



Susan Montee, CPA
Missouri State Auditor

November 2007

St. Louis County
Fire Protection Districts

Years Ended
December 31, 2006 and 2005



Office of
Missouri State Auditor
Susan Montee, CPA

November 2007

A review of audits of fire protections districts in St. Louis County has been completed. This review covered the reports for the years ended December 31, 2006 and 2005.

Fire protection districts in St. Louis County are required by law to have biennial audits performed if revenues exceed \$50,000. The State Auditor received, reviewed and accepted 21 reports for the year ended December 31, 2006, and 22 reports for the year ended December 31, 2005. Only two of the 21 reports for the year ended December 31, 2006 and four of the 22 reports for the year ended December 31, 2005 were received after the June 30 statutory filing deadline.

The Kinloch Fire Protection District failed to comply with state law and did not have an audit performed or file annual reports. Based on bank records provided by the district, total receipts were \$103,000 for the year ended December 31, 2006. No information was provided for the year ended December 31, 2005.

The Normandy Fire Protection District did not submit an annual report for the year ended December 31, 2006 and has indicated that in April 2007, the board voted to change its fiscal year end to June 30.

In 2006, 16 of 21 districts had increases in their General Fund balances; and the aggregate General Fund balance of all districts increased by 11.1 percent. In previous reviews, it was noted that several districts had large General Fund balances in relation to expenditures. For 2006, the ratio of unreserved, undesignated fund balance to expenditures increased for 11 of the 21 fire districts. Although many districts reserved a portion of their General Fund balance for capital improvements and future years' operations, five still had unreserved fund balances greater than one year's cost of operations. As noted in prior reports, the districts should annually re-evaluate the propriety of their tax levies to ensure that excess revenues are not being received and accumulated.

Six districts that have total General fund balance to expenditures ratios greater than one also have Capital Projects Funds with balances of over \$1 million for the year ended December 31, 2006.

Based on the pension plan notes in the audit reports, eight of the 11 districts with defined benefit plans do not have enough estimated actuarial assets to cover the estimated actuarial liability (pension benefits) in their Pension Fund, resulting in an unfunded liability.

(over)

YELLOW SHEET

Fifteen districts have outstanding bond debt at December 31, 2006. Four of these districts issued general obligation bonds totaling over \$7.5 million in 2006 and 2005. In addition to the outstanding bond debt, two districts have outstanding certificates of participation (COPS).

Also included in the report are over 60 specific recommendations made by independent auditors to improve the overall management of the fire districts. These recommendations included concerns regarding expenditure procedures, various accounting records and procedures, investments, capital assets, pledged securities, budgets, payroll and employee benefits. Of the 63 recommendations made during the 2005 audits, 22 were repeated in the 2006 reports.

All reports are available on our Web site: www.auditor.mo.gov

REVIEW OF INDEPENDENT AUDITS OF FIRE PROTECTION
DISTRICTS IN ST. LOUIS COUNTY

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DISTRICTS IN ST. LOUIS COUNTY

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STATE AUDITOR'S REPORTS



SUSAN MONTEE, CPA
Missouri State Auditor

Honorable Matt Blunt, Governor
and
Members of the General Assembly
and
Boards of Directors of Fire Protection
Districts in St. Louis County

Fire protection districts in St. Louis County are required by Section 321.690, RSMo, to be audited. We have conducted a review of these independent audits of the fire protection districts in St. Louis County. The objectives of this review were to:

1. Evaluate the impact of, and the districts' compliance with, statutory audit requirements and the State Auditor's regulations on the effectiveness of financial reporting and auditing for fire protection districts in St. Louis County.
2. Notify the various fire protection districts and independent auditors of any specifically identifiable reporting deficiencies that should be considered and corrected in future audit reports.
3. Summarize and evaluate the financial data presented for the various fire districts and any comments for improvements made by the independent auditors.

Our review was limited to the specific matters described above and was based on selective procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report. The work for this review was substantially completed by October 2007.

The State Auditor's office has reviewed fire protection districts' audit reports for several years and noted many improvements. It appears that the fire protection districts, on the whole, are working to improve the quality of their financial reporting. The format of this report includes an executive summary and a scope and methodology section describing what work was performed. The previous report included information obtained from the fire districts and cities in St. Louis County comparing salaries and pay levels, numbers of employees, and numbers and types of vehicles. It also included a schedule of budgetary compliance based on information provided by the districts. Such information was not obtained and included in this report. We solicit from the readers of this report any suggestions for changes or requests for other new information that may benefit those involved with the St. Louis County fire protection districts.

Sincerely,



Susan Montee, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits: Thomas J. Kremer, CPA
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EXECUTIVE SUMMARY

REVIEW OF INDEPENDENT AUDITS OF FIRE PROTECTION
DISTRICTS IN ST. LOUIS COUNTY
EXECUTIVE SUMMARY

Section 321.690, RSMo, requires all fire protection districts with revenues in excess of \$50,000 annually to cause an audit to be performed on a biennial basis. For those districts with annual revenues of less than \$50,000, the State Auditor may exempt the district from the audit requirement, if the appropriate reports are filed.

The Kinloch Fire Protection District failed to comply with state law and did not have an audit performed or file annual reports documenting that annual revenues were less than \$50,000. Based on bank records obtained from the district, approximately \$103,000 was received for the year ended December 31, 2006. No information was provided for the year ended December 31, 2005.

The Normandy Fire Protection District did not submit an annual report to the State Auditor's Office for the year ended December 31, 2006. An audit report was submitted for the year ended December 31, 2005, and the district indicated a biennial report would be filed by June 30, 2008. However, the district also indicated their fiscal year had been changed to June 30, and thus to comply with Section 321.690, RSMo, a report for the 18 months ended June 30, 2007, rather than the two years ended June 30, 2008, is required.

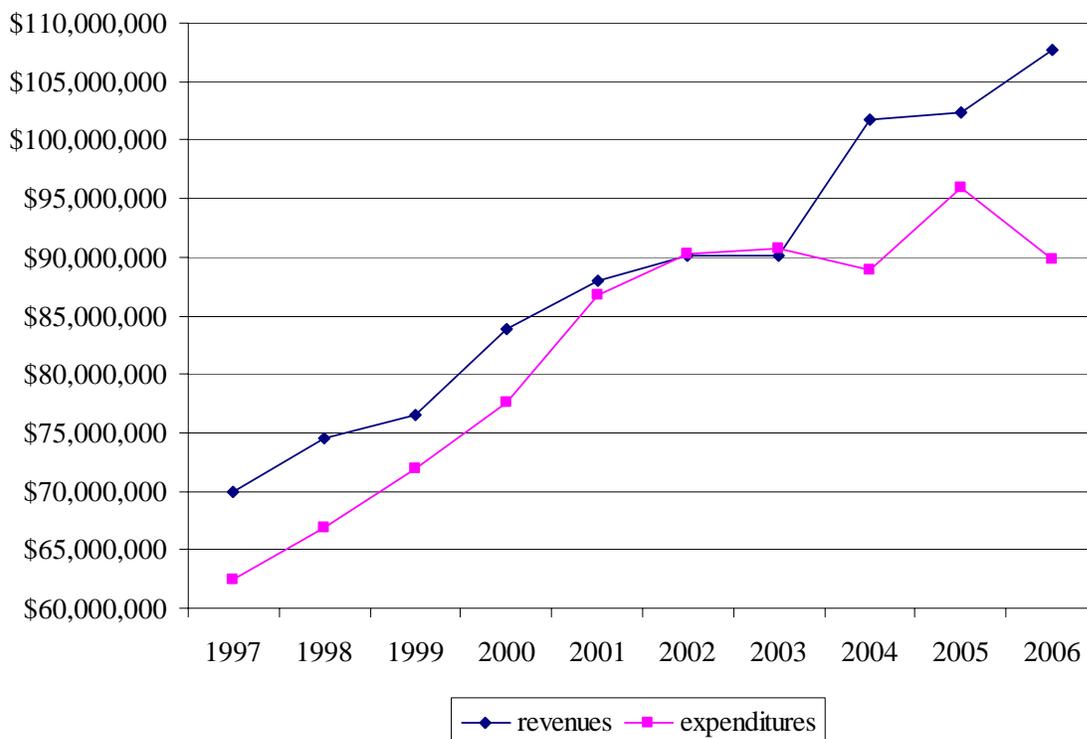
For those districts for which an audit is required, the district must file a copy of the completed audit report and management letter with the State Auditor within six months after the close of the fiscal year. The audit reports and management letters are reviewed to determine that they are prepared according to guidelines contained within the Code of State Regulations (CSR) (Section 15 CSR 40-4). Any weaknesses noted during the review are communicated to the districts by letter. Should the weaknesses be of a serious enough nature to require the report to be amended, the district is granted a ninety-day period from the date of notification by the State Auditor to correct the report. The State Auditor accepted all 21 reports received for the year ended December 31, 2006 and all 22 reports received for the year ended December 31, 2005. However, instances of noncompliance including the lack of follow up to previous recommendations and the lack of complete and adequate footnote disclosures were still noted. These problems were communicated to the applicable fire protection district auditors. In addition, 14 districts did not submit copies of engagement letters to the State Auditor as required by 15 CSR 40-4.010.

The timeliness of reporting has improved for the last two years. Only two of 21 reports for the year ended December 31, 2006, and four of 22 reports for the year ended December 31, 2005, were received after the respective statutory deadline. The following table shows the districts that failed to meet the statutory deadline each year.

<u>District</u>	<u>2006 Report Received</u>	<u>2005 Report Received</u>
Maryland Heights	July 9, 2007	September 11, 2006
Metro North	September 7, 2007	October 10, 2006
Normandy		September 11, 2006
Spanish Lake		July 17, 2006

While not only required by statute, timely audits also provide information to the board and district taxpayers on the financial status of the district and ways to improve the management of the district. Fire district board members should ensure that audits are completed by the statutory deadline.

In 2006, 16 of 21 districts had increases in their General Fund balances, and the aggregate General Fund balances of all districts increased by 11.1 percent. Overall, revenues have continued to increase while expenditures have decreased. One district had a voter approved increase in its General Fund tax levy. The following graph shows how revenues have increased at a greater rate than expenditures in the General Funds of the fire districts.



Since property tax is the main source of revenue, and is received at the end of each year, districts need larger fund balances to provide an adequate cash flow. However, 17 districts have fund balance to expenditures ratios greater than one which indicates the total fund balance is greater than one year's cost of operations (in 2005, 18 districts had ratios greater than one). In addition, although a large number of these districts have reserved or designated a portion of their 2006

fund balances for new firehouses, additional equipment, future years' operations and other uses, five still have unreserved, undesignated fund balances greater than one year's cost of operations (in 2005, four districts had ratios greater than one). This is reflected in the table below.

Fund Balances to Expenditures Ratio						
District	2004		2005		2006	
	Total	Unreserved/ Undesignated	Total	Unreserved/ Undesignated	Total	Unreserved/ Undesignated
Affton	1.44	1.34	1.10	0.99	1.51	1.41
Black Jack	1.23	0.92	1.35	0.77	1.69	0.97
Community	1.30	0.66	1.32	0.76	1.28	0.74
Creve Coeur	2.47	1.57	2.62	0.88	2.80	0.95
Eureka	0.77	0.77	0.70	0.70	0.69	0.69
Fenton	1.58	1.35	1.56	1.31	1.77	1.56
Florissant Valley	2.30	0.84	2.06	0.38	2.56	0.87
Lemay	1.02	1.02	1.15	1.15	1.23	1.23
Maryland Heights	1.96	0.95	1.43	0.62	2.00	0.91
Mehlville	1.42	1.42	1.09	0.98	1.70	0.59
Metro North	0.90	0.90	0.81	0.81	0.77	0.77
Metro West	0.97	0.03	1.32	0.23	1.74	0.63
Mid-County	0.87	0.87	0.87	0.60	1.36	1.10
Monarch	1.15	1.15	1.19	1.19	1.48	0.44
Normandy	1.29	0.43	1.35	0.55	na	na
Pattonville/Bridgeton						
Terrace	1.45	0.72	1.43	0.92	1.48	0.81
Riverview	1.42	0.42	1.65	0.65	1.45	0.18
Robertson	1.70	0.90	1.53	0.74	1.80	0.94
Spanish Lake	0.86	0.86	0.98	0.98	0.96	0.96
Valley Park	1.16	0.97	1.46	1.16	1.10	0.72
West County EMS	1.29	0.21	1.37	0.71	1.70	1.07
West Overland	1.83	0.83	1.62	0.73	0.94	0.27

During the year ended December 31, 2006, the ratio of unreserved, undesignated fund balance to expenditures has increased for 11 of the 21 fire districts. In addition, two fire districts have had unreserved/undesignated ratios greater than one for the last several years. As noted in previous reports, the districts should annually re-evaluate the propriety of their tax levies to ensure that excess revenues are not being received and accumulated.

Thirteen of the 17 districts had increases in their Ambulance Fund balances in 2006 resulting in an aggregate increase of approximately 23 percent. Two districts had voter approved increases in their Ambulance Fund levy. In addition, West Overland made a large transfer from its General Fund to the Ambulance Fund to help eliminate the negative Ambulance Fund balance. While most Ambulance Fund balances appear reasonable, eight districts have fund balances greater than one year's expenditures. Fire protection districts should assess their need for large balances.

Ten of the 21 districts had increases in their Dispatching Fund balance in 2006. However, the aggregate increase was less than 10 percent and appears to be caused by timing differences of payments for dispatching services. Seven districts had fund balances greater than one year's expenditures. Districts should continue to assess their need for large balances.

Revenues of the Fiduciary Funds increased 38 percent in 2006. The increase was in large part due to increased investment income and appreciation in investments. The accounting presentation for the Metro North Fire Protection District was changed and the monies held in trust for the employees were not presented along with the investment earnings on those funds in 2006.

Based on the pension plan notes in the audit reports, 8 of the 11 districts with defined benefit plans do not have enough estimated actuarial assets to cover the estimated actuarial liability (pension benefits) in their Pension Fund, resulting in an unfunded liability. The remaining districts have defined contribution plans, in which no liability typically exists above that of the assets accumulated. The table below focuses on the unfunded liabilities of the district's with defined benefit plans.

Defined Benefit Plan Funding Progress				
District	Estimated Actuarial Value of Assets	Estimated Actuarial Liability	Estimated Unfunded Liability	Projected Funded Ratio
Affton	\$4,322,516	6,886,608	(2,564,092)	62.8%
Black Jack	6,632,276	8,601,797	(1,969,521)	77.1%
Creve Coeur	5,129,900	6,962,631	(1,832,731)	73.7%
Eureka	5,697,363	5,437,757	259,606	104.8%
Fenton	20,018,373	20,018,373	0	100.0%
Florissant Valley	9,803,531	12,773,976	(2,970,445)	76.7%
Mehlville	37,450,236	43,334,723	(5,884,487)	86.4%
Metro West	27,334,854	34,924,467	(7,589,613)	78.3%
Mid-County	649,916	1,216,022	(566,106)	53.4%
Pattonville/Bridgeton				
Terrace	18,887,276	21,309,047	(2,421,771)	88.6%
Valley Park	2,462,251	2,387,696	74,555	103.1%
West Overland	**	**	**	**

Note: Creve Coeur's is a supplemental plan. **Information for West Overland was not included in their audit report.

In 6 of these 11 districts, the funded ratio is less than 80 percent. Although all but three districts have increased their projected funded ratio in the last two years, it appears many of these districts are having problems adequately funding their liability, and the sustainability of their pension fund itself may be in question.

There are 14 districts that have Capital Projects Funds which are funded with proceeds from bonds (see subsequent paragraph), certificates of participation (COPS) [Affton and Mehlville have issuances of COPS] and/or transfers from other district funds. Each district's Capital Projects Fund is used to account for these financial resources to be used for the acquisition, construction, and/or renovation of major capital assets. Several districts currently have commitments to purchase or have already purchased fire trucks, ambulances, and other equipment. In addition, several districts have begun to or have plans to renovate their old fire houses or construct new or additional fire houses. The balances in these funds should be considered when analyzing the fund status of the district. Six districts that have total General Fund balance to expenditures ratios greater than one also have Capital Projects Funds with balances of over \$1 million for fiscal year ended December 31, 2006.

Fifteen districts have outstanding bond debt at December 31, 2006. Four of these districts issued general obligation bonds totaling over \$7.5 million in 2006 and 2005. The bond principal and interest payments are to be funded by a dedicated tax. When districts are setting their debt service levies each year, they should ensure amounts available and to be collected are sufficient only to meet necessary obligations. In addition to the outstanding bond debt, two districts have outstanding certificates of participation (COPS).

Districts realized an increase in land and buildings and an overall increase in the net Capital Assets Fund balances. Several districts are buying land and building new firehouses. One district, West County, sold a building.

Assessed valuations have increased slightly (less than 2 percent) from 2005 to 2006. The combined tax levies have increased less than 1 percent.

Audit fees decreased for seven districts and increased for thirteen districts from 2005 to 2006. One district's audit fees remained the same.

The compensation paid to directors decreased slightly for eight districts, increased slightly for ten districts, and remained the same for two districts. One audit did not report the compensation paid to the directors for the year ended December 31, 2005. Director compensation is based on the number of meetings attended and the number of meetings held varies by district.

Independent auditors made specific recommendations to improve the overall management of the fire districts. In total, over 60 recommendations were made to the various districts in 2006. Recommendations included concerns regarding expenditure procedures, various accounting records and procedures, investments, capital assets, pledged securities, budgets, payroll and employee benefits, and other various policies and procedures. Of the 63 recommendations made during the 2005 audits, 22 were repeated in the 2006 audits. Each fire district should review all of the recommendations and their applicability to their individual district and implement these recommendations in an efficient and timely manner. Also, consideration should be given by individual districts to have their independent auditor review any areas where risk and citizen concern may be evident.

SCOPE AND METHODOLOGY

REVIEW OF INDEPENDENT AUDITS OF FIRE PROTECTION
DISTRICTS IN ST. LOUIS COUNTY
SCOPE AND METHODOLOGY

Scope

For the two years ended December 31, 2006, there were 23 fire protection districts in St. Louis County. Audit reports were received for 21 districts for the year ended December 31, 2006 and for 22 districts for the year ended December 31, 2005. The Normandy Fire Protection District did not submit an audit report to the State Auditor's Office for the year ended December 31, 2006. The Kinloch Fire Protection District did not file annual reports documenting that annual revenues were less than \$50,000 or submit an audit report for either year. Based on bank records obtained from the district, the district received approximately \$103,000 for the year ended December 31, 2006.

During our review we: 1) considered Section 321.690, RSMo (Appendix A), 15 CSR 40-4 (Appendix B), and audit reports submitted to the State Auditor by the various fire districts for the years ended December 31, 2006 and 2005, 2) reviewed the supporting working papers of various independent auditors' reports for the year ended December 31, 2006, and 3) obtained completed questionnaires from each of the fire protection districts regarding audit fees.

Methodology

We compiled the following schedules to accomplish the objectives of this report:

- Schedule 1 presents revenues, expenditures, and fund balance for the General Funds in a combined format. The General Fund is the general operating fund of the district and is used to account for all resources except those accounted for in other funds.
- Schedule 2 presents revenues, expenditures, and fund balance for the Ambulance Funds in a combined format. This fund is a special revenue fund which is used to account for the proceeds of a special tax levy which is restricted for ambulance operations. In addition, ambulance fees are charged by 17 of the 18 districts which offer ambulance services.
- Schedule 3 presents revenues, expenditures, and fund balance for the Dispatching Funds in a combined format. This fund is a special revenue fund which is used to account for the proceeds of a special tax levy which is restricted to dispatch operations. This is commonly accomplished by means of a contractual agreement with outside entities which provide dispatching services for several districts.
- Schedule 4 presents additions, deductions, and fund balance for Pension Funds in a combined format. This fiduciary fund accounts for assets held in trust by the fire district or by an outside agency for the payment of retirement benefits and long-term disability benefits to eligible fire fighters. The funds' primary sources of revenue are property taxes and investment income.

- Schedule 5 presents revenues, expenditures, and fund balance for the Capital Project Funds in a combined format. This fund is used to account for the revenues and expenditures needed to finance the acquisition or construction of capital assets and improvements. The primary sources of revenues for this fund are bond proceeds, certificate of participation proceeds, investment income, and transfers from other funds.
- Schedule 6 presents the operations of the Debt Service Funds for the year ended December 31, 2006 and 2005, the amount of bonds outstanding (principal only), and the debt obligations of the districts for 2007 (principal and interest). This fund is used to account for the accumulation of resources for the payment of general long-term debt principal and interest. The legal debt limit for a fire protection district is five percent of the fire protection district's assessed valuation. The reports submitted show that all fire protection districts with outstanding debt were within their statutory limits.
- Schedule 7 presents the capital asset balances of the districts at December 31, 2006 and 2005. The schedule represents capital assets acquired or constructed for general governmental purposes that are reported as expenditures in the fund that financed the acquisition or construction and capitalized at historical cost or estimated historical cost if actual historical cost is not available.
- Schedule 8 presents the assessed valuations of the individual fire protection districts as well as combined tax levies for each of the districts' various funds for the years ended December 31, 2006 and 2005.
- Schedule 9 is a listing of the audit fees and the name of the audit firm for each fire protection district for the years ended December 31, 2006 and 2005. This information was obtained from a questionnaire sent to the districts.
- Schedule 10 is a listing of total compensation paid to the fire district directors by each district during the years ended December 31, 2006 and 2005. The independent audit reports included the names of the principal officeholders during the years ended December 31, 2006 and 2005 and the compensation received by each official in the performance of his or her duty as established by Sections 321.190 and 321.603, RSMo.
- Schedule 11 is a summary of the various comments contained in the independent auditor's reports on compliance and internal control and in the management letters submitted to the State Auditor for the year ended December 31, 2006. These comments apply to individual fire protection districts unless otherwise noted. These comments extracted from the reports and management letters were not verified by the State Auditor's Office via additional audit procedures for accuracy, validity, or completeness.

The numbers presented in the schedules are from the individual fund financial statements in the audit reports. Interfund and equity transfers are included in the revenue and expenditure numbers on Schedules 1 through 6. Schedules 1, 2, 3, 5 and 6 represent governmental type funds and are accounted for on the modified accrual basis of accounting. The modified accrual basis recognizes revenues in the period in which they become available and measurable. Expenditures

are recognized in the accounting period in which the fund liability is incurred. Schedule 4 represents a fiduciary fund and is accounted for on the accrual basis of accounting. The accrual basis recognizes revenues when they are earned and expenses when they are incurred. In compliance with GASB Statement 34, the district reports also include a Government Wide Statement of Net Assets and a Government Wide Statement of Activities presented using the economic resources measurement focus and the accrual basis of accounting.

Limitations

Data presented in the schedules was compiled from information submitted by the various fire districts and their independent auditors and was not verified by us via additional audit procedures. In analyzing these schedules, some disparity will result due to the different methods of presenting essentially the same information. Reasons for some problems in comparison are:

- 1) The Pension Fund is presented differently by the fire districts. Ten districts offer defined contribution plans and seven offer defined benefit plans. Three districts offer both types and another offers a defined contribution plan and a supplemental defined benefit plan.

Pension Revenue Funds for Affton, Community, Mehlville, Pattonville/Bridgeton Terrace, and Spanish Lake Fire Protection Districts were not included in the Schedule 4 noted above. These funds are revenue funds which present the pension levy taxes received and the payments to the fiduciary Pension Fund presented in Schedule 4. In three of these districts (Affton, Mehlville, and Spanish Lake) revenues equaled expenditures and no fund balance was presented for this revenue fund; however, the remaining two districts did have fund balances at year end in these funds. Information pertaining to these fire district funds can be obtained from the applicable fire district.

In addition, four districts' (Lemay, Metro North, Monarch, and West County) audit reports do not include monies held in trust for employees in their fiduciary pension funds.

- 2) Some districts may have major bond issues or certificate of participation issues to finance capital improvements or major asset purchases. The proceeds from these monies are placed in a Capital Improvement Fund. Other districts save for these expenditures instead of issuing related debt by transferring monies to a Capital Improvement Fund or reserving the monies in the General Fund.
- 3) Some districts collect user fees and others may not.
- 4) Some districts have significant transfers to and from funds which causes disparity in comparison.
- 5) Some districts have reallocated expenses from the General Fund to the Ambulance Fund in an attempt to more accurately represent the actual use. This

has caused increases in General Fund balances and decreases in Ambulance Fund balances.

In addition, the medical self-insurance/benefit funds, internal service funds, of the Eureka, Lemay, and Monarch Fire Protection Districts have not been presented in the schedules noted above. Information pertaining to these fire district funds can be obtained from the applicable fire district.

SCHEDULES

Schedule 1

REVIEW OF INDEPENDENT AUDITS OF FIRE PROTECTION DISTRICTS IN ST. LOUIS COUNTY
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE -
 GENERAL FUNDS

District	Year Ended December 31,									
	2005					2006				
	Beginning Fund Balance	Adjustments*	Revenues	Expenditures	Ending Fund Balance	Adjustments *	Revenues	Expenditures	Ending Fund Balance	
Affton	\$ 4,733,972	37,148	3,462,170	3,923,264	4,310,026	0	3,787,858	3,230,196	4,867,688	
Black Jack	4,810,788	0	5,373,122	4,333,838	5,850,072	0	6,036,194	4,418,536	7,467,730	
Community	6,127,008	0	6,323,760	5,375,435	7,075,333	0	5,478,177	5,496,336	7,057,174	
Creve Coeur	17,204,255	0	7,779,968	6,906,797	18,077,426	0	7,923,811	6,844,806	19,156,431	
Eureka	1,509,754	0	2,060,530	2,101,455	1,468,829	0	2,546,891	2,370,667	1,645,053	
Fenton	6,671,626	0	5,073,555	4,583,193	7,161,988	0	5,173,679	4,453,688	7,881,979	
Florissant Valley	7,066,138	64,399	4,795,518	3,899,493	8,026,562	247,933	5,697,551	3,930,170	10,041,876	
Lemay	1,259,345	0	1,653,634	1,351,834	1,561,145	0	1,709,059	1,467,359	1,802,845	
Maryland Heights	9,543,912	0	5,214,381	6,072,056	8,686,237	0	5,195,848	4,624,217	9,257,868	
Mehlville	14,960,714	0	14,073,347	13,873,903	15,160,158	0	11,768,414	9,975,943	16,952,629	
Metro North	1,290,096	0	1,754,088	1,679,322	1,364,862	0	1,737,562	1,752,534	1,349,890	
Metro West	7,585,878	0	8,203,571	6,814,389	8,975,060	0	9,266,648	6,647,770	11,593,938	
Mid-County	1,726,327	0	1,727,066	1,847,190	1,606,203	0	2,908,408	1,913,778	2,600,833	
Monarch	10,188,049	0	8,999,777	8,754,735	10,433,091	0	10,954,225	8,636,353	12,750,963	
Normandy**	3,108,131	0	2,928,831	2,565,601	3,471,361	**	**	**	**	
Pattonville/Bridgeton Terrace	9,166,036	0	7,331,315	6,783,256	9,714,095	0	8,781,498	7,462,972	11,032,621	
Riverview	2,586,488	0	2,338,719	1,861,217	3,063,990	0	2,092,709	2,106,277	3,050,422	
Robertson	5,270,370	133,781	2,542,414	3,135,037	4,811,528	0	4,009,050	3,149,086	5,671,492	
Spanish Lake	1,962,173	0	2,207,175	2,104,190	2,065,158	0	2,214,094	2,181,923	2,097,329	
Valley Park	1,827,837	0	1,839,124	1,489,207	2,177,754	0	1,966,374	1,976,852	2,167,276	
West County EMS	6,638,744	21,320	5,204,019	5,009,310	6,854,773	0	7,058,463	5,222,683	8,882,739	
West Overland	2,325,266	0	1,398,690	1,420,969	2,302,987	0	1,390,812	1,905,822	1,787,977	
Total	\$ 127,562,907	256,648	102,284,774	95,885,691	134,218,638	247,933	107,697,325	89,767,968	149,116,753	

* Prior period adjustments made by the CPA firms.

** Normandy Fire Protection District did not submit a report for the year ended December 31, 2006.

Schedule 2

REVIEW OF INDEPENDENT AUDITS OF FIRE PROTECTION DISTRICTS IN ST. LOUIS COUNTY
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
 SPECIAL REVENUE-AMBULANCE

District	Year Ended December 31,									
	2005					2006				
	Beginning Fund Balance	Adjustments *	Revenues	Expenditures	Ending Fund Balance	Adjustments *	Revenues	Expenditures	Ending Fund Balance	
Affton	\$ 1,935,113	0	1,327,343	1,301,662	1,960,794	0	1,463,893	1,256,266	2,168,421	
Black Jack	0	0	0	0	0	0	0	0	0	
Community	1,475,838	0	1,536,310	1,472,416	1,539,732	0	2,816,006	1,560,655	2,795,083	
Creve Coeur	0	0	4,304,170	4,304,170	0	0	4,309,380	4,309,380	0	
Eureka	737,365	0	1,351,763	1,234,195	854,933	0	1,312,462	1,329,756	837,639	
Fenton	3,017,626	0	3,050,296	2,689,823	3,378,099	0	3,226,377	2,716,534	3,887,942	
Florissant Valley	(429,396)	418,342	4,187,171	3,906,290	269,827	157,813	4,873,752	3,988,717	1,312,675	
Lemay	432,901	0	830,824	870,305	393,420	0	785,633	789,839	389,214	
Maryland Heights	(856,215)	0	3,362,654	1,447,221	1,059,218	0	2,607,546	1,891,340	1,775,424	
Mehlville	5,310,010	0	7,836,405	6,865,059	6,281,356	0	5,926,530	5,328,384	6,879,502	
Metro North	0	0	0	0	0	0	0	0	0	
Metro West	4,968,065	0	4,363,353	5,239,735	4,091,683	0	5,509,766	5,414,051	4,187,398	
Mid-County	0	0	174,728	174,728	0	0	241,735	241,735	0	
Monarch	6,204,882	0	5,309,934	5,214,817	6,299,999	0	6,428,484	5,618,044	7,110,439	
Normandy**	393,746	0	1,257,530	808,079	843,197	**	**	**	**	
Pattonville/Bridgeton Terrace	2,863,882	0	2,455,524	2,327,076	2,992,330	0	2,637,393	2,295,714	3,334,009	
Riverview	0	0	0	0	0	0	0	0	0	
Robertson	303,087	124,352	1,482,812	1,551,499	358,752	0	2,228,453	1,502,236	1,084,969	
Spanish Lake	0	0	0	0	0	0	0	0	0	
Valley Park	697,142	0	613,728	605,397	705,473	0	631,475	582,986	753,962	
West County EMS	2,784,313	9,015	2,386,892	2,331,596	2,848,624	0	2,837,172	2,498,065	3,187,731	
West Overland	2,975	0	614,687	809,000	(191,338)	0	1,733,533	793,859	748,336	
Total	\$ 29,841,334	551,709	46,446,124	43,153,068	33,686,099	157,813	49,569,590	42,117,561	40,452,744	

* Prior period adjustments made by the CPA firms.

** Normandy Fire Protection District did not submit a report for the year ended December 31, 2006.

Schedule 3

REVIEW OF INDEPENDENT AUDITS OF FIRE PROTECTION DISTRICTS IN ST. LOUIS COUNTY
 COMPARTIVE SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE-
 SPECIAL REVENUE FUND-DISPATCHING

District	Year Ended December 31,									
	2005					2006				
	Beginning Fund Balance	Adjustments *	Revenues	Expenditures	Ending Fund Balance	Adjustments *	Revenues	Expenditures	Ending Fund Balance	
Affton	\$ 105,837	0	114,304	131,504	88,637	0	125,534	142,477	71,694	
Black Jack	0	0	219,971	219,971	0	0	265,699	265,699	0	
Community	16,211	0	179,307	176,828	18,690	0	172,972	180,770	10,892	
Creve Coeur	48,506	0	571,545	571,545	48,506	0	583,653	583,653	48,506	
Eureka	53,920	0	79,034	56,430	76,524	0	93,445	113,209	56,760	
Fenton	520,354	0	420,013	327,603	612,764	0	448,285	315,151	745,898	
Florissant Valley	313,748	0	321,816	205,034	430,530	17,942	399,910	324,845	523,537	
Lemay	67,007	0	81,886	48,648	100,245	0	71,203	51,443	120,005	
Maryland Heights	233,149	0	301,130	416,832	117,447	0	315,803	400,549	32,701	
Mehlville	1,606,194	0	139,164	693,281	1,052,077	0	476,827	637,532	891,372	
Metro North	0	0	34,010	33,731	279	0	106,468	97,044	9,703	
Metro West	338,553	0	664,294	677,140	325,707	0	725,190	776,671	274,226	
Mid-County	19,117	0	52,956	71,448	625	0	59,243	46,421	13,447	
Monarch	845,612	0	693,867	1,129,196	410,283	0	940,505	541,877	808,911	
Normandy**	(1,023)	0	103,252	108,283	(6,054)	**	**	**	**	
Pattonville/Bridgeton Terrace	20,172	0	282,401	160,607	141,966	0	330,112	352,617	119,461	
Riverview	0	0	62,824	62,824	0	0	55,169	55,169	0	
Robertson	34,688	0	104,598	130,559	8,727	0	169,098	131,564	46,261	
Spanish Lake	68,629	0	88,420	82,593	74,456	0	87,514	118,145	43,825	
Valley Park	43,082	0	60,215	56,025	47,272	0	63,089	57,611	52,750	
West County EMS	316,235	2,274	305,812	299,381	324,940	0	347,140	317,293	354,787	
West Overland	90,829	0	85,958	73,495	103,292	0	86,803	86,479	103,616	
Total	\$ 4,740,820	2,274	4,966,777	5,732,958	3,976,913	17,942	5,923,662	5,596,219	4,328,352	

* Prior period adjustments made by the CPA firms.

** Normandy Fire Protection District did not submit a report for the year ended December 31, 2006.

Schedule 4

REVIEW OF INDEPENDENT AUDITS OF FIRE PROTECTION DISTRICTS IN ST. LOUIS COUNTY
COMPARATIVE SCHEDULE OF ADDITIONS, DEDUCTIONS, AND FUND BALANCE-
FIDUCIARY FUNDS (PENSION FUNDS)

District	Year Ended December 31,									
	2005					2006				
	Beginning Fund Balance	Adjustments*	Additions	Deductions	Ending Fund Balance	Adjustments *	Additions	Deductions	Ending Fund Balance	
Affton ***	\$ 4,341,996	0	509,188	969,846	3,881,338	0	603,694	174,133	4,310,899	
Black Jack	4,826,175	46,012	860,030	583,775	5,148,442	0	1,261,891	294,494	6,115,839	
Community ***	8,933,298	0	1,271,335	155,368	10,049,265	0	1,982,558	64,073	11,967,750	
Creve Coeur	21,656,542	98,817	2,218,136	764,245	23,209,250	0	3,741,400	406,847	26,543,803	
Eureka	4,833,672	0	638,003	83,480	5,388,195	0	951,258	80,513	6,258,940	
Fenton	16,399,318	0	1,432,374	295,308	17,536,384	0	2,648,411	321,349	19,863,446	
Florissant Valley	7,207,692	0	1,513,609	10,510	8,710,791	35,886	1,913,184	68,066	10,591,795	
Lemay **	140,331	0	169,433	154,668	155,096	0	139,240	160,319	134,017	
Maryland Heights	12,733,442	0	1,742,071	322,894	14,152,619	0	2,107,212	1,141,537	15,118,294	
Mehlville ***	39,034,787	-88,035	3,875,674	5,301,674	37,520,752	0	5,190,125	2,624,419	40,086,458	
Metro North ****	3,820,664	0	373,537	422,317	3,771,884	-3,542,486	278,587	280,012	227,973	
Metro West	22,556,408	0	2,539,744	820,956	24,275,196	0	3,793,977	878,325	27,190,848	
Mid-County	1,190,759	0	328,331	68,369	1,450,721	0	479,933	520,173	1,410,481	
Monarch **	0	0	1,615,022	1,615,022	0	0	1,759,978	1,759,978	0	
Normandy *****	201,473	0	205,822	241,404	165,891	*****	*****	*****	*****	
Pattonville/Bridgeton Terrace ***	14,963,271	0	2,067,390	553,886	16,476,775	0	3,020,479	609,988	18,887,266	
Riverview	2,961,805	0	568,057	428,689	3,101,173	0	682,903	19,748	3,764,328	
Robertson	6,726,311	0	1,026,565	212,710	7,540,166	0	1,604,053	706,499	8,437,720	
Spanish Lake ***	5,054,811	0	539,015	878,349	4,715,477	0	487,941	24,275	5,179,143	
Valley Park	2,174,828	0	286,400	155,506	2,305,722	0	416,624	17,400	2,704,946	
West County EMS**	378,958	-40,378	919,764	807,385	450,959	0	941,319	881,697	541,350	
West Overland	5,775,575	0	572,785	125,182	6,223,178	0	897,842	95,591	7,025,429	
Total	\$ 185,912,116	16,416	25,272,285	14,971,543	196,229,274	-3,506,600	34,902,609	11,129,436	216,360,725	

* Prior period adjustments made by the CPA firms.

** Monies held for employees are not included in the financial statements.

*** Districts have a Pension Revenue Fund that is not included on this schedule.

**** In 2005, the monies held for the employees were included in the financial statements for Metro North Fire Protection District.

In 2006 these amounts have been removed.

***** Normandy Fire Protection District did not submit a report for the year ended December 31, 2006.

Schedule 5

REVIEW OF INDEPENDENT AUDITS OF FIRE PROTECTION DISTRICTS IN ST. LOUIS COUNTY
 COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND FUND BALANCE-
 CAPITAL PROJECT FUNDS

District	Year Ended December 31,								
	2005						2006		
	Beginning Fund Balance	Adjustments*	Revenues	Expenditures	Ending Fund Balance	Revenues	Expenditures	Ending Fund Balance	
Affton	\$ 1,566,551	(280,459)	19,246	378,414	926,924	33,082	148,724	811,282	
Black Jack	6,679,563	0	2,242,812	3,307,285	5,615,090	241,462	1,889,327	3,967,225	
Community	8,330,755	0	3,151,645	4,077,381	7,405,019	278,793	2,234,504	5,449,308	
Creve Coeur	0	0	0	0	0	0	0	0	
Eureka	46,462	0	148,215	11,782	182,895	145,145	138,059	189,981	
Fenton	0	0	0	0	0	0	0	0	
Florissant Valley	2,708,008	0	5,058,649	1,018,529	6,748,128	5,538,457	1,673,011	10,613,574	
Lemay	0	0	0	0	0	0	0	0	
Maryland Heights	0	0	0	0	0	0	0	0	
Mehlville	0	0	0	0	0	0	0	0	
Metro North	85,302	0	216	76,233	9,285	78,322	104,784	(17,177)	
Metro West	6,394,900	0	112,489	3,756,536	2,750,853	2,681,323	1,072,315	4,359,861	
Mid-County	1,146,837	0	20,399	409,598	757,638	28,656	196,506	589,788	
Monarch	4,291,610	0	117,424	893,008	3,516,026	115,484	1,895,606	1,735,904	
Normandy**	0	0	0	0	0	**	**	**	
Pattonville/Bridgeton Terrace	0	0	0	0	0	0	0	0	
Riverview	176,676	0	3,643	25,596	154,723	5,174	51,564	108,333	
Robertson	858,465	0	17,382	78,418	797,429	10,398	406,180	401,647	
Spanish Lake	318,582	0	291	79,551	239,322	524	36,269	203,577	
Valley Park	0	0	0	0	0	0	0	0	
West County EMS	2,915,904	0	79,017	319,119	2,675,802	128,078	355,250	2,448,630	
West Overland	1,957,020	0	15,352	1,643,240	329,132	18,242	186,298	161,076	
Total	\$ 37,476,635	(280,459)	10,986,780	16,074,690	32,108,266	9,303,140	10,388,397	31,023,009	

* Prior period adjustments made by the CPA firms.

** Normandy Fire Protection District did not submit a report for the year ended December 31, 2006.

Schedule 6

REVIEW OF INDEPENDENT AUDITS OF FIRE PROTECTION DISTRICTS IN ST. LOUIS COUNTY
 SCHEDULE OF REVENUES, EXPENDITURES, FUND BALANCE, AND BOND OBLIGATIONS-
 DEBT SERVICE FUNDS

District	Year Ended December 31,									Outstanding Bonds at December 31,	
	2005					2006					
	Beginning Fund Balance	Adjustments*	Revenues	Expenditures	Ending Fund Balance	Revenues	Expenditures	Ending Fund Balance	2007 Obligations	2006	
Affton*	\$ 0	0	0	0	0	0	0	0	0	0	
Black Jack	1,308,113	0	905,152	614,530	1,598,735	979,595	810,871	1,767,459	837,431	9,575,000	
Community	1,411,167	0	1,187,603	694,819	1,903,951	2,039,748	1,068,281	2,875,418	1,058,794	11,150,000	
Creve Coeur	0	0	0	0	0	0	0	0	0	0	
Eureka	723,381	0	2,282,791	2,515,730	490,442	473,438	297,805	666,075	269,072	2,275,000	
Fenton	0	0	0	0	0	0	0	0	0	0	
Florissant Valley	681,517	0	930,969	294,813	1,317,673	1,232,378	747,169	1,862,011	1,287,287	13,600,000	
Lemay	257,190	0	97,694	159,580	195,304	9,220	160,030	44,494	0	0	
Maryland Heights	0	0	0	0	0	0	0	0	0	0	
Mehlville*	0	0	0	0	0	0	0	0	0	0	
Metro North	113,736	0	61,392	61,851	113,277	66,715	55,810	124,182	64,200	320,000	
Metro West	1,638,332	0	626,815	832,201	1,432,946	1,317,539	851,503	1,898,982	1,129,890	7,825,000	
Mid-County	853,928	0	272,587	413,972	712,543	307,031	355,999	663,575	349,086	4,225,000	
Monarch	665,429	0	659,905	581,600	743,734	678,535	595,118	827,151	629,331	3,400,000	
Normandy**	73,085	0	26,069	70,104	29,050	**	**	**	**	**	
Pattonville/Bridgeton Terrace	90,517	0	64,551	71,038	84,030	166,209	69,512	180,727	67,844	900,000	
Riverview	302,525	0	126,879	130,267	299,137	90,958	131,112	258,983	125,413	560,000	
Robertson	721,812	0	387,000	346,610	762,202	361,931	336,705	787,428	350,625	2,500,000	
Spanish Lake	636,754	0	2,483,181	2,741,294	378,641	289,885	296,550	371,976	279,348	1,935,000	
Valley Park	151,170	0	78,280	75,245	154,205	6,548	76,229	84,524	77,175	75,000	
West County EMS	1,697,232	7,769	810,769	856,270	1,659,500	541,456	863,403	1,337,553	845,565	10,050,000	
West Overland	762,630	0	168,621	333,365	597,886	459,545	331,837	725,594	333,814	2,195,000	
Total	\$ 12,088,518	7,769	11,170,258	10,793,289	12,473,256	9,020,731	7,047,934	14,476,132	7,704,875	70,585,000	

* In addition to the bond obligations listed above, the Affton and Mehlville Fire Protection Districts have issued certificates of participation (COPS). As of December 31, 2006, Affton's outstanding COPS balance was \$5,890,000, with a 2007 obligation of \$470,766. Mehlville's outstanding COPS balance and 2007 obligation was \$3,150,000 and \$286,168, respectively.

** Normandy Fire Protection District did not submit a report for the year ended December 31, 2006.

Schedule 7

REVIEW OF INDEPENDENT AUDITS OF FIRE PROTECTION DISTRICTS IN ST. LOUIS COUNTY
COMPARATIVE SCHEDULE OF CAPITAL ASSETS

District	December 31, 2006				December 31, 2005			
	Land and Building	Furniture and Equipment	Less Accumulated Depreciation	Total	Land and Building	Furniture and Equipment	Less Accumulated Depreciation	Total
Affton	\$ 5,591,520	2,079,254	1,558,654	6,112,120	5,582,420	2,073,986	1,343,234	6,313,172
Black Jack	5,302,550	2,889,077	1,131,419	7,060,208	4,537,809	2,628,267	1,245,062	5,921,014
Community	6,201,905	3,087,103	1,992,584	7,296,424	4,494,862	2,709,199	1,693,184	5,510,877
Creve Coeur	9,838,592	3,631,673	3,480,070	9,990,195	9,838,592	3,211,569	3,071,065	9,979,096
Eureka	2,612,440	2,973,104	3,193,608	2,391,936	2,612,440	2,640,806	2,892,562	2,360,684
Fenton	3,892,918	3,023,496	3,362,488	3,553,926	3,869,298	2,943,958	3,082,398	3,730,858
Florissant Valley	2,827,071	3,063,585	1,497,149	4,393,507	3,368,033	3,101,380	3,055,790	3,413,623
Lemay	1,809,195	907,597	1,196,709	1,520,083	1,809,195	891,709	1,099,571	1,601,333
Maryland Heights	3,937,176	2,960,405	3,453,668	3,443,913	3,896,115	2,699,515	3,219,842	3,375,788
Mehlville	9,185,049	6,708,348	6,402,024	9,491,373	9,185,049	6,588,856	6,109,958	9,663,947
Metro North	276,997	760,228	525,057	512,168	203,997	745,383	475,060	474,320
Metro West	10,564,267	6,460,993	5,350,683	11,674,577	9,891,775	6,596,904	5,156,428	11,332,251
Mid-County	3,350,923	1,134,474	615,050	3,870,347	3,280,580	1,133,213	418,708	3,995,085
Monarch	13,673,167	6,876,725	8,674,304	11,875,588	11,872,902	6,733,101	7,858,166	10,747,837
Normandy*	*	*	*	*	767,546	1,772,224	1,058,510	1,481,260
Pattonville/Bridgeton Terrace	3,375,981	3,038,408	3,156,394	3,257,995	3,368,033	3,101,380	3,055,790	3,413,623
Riverview	1,231,502	1,472,458	1,831,269	872,691	1,212,627	1,387,033	1,895,037	704,623
Robertson	4,792,642	2,331,024	1,947,212	5,176,454	2,636,987	2,289,117	1,704,665	3,221,439
Spanish Lake	2,240,516	1,500,643	1,170,815	2,570,344	2,237,716	1,481,476	985,407	2,733,785
Valley Park	1,454,247	2,003,710	1,672,495	1,785,462	1,454,247	1,718,919	1,710,498	1,462,668
West County EMS	2,192,427	7,767,816	2,586,017	7,374,226	6,904,951	4,361,256	3,131,098	8,135,109
West Overland	2,047,809	1,214,679	967,131	2,295,357	1,995,415	1,160,160	905,003	2,250,572
Total	\$ 96,398,894	65,884,800	55,764,800	106,518,894	95,020,589	61,969,411	55,167,036	101,822,964

* Normandy Fire Protection District did not submit a report for the year ended December 31, 2006.

Schedule 8

REVIEW OF INDEPENDENT AUDITS OF FIRE PROTECTION DISTRICTS IN ST. LOUIS COUNTY
 COMPARATIVE SCHEDULE OF ASSESSED VALUATION AND COMBINED TAX LEVIES
 YEARS ENDED DECEMBER 31, 2006 AND 2005

District	Combined Tax Levy per \$100 of Assessed Valuation									
	Assessed Valuation		Residential		Agricultural		Commercial		Personal Proper	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Affton	\$ 477,147,207	473,654,515	0.9390	0.9420	0.9240	0.9240	1.0230	1.0230	1.0670	1.0670
Black Jack	587,906,834	555,286,388	1.2080	1.2090	1.2970	1.3070	1.1660	1.2940	1.2970	1.2970
Community	541,240,471	536,566,381	1.8910	1.5160	0.3530	0.2500	1.9780	1.7290	1.9830	1.7290
Creve Coeur	1,206,485,072	1,185,373,057	0.9430	0.9670	0.8410	0.6160	1.0020	1.0490	1.0420	1.0420
Eureka	321,044,144	301,810,811	1.1945	1.1986	1.1945	1.1986	1.1945	1.1986	1.1945	1.1986
Fenton	896,744,869	879,918,617	0.7690	0.7670	0.9480	0.9790	0.9390	0.9280	0.9640	0.9640
Florissant Valley	804,447,531	791,689,854	1.1240	1.1270	1.3320	1.3240	1.2940	1.2850	1.3070	1.3070
Lemay	176,303,845	172,835,453	1.1630	1.1680	1.2900	1.2900	1.3450	1.2710	1.3900	1.3900
Maryland Heights	631,661,055	607,811,070	1.2570	1.2670	1.2370	1.2390	1.3040	1.3180	1.3480	1.3480
Mehlville	2,146,719,542	2,091,980,224	0.6930	0.8550	0.8800	1.1330	0.7040	0.8370	0.7280	0.8370
Metro North	125,437,500	124,310,203	1.6688	1.6472	0.0530	0.0490	1.5829	1.6224	1.8230	1.8230
Metro West	1,581,342,782	1,546,382,629	0.8950	0.8970	1.1900	1.0930	1.1100	1.0380	1.0870	1.0870
Mid-County	131,519,000	128,652,504	2.3297	1.8597	0.1620	0.1920	2.4224	1.9504	2.4420	1.9504
Monarch	1,838,790,751	1,779,756,402	0.0000	0.9330	0.0000	1.1940	0.0000	1.0730	0.0000	1.0730
Normandy	195,661,302	190,721,829	1.7655	1.7421	1.6801	1.6609	1.7861	1.9230	1.9500	1.9500
Pattonville/Bridgeton Terrace	748,479,438	729,376,925	1.3220	1.3230	1.4440	0.6390	1.4250	1.4050	1.4440	1.4440
Riverview	145,952,741	143,504,447	1.5991	1.6145	1.8082	1.8202	1.7938	1.7796	1.8014	1.8014
Robertson	315,706,851	306,590,333	1.6800	1.7620	1.6800	1.7620	1.6800	1.7620	1.6800	1.7620
Spanish Lake	176,667,480	173,514,400	1.5870	1.6082	1.5773	0.4360	1.4177	1.6410	1.5870	1.6410
Valley Park	213,156,383	209,770,507	1.1680	1.2090	1.3100	1.3460	1.1910	1.1950	1.3100	1.3100
West County EMS	672,119,772	660,598,158	0.7820	0.8440	0.7760	0.8370	0.7860	0.8420	0.8400	0.8400
West Overland	167,117,620	177,246,903	1.7970	1.1380	0.2670	0.0930	1.8070	1.1600	1.8270	1.1600

Schedule 9

REVIEW OF INDEPENDENT AUDITS OF FIRE PROTECTION DISTRICTS IN ST. LOUIS COUNTY
COMPARATIVE SCHEDULE OF FEES FOR AUDIT SERVICES

District	2006 Audit Firm	2006 Audit Fees	2005 Audit Fees
Affton	Hochschild, Bloom & Co.	\$ 9,500	10,400
Black Jack	Bergman Schraier & Co.	9,600	9,400
Community	Westerheide & Company	16,000	16,000
Creve Coeur	Bergman Schraier & Co.	14,200	13,800
Eureka	McCoy & Associates	8,375	9,650
Fenton	Ahrens & Hoelscher	8,300	7,650
Florissant Valley	Botz, Deal & Co.	8,250	7,900
Lemay	Sailor, Khan & Co.	7,400	6,800
Maryland Heights	McCoy & Associates	6,800	6,200
Mehlville	Hochschild, Bloom & Co.	13,000	12,500
Metro North *	Botz, Deal & Co.	7,500	8,850
Metro West	Hochschild, Bloom & Co.	12,500	12,000
Mid-County	Botz, Deal & Co.	6,550	6,100
Monarch	Hochschild, Bloom & Co.	15,450	14,950
Normandy**	**	**	**
Pattonville/Bridgeton Terrace ***	Botz, Deal & Co.	14,900	34,004
Riverview	Don Blair	2,500	2,400
Robertson	Botz, Deal & Co.	7,350	6,800
Spanish Lake	Kerber, Eck & Braeckel	7,100	6,750
Valley Park	Ahrens & Hoelscher	7,200	7,325
West County EMS	Schowalter & Jabouri	12,300	12,480
West Overland	McCoy & Associates	9,360	9,720

*In 2005 the audit was performed by McCoy & Associates.

**In 2005 the audit was performed by McCoy & Associates. There was no audit for the year ended December
The district did not provide the cost of the 2005 audit.

***In 2005 the audit was performed by Schowalter & Jabouri.

Schedule 10

REVIEW OF INDEPENDENT AUDITS OF FIRE PROTECTION DISTRICTS IN ST. LOUIS COUNTY
COMPARATIVE SCHEDULE OF COMPENSATION PAID TO DIRECTORS BY DISTRICT

District	2006	2005
Affton	\$ 10,967	14,950
Black Jack	31,850	30,150
Community	32,000	32,000
Creve Coeur	16,492	27,608
Eureka	7,900	7,000
Fenton	14,600	14,000
Florissant Valley	31,800	26,024
Lemay	25,200	24,499
Maryland Heights	31,983	*
Mehlville	5,301	10,469
Metro North	30,800	30,800
Metro West	26,000	25,600
Mid-County	31,733	30,256
Monarch	29,445	26,388
Normandy**	**	30,839
Pattonville/Bridgeton Terrace	31,350	31,750
Riverview	31,000	28,866
Robertson	31,337	32,000
Spanish Lake	30,800	31,900
Valley Park	14,300	16,600
West County EMS	24,717	28,913
West Overland	31,917	30,800

* This information was not reported in the Maryland Heights Fire Protection District report.

** Normandy Fire Protection District did not submit a report for the year ended December 31, 2006.

Schedule 11

REVIEW OF INDEPENDENT AUDITS OF FIRE PROTECTION DISTRICTS IN ST. LOUIS COUNTY SUMMARY OF MANAGEMENT LETTER COMMENTS ISSUED BY AUDITORS IN CONNECTION WITH THE AUDITS OF THE YEAR ENDED DECEMBER 31, 2006

Expenditures/Purchasing/Liabilities

- A district was missing invoices for two consecutive months.
- A district recorded invoices when paid instead of when received and liabilities were estimated by management.
- Because certain expenditures were not adequately supported and verified, a district paid personal expenses of an employee.
- A district board was not adequately reviewing invoices.
- An annual physical inventory of medical supplies was not conducted.
- The purchase of fire turnout gear was accounted for as a capital expenditure.

Accounting Records and Procedures

- Two districts did not have a written accounting procedures manual.
- A district's policies and procedures for posting audit adjustments were not performed consistently.
- Interfund activity was not reconciled monthly.
- Signature cards at the bank had not been updated for the changes in the board for the checking and payroll accounts.
- General ledgers for some of the funds were not in balance by immaterial amounts.
- Fund balance accounts in the general ledger for the individual funds were not closed out for prior year activity.
- Two districts needed to implement GASB 43 and 45 concerning post employment benefits.
- A district did not have controls over external financial reporting. The district prepared internal statements; however, they did not include notes or GASB 34 adjustments or management discussion and analysis for external financial reporting.

- In two districts, third party service providers had not obtained audits.
- A general ledger was not provided with the monthly financial statements and the accountant for a district had to recreate the general ledger for the audit.
- A district's policies and procedures for recording and reconciling cash and investment activity were not properly planned or performed. Various accounting errors in amounts material to the financial statements occurred including the understatement of tax revenues and taxes receivable, erroneous postings to fund balance accounts, erroneous postings to certificates of deposit accounts, and omitted investment reconciliations.
- There was no subsequent review or approval of entries made to the general ledger.
- A district does not use accounting software to process receipts.
- Outstanding checks were not written off or turned over to the state.
- There was a lack of segregation of duties.
- The board needed to implement a program of overseeing and monitoring the district's internal control.
- A district did not have all the components of its internal controls documented in writing.
- A district did not perform a risk assessment.
- Bank reconciliations were not reviewed by the Treasurer.

Revenues

- A district was not charging for permits or inspections.
- A district's petty cash system was used to process building permit revenues.
- A district did not maintain accounts receivable records for ambulance fees or taxes.
- A district was not using prenumbered documents when they issued permits.
- Cash received was not reconciled to the general ledger and deposit.
- Ambulance billing and collection procedures were not well documented in an accounting manual.
- A district should consider revising its current collection policy for ambulance calls.

- Internal controls could be improved relative to ensuring all billable ambulance runs are actually billed in accordance with the rates and terms approved by the district, that all billed runs are either collected or otherwise made subject to collection procedures, that uncollectible runs are adjusted or written off in accordance with district policy, and that the billing and collection of ambulance runs is accurately and timely reflected in the district's accounting records.

Investments

- In two districts no written investment policy was adopted.
- Interest on certificates of deposit was not recorded and added to the investment balance until maturity.
- A district owned stock which is not allowed by Missouri law.
- A district could have increased its investment earnings by investing in accounts such as those issued by the federal government.
- A district failed to identify ownership of stock and include it in the financial statements for five years.
- Investment policies were not followed.

Capital Assets

- Some assets were not entered into the depreciation system.
- The depreciation schedule did not allocate depreciation by function.
- The capital asset policy was not properly implemented in regards to disposals. Capital assets were not reported to the finance department upon disposition.

Budgetary Procedures

- Expenditures exceeded the budgetary appropriations in various funds.
- Expenditures over budgeted amounts should be investigated and explained.
- A board did not adopt budget amendments as necessary throughout the year.
- Changes to the budget were not adequately documented and approved by the board.
- The budget amount for interest was much less than the actual amount received and the

budget amount for inspections and permit fee income was much less than actual amounts received.

- The budget amount for salaries should be reviewed due to the change in the way overtime is paid.
- A district amended every fund after the end of the year to match the budget to actual figures.

Payroll and Employee Benefits

- A district did not require timesheets to be completed by the administrative staff.
- A district did not compute sick pay liability.
- A district had not engaged an actuary to determine the potential liability the district would incur in connection with adopting a postemployment healthcare plan.
- A district was operating under an old employee manual which did not include updates for benefit changes.
- A district did not have a written policy on compensated absences.
- The payroll summary report should be used each month to record payroll transactions. All withholdings and deductions should be posted to the general ledger in detail. Deductions from paychecks to reimburse for expenses should be posted as reductions to the appropriate expense accounts. Payroll withholdings should be posted to individual liability accounts to insure all subsequent remittances are made properly.
- Employees who process payroll had the capability to make data changes to the payroll processing file.

Pledged Securities

- Three districts' policies and procedures for reviewing the adequacy of securities pledged to collateralize its deposits were not properly planned or performed.

APPENDICES

Missouri Revised Statutes

Chapter 321 Fire Protection Districts Section 321.690

Audits to be performed, when--rules established by state auditor (Christian County fire protection districts exempt from audits).

321.690. 1. In counties of the first classification having a charter form of government and having more than nine hundred thousand inhabitants and in counties of the first classification which contain a city with a population of one hundred thousand or more inhabitants which adjoins no other county of the first classification, the governing body of each fire protection district shall cause an audit to be performed consistent with rules and regulations promulgated by the state auditor.

2. (1) All such districts shall cause an audit to be performed biennially. Each such audit shall cover the period of the two previous fiscal years.

(2) Any fire protection district with less than fifty thousand dollars in annual revenues may, with the approval of the state auditor, be exempted from the audit requirement of this section if it files appropriate reports on its affairs with the state auditor within five months after the close of each fiscal year and if these reports comply with the provisions of section 105.145, RSMo. These reports shall be reviewed, approved and signed by a majority of the members of the governing body of the fire protection district seeking exemption.

3. Copies of each audit report must be completed and submitted to the fire protection district and the state auditor within six months after the close of the audit period. One copy of the audit report and accompanying comments shall be maintained by the governing body of the fire protection district for public inspection at reasonable times in the principal office of the district. The state auditor shall also maintain a copy of the audit report and comment. If any audit report fails to comply with the rules promulgated by the state auditor, that official shall notify the fire protection district and specify the defects. If the defects specified are not corrected within ninety days from the date of the state auditor's notice to the district, or if a copy of the required audit report and accompanying comments have not been received by the state auditor within six months after the end of the audit period, the state auditor shall make, or cause to be made, the required audit at the expense of the fire protection district.

4. The provisions of this section shall not apply to any fire protection district based and substantially located in a county of the third classification with a population of at least thirty-one thousand five hundred but not greater than thirty-three thousand.

(L. 1977 H.B. 216, A.L. 1981 S.B. 200, A.L. 1986 H.B. 877, A.L. 1991 S.B. 34, A.L. 1993 H.B. 177 merged with S.B. 346, A.L. 1998 H.B. 1847)

**Rules of
Elected Officials
Division 40—State Auditor
Chapter 4—Audits of Fire Protection Districts
in St. Louis and Greene Counties**

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Title 15—ELECTED OFFICIALS
Division 40—State Auditor
Chapter 4—Audits of Fire Protection
Districts in St. Louis and Greene
Counties

15 CSR 40-4.010 Requirements for Dis-
tricts

PURPOSE: The state auditor has authority to establish standards and reporting requirements for audits performed on fire protection districts in St. Louis and Greene Counties. This rule sets forth requirements to be met directly by the district.

(1) The district is responsible for preparing and providing financial information to be included in the audit report. The district shall maintain adequate accounting records for that purpose. These records may be maintained on the bases of accounting deemed appropriate by the district but the records shall provide adequate information to allow the district to report in accordance with generally accepted accounting principles.

(2) The district shall engage an independent auditor to conduct the audit. The state auditor does not recommend, select or approve the district's auditor or the auditor's fee, except as provided in 15 CSR 40-4.010(4). The district is responsible for fulfilling all contractual obligations with the auditor, including payment of all earned fees.

(3) The district shall require from the independent auditor an engagement letter which sets out all essential particulars. A copy of the engagement letter shall be submitted to the state auditor for his/her review before commencement of audit fieldwork. The purpose of this review is to provide reasonable assurance that the district has contractually committed an auditor to provide services to satisfy requirements of 15 CSR 40-4. The contents of this letter should include, but are not limited to:

(A) Period for which the financial statements are audited;

(B) Purpose of the audit;

(C) Scope of the audit, including consideration of the internal control structure and tests of compliance with applicable laws and regulations;

(D) Provisions that the auditor will communicate, in writing, to the district material weaknesses or reportable conditions in the internal control structure, instances of non-compliance with applicable laws and regulations and other areas of possible improvement;

(E) Provision that all workpapers, etc., will be made available to the state auditor for his/her review upon his/her request;

(F) Provision that the auditor will comply with applicable rules issued by the state auditor under 15 CSR 40;

(G) Provision that the auditor will discuss with the district any factors s/he may discover which would prevent him/her from issuing an unqualified opinion on the financial statements and allow the district and the auditor the opportunity to arrive at a resolution acceptable to both;

(H) Statement of the auditor's responsibility for detection of errors, irregularities and illegal acts; and

(I) The estimated cost of the audit and the rates which are the basis for that estimate.

(4) The district must file a copy of the completed audit report with the state auditor within six (6) months after the close of the audit period. If any audit report fails to comply with promulgated rules, the state auditor will notify the district and specify the defects. If the specified defects are not corrected within ninety (90) days from the date of the state auditor's notice to the district, or if a copy of the required audit report has not been received by the state auditor within the specified time, the state auditor will make, or cause to be made, the required audit at the expense of the district.

*Auth: section 321.690, RSMo (Cum. Supp. 1993). * Original rule filed May 12, 1978, effective Sept. 11, 1978. Amended: Filed Dec. 2, 1985, effective Feb. 13, 1986. Amended: Filed June 14, 1994, effective Nov. 30, 1994.*

**Original authority 1977, amended 1981, 1986, 1991, 1993.*

15 CSR 40-4.020 Standards for Auditing
and Financial Reporting

PURPOSE: The state auditor has authority to establish standards and reporting requirements for audits performed on fire protection districts in St. Louis and Greene Counties. This rule sets forth standards for the auditing and financial reporting of the district.

(1) The independent auditor shall meet all requirements of Chapter 326, RSMo. The auditor must be able to demonstrate that s/he meets the independence criteria contained in the code of professional ethics and rules of conduct promulgated by the Missouri State Board of Accountancy.

(2) The independent auditor shall provide to the state auditor reasonable notification of any entrance or exit conferences held with the district. This notification shall be sufficiently

in advance to allow the state auditor to attend the entrance or exit conference at his/her discretion. Upon request, the independent auditor shall provide a draft copy of the audit report and management letter to the state auditor prior to the exit conference.

(3) The audit shall conform to the standards for auditing of governmental organizations, programs, activities and functions as established by the comptroller general of the United States.

(4) The financial statements, supplementary data and accompanying notes shall be presented in conformity with generally accepted accounting principles.

*Auth: section 321.690, RSMo (Cum. Supp. 1993). * Original rule filed May 12, 1978, effective Sept. 11, 1978. Amended: Filed Dec. 2, 1985, effective Feb. 13, 1986. Amended: Filed June 14, 1994, effective Nov. 30, 1994.*

**Original authority 1977, amended 1981, 1986, 1991, 1993.*

15 CSR 40-4.030 Contents of Audit
Reports

PURPOSE: The state auditor has authority to establish standards and reporting requirements for audits performed on fire protection districts in St. Louis and Greene Counties. This rule describes required and suggested information to be included in the audit reports.

(1) Standards for auditing and financial reporting of fire protection districts are given in 15 CSR 40-4.020.

(2) All audit reports shall contain:

(A) A table of contents;

(B) A report on the financial statements;

(C) Combined financial statements and appropriate note disclosures;

(D) Other financial information which includes, but is not limited to, the following:

1. Supplemental schedule of expenditures/expenses by object, if not included in the financial statements;

2. Tax rates and assessed valuation;

3. Schedule of insurance in force which shall include, in addition to other information, the agent for each policy; and

4. Principal officeholders who held office during the period under audit, compensation received by each official in performance of his/her duty and all other compensation or reimbursement of expenses made by the district to each officeholder; and

(E) A report on the consideration of the internal control structure, a report on the tests of compliance with applicable laws and regulations and a management letter communicating areas of possible improvement not otherwise reported. The required scope of audit for the reports and management letter is set forth in 15 CSR 40-4.040(3). The reports and management letter shall include the findings and recommendations, if any, which the auditor developed during his/her audit and the district's responses to those findings and recommendations. The reports and management letter shall also indicate the nature of previous recommendations and the extent to which the district has implemented those recommendations.

(3) If the district or the auditor deems it appropriate, audit reports may contain or utilize the following:

(A) A history and organization section prepared by the district (unaudited);

(B) Comparative financial data for one (1) or more years; and

(C) Other statements, exhibits, schedules or analyses as deemed necessary or appropriate by the district or the auditor.

*Auth: section 321.690, RSMo (Cum. Supp. 1993). * Original rule filed May 12, 1978, effective Sept. 11, 1978. Amended: Filed Dec. 2, 1985, effective Feb. 13, 1986. Amended: Filed June 14, 1994, effective Nov. 30, 1994.*

**Original authority 1977, amended 1981, 1986, 1991, 1993.*

15 CSR 40-4.040 Scope of Audit

PURPOSE: *The state auditor has authority to establish standards and reporting requirements for audits performed on fire protection districts in St. Louis and Greene Counties. This rule sets forth the scope of the audit.*

(1) Nothing in the rules promulgated for audits of fire protection districts shall be construed as restricting, limiting or relieving the independent auditor of his/her professional judgment or responsibility.

(2) The audit shall include those tests of the accounting records and other auditing procedures which the independent auditor considers necessary in the circumstances to conform to the standards for auditing of governmental organizations, programs, activities and functions as established by the comptroller general of the United States.

(3) As part of the audit described in section (2), the auditor will obtain an understanding of the internal control structure, assess control risk and report any material weaknesses or reportable conditions. The auditor will also test compliance with applicable laws and regulations and report all material instances of noncompliance. As a part of, or in addition to, audit tests or procedures which may be necessary for the audit, the auditor shall—

(A) Review systems, procedures and management practices, including:

1. Review cash management practices to the extent necessary to determine whether significant improvements appear practicable and economically justifiable;

2. Evaluate the purchasing function to the extent necessary to determine that the district generally receives fair value, for example, bidding of significant purchases; that purchases generally represent items consistent with the function of the district; and that there is not significant likelihood of misuse or misappropriation of the district's resources through the purchasing process;

3. Review fixed asset records and procedures to the extent necessary to determine that fixed assets are properly recorded, physically controlled and in the possession of the district;

4. Review fidelity bond coverages to determine that all persons with access to assets of the district appear covered in sufficient amounts;

5. Evaluate the budgeting practices to the extent necessary to determine whether significant improvements appear practicable and economically justifiable;

6. Review related party transactions;

7. Review evaluate other areas as required by the district; and

8. Review significant areas or matters which come to the attention of the auditor;

(B) The auditor will note areas of possible improvement in the district's systems, procedures and management practices. In evaluating district systems, procedures and management practices, the auditor should consider whether improvements appear practicable and economically justifiable.

(C) Test compliance with applicable laws and regulations, including:

1. Design the audit to provide reasonable assurance of detecting errors, irregularities and illegal acts that could have a direct and material effect on the financial statements;

2. Be aware of the possibility of illegal acts that could have an indirect and material effect on the financial statements; and

3. Test compliance with other legal provisions as s/he deems necessary or appropriate in the circumstances.

(D) Legal provisions which the auditor should consider in his/her audit include, but are not limited to, the following:

1. Article III, Sections 38(a) and 39(3) and Article VI, Section 25, *Constitution of Missouri* limitations on use of funds and credit;

2. Article VI, Section 26, *Constitution of Missouri* limitations on indebtedness without popular vote;

3. Article VI, Section 29, *Constitution of Missouri* application of funds derived from public debts;

4. Article VII, Section 6, *Constitution of Missouri* penalty for nepotism;

5. Chapter 67, RSMo budgetary requirements;

6. Sections 70.210 to 70.230 and Section 432.070, RSMo contracts;

7. Section 105.145, RSMo annual report;

8. Chapter 105, RSMo conflict of interest;

9. Chapter 108, RSMo bond issues;

10. Chapter 321, RSMo fire protection districts;

11. Other applicable portions of the *Constitution of Missouri* and the *Missouri Revised Statutes*;

12. Applicable sections of *Code of State Regulations*; and

13. Other applicable legal provisions.

(4) The auditor shall report on the reviews and examinations required by this rule in a management letter as set forth in 15 CSR 40-4.030 (2)(E).

*Auth: section 321.690, RSMo (Cum. Supp. 1993). * Original rule filed May 12, 1978, effective Sept. 11, 1978. Amended: Filed Dec. 2, 1985, effective Feb. 13, 1986. Amended: Filed June 14, 1994, effective Nov. 30, 1994.*

**Original authority 1977, amended 1981, 1986, 1991, 1993.*