Workers Compensation	53,000.00	53,000.00	38,831.79
Insurance - Hospital and dental	150,350.00	150,350.00	149,646.82
Insurance - Volunteer accident	6,357.00	6,357.00	6,356.00
Insurance - Building & equipment	25,458.00	25,458.00	24,835.00
Salary	597,404.00	597,404.00	579,073.71
Utilities	18,600.00	18,600.00	17,701.01
Firefighting supplies	2,520.00	2,520.00	2,059.18
Maps, code books and manuals	2,500.00	2,500.00	722.16
Miscellaneous	1,200.00	1,200.00	127.37

See accompanying notes to the Budgetary Comparison Schedule.

CEDAR HILL FIRE PROTECTION DISTRICT

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<u>CHARGES TO APPROPRIATIONS (outflows (cont.):</u>			
Office supplies & postage	\$ 9,350.00	\$ 9,350.00	\$ 8,215.26
Bank charges	50.00	275.00	40.73
Payroll taxes	51,534.00	51,534.00	48,395.61
Janitor & cleaning supplies	3,400.00	3,400.00	2,974.83
Telephone	5,960.00	5,960.00	5,738.88
Training, school & seminars	21,200.00	21,200.00	7,780.23
Uniforms & accessories	14,677.00	14,677.00	11,995.39
Volunteer fees	19,000.00	19,000.00	18,972.22
Firefighter expense allowance	6,789.00	6,789.00	6,391.51
Fire prevention	11,050.00	11,050.00	7,205.52
Firefighting equipment supplies	1,542.00	1,542.00	3,223.79
Garage supplies	1,650.00	1,650.00	1,900.65
Computer equipment supplies	3,280.00	3,280.00	2,323.68
Pager expense	6,000.00	6,000.00	5,315.31
Contract labor	0.00	0.00	6,573.05
	<u>\$ 1,199,888.00</u>	<u>\$ 1,205,789.00</u>	<u>\$ 1,093,481.39</u>
Capital outlay:			
Firefighting equipment	\$ 10,047.00	\$ 10,047.00	\$ 26,142.00
Garage equipment	4,600.00	4,600.00	1,963.19
Computer equipment	3,900.00	8,990.00	1,290.18
Office equipment & furniture	3,100.00	3,100.00	2,199.00
Protective equipment	17,175.00	17,175.00	11,080.00
Reserve for Pumper & equipment replacement	181,258.00	181,258.00	0.00
Reserve for land and building	96,137.00	96,137.00	364,147.42
Firehouse improvements	28,735.00	76,735.00	50,591.00
Radio equipment	5,000.00	71,876.00	60,320.00
	<u>\$ 349,952.00</u>	<u>\$ 469,918.00</u>	<u>\$ 517,732.79</u>
Debt Service:			
Lease payments – Principal	\$ 0.00	\$ 0.00	\$ 0.00
Interest and fees	0.00	0.00	4,652.78
	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 4,652.78</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>\$ 1,549,840.00</u>	<u>\$ 1,675,707.00</u>	<u>\$ 1,615,866.96</u>
<u>ENDING BUDGETARY FUND BALANCE</u>	<u>\$ 7,661.95</u>	<u>\$ (9,072.05)</u>	<u>\$ 477,673.37</u>

See accompanying notes to the Budgetary Comparison Schedule.

CEDAR HILL FIRE PROTECTION DISTRICT

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>	
	<u>Original and Final</u>	<u>Actual Amounts</u>
<u>BEGINNING BUDGETARY FUND BALANCE</u>	\$ 27,466.73	\$ 27,466.73
<u>RESOURCES (inflows):</u>		
Taxes, penalties & interest	66,732.00	65,785.68
Delinquent taxes	0.00	3,248.76
Interest revenue	<u>1,000.00</u>	<u>1,306.67</u>
 AMOUNTS AVAILABLE FOR APPROPRIATION	 <u>\$ 95,198.73</u>	 <u>\$ 97,807.84</u>
<u>CHARGES TO APPROPRIATIONS (outflows):</u>		
Current:		
Pension expense	\$ 59,740.00	\$ 58,346.78
Contract charges	1,800.00	2,035.99
Pension reserve	31,194.00	0.00
Insurance disability	0.00	8,868.48
Office expense	<u>0.00</u>	<u>7.35</u>
 TOTAL CHARGES TO APPROPRIATIONS	 <u>\$ 92,734.00</u>	 <u>\$ 69,258.60</u>
 <u>ENDING BUDGETARY FUND BALANCE</u>	 <u>\$ 2,464.73</u>	 <u>\$ 28,549.24</u>

See accompanying notes to the Budgetary Comparison Schedule.

CEDAR HILL FIRE PROTECTION DISTRICT
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>	
	<u>Original and Final</u>	<u>Actual Amounts</u>
<u>BEGINNING BUDGETARY FUND BALANCE</u>	\$ 126,846.34	\$ 126,846.34
<u>RESOURCES COLLECTED (inflows):</u>		
Taxes, penalties & interest	109,993.00	107,775.33
Delinquent taxes	0.00	4,399.43
Interest revenue	<u>3,000.00</u>	<u>5,128.44</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>\$ 239,839.34</u>	<u>\$ 244,149.54</u>
<u>CHARGES TO APPROPRIATIONS (outflows):</u>		
Current:		
Reserve	\$ 117,149.00	\$ 0.00
Collection and delinquent Legal	5,000.00	0.00
Debt Service:		
Principal retirement	105,000.00	105,000.00
Interest and fees	<u>7,273.00</u>	<u>7,622.50</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>\$ 234,422.00</u>	<u>\$ 112,622.50</u>
<u>ENDING BUDGETARY FUND BALANCE</u>	<u>\$ 5,417.34</u>	<u>\$ 131,527.04</u>

See accompanying notes to the Budgetary Comparison Schedule.

CEDAR HILL FIRE PROTECTION DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2007

Budgets and Budgetary Practices

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

- a. Prior to December 1, the Board of Directors prepares a proposed operating budget for the upcoming 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 December 31, the budget for the upcoming year is adopted by the Board of Directors.
- d. Budgets are 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. Prior to year-end, the Board of Directors adopts an amended budget approving any additional expenditures, if necessary.
- g. All annual appropriations lapse at fiscal year-end.

All transfers of appropriations between departments and supplemental appropriations require Board Official approval. Supplemental appropriations must also be approved by the Board Officials.

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.