



# **MONARCH**

## **Fire Protection District**

### **Chesterfield, Missouri**

**Comprehensive Annual Financial Report  
Fiscal Year Ended December 31, 2009**



**Monarch Fire Protection District**

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**MONARCH FIRE  
PROTECTION DISTRICT**

**FINANCIAL REPORT**  
(Audited)

Year Ended December 31, 2009

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Prepared By:

Michelle DePew  
Controller

**MONARCH FIRE PROTECTION DISTRICT**  
**FINANCIAL REPORT**

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**MONARCH FIRE PROTECTION DISTRICT**  
**FINANCIAL REPORT**

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**MONARCH FIRE PROTECTION DISTRICT**  
**INTRODUCTORY**

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**INTRODUCTORY SECTION**

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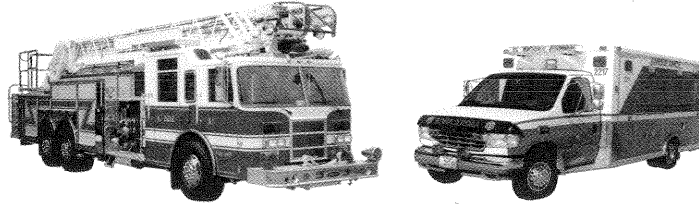
# MONARCH FIRE PROTECTION DISTRICT

13725 Olive Boulevard  
Chesterfield, Missouri 63017-2601  
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## BOARD OF DIRECTORS

Richard Gans, *President*  
Robin L. Harris, *Secretary*  
Kim Evans, *Treasurer*



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## FIRE CHIEF

Clifford (Chip) Biele

Serving the  
Communities of

Ballwin  
Chesterfield  
Clarkson Valley  
Creve Couer  
Maryland Heights  
St. Louis County  
Wildwood

June 21, 2010

To the Board of Directors and Fire Chief:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Monarch Fire Protection District (the District) for the fiscal year ended December 31, 2009. This report consists of management's representations concerning the finances of the District and is presented using the financial reporting model outlined in GASB Statement No. 34. The statements, combined with other information, are further analyzed in a narrative called Management's Discussion and Analysis (MD&A). The MD&A provides "financial highlights" and interprets the financial reports by analyzing trends and by explaining changes, fluctuations, and variances in the financial data. The responsibility for the completeness, fairness, and accuracy of the data presented and all accompanying disclosures rests with the District. To provide a reasonable basis for making these representations, the District's management has established a comprehensive framework of internal control that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with U.S. generally accepted auditing standards. Because the cost of internal controls should not exceed anticipated benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

This report is presented in four sections: Introductory, Financial, Statistical, and Internal Control and Compliance.

The *Introductory Section* includes this Letter of Transmittal, a list of principal officials, an organizational chart, and the mission statement.

The *Financial Section* includes the independent auditors' report, MD&A, basic financial statements for the entity as a whole, notes to the basic financial statements, required supplemental information, and other supplemental information.

The *Statistical Section* includes selected financial and demographic information, generally presented on a multi-year basis.

The *Internal Control and Compliance Section* includes the independent auditors' report on internal control over financial reporting and on compliance and other matters.

### ***Profile of the Government***

The District began in 1925 as a volunteer fire department. In 1957, it became a separate tax supported fire protection district and political subdivision of the State of Missouri. Today the District serves over 65,000 individuals in west St. Louis County in an area that covers 55 square miles. The District is empowered to levy a property tax on both real and personal property located within its boundaries.

An elected Board of Directors governs the District. Directors serve six-year terms, with one director elected each two years. The Board of Directors appoints the Fire Chief. The District operates in several areas including fire suppression, fire prevention, emergency medical services, and public education.

The mission of the District is to provide the highest quality emergency services to the community through fire rescue and emergency medical services, fire prevention, and education. We will maintain the highest standards through experience, education, and planning. Our commitment extends beyond the traditional role of the fire service to improve the safety and quality of life for all.

The District is required to set tax rates by September 1 of each year. St. Louis County assesses the taxes beginning November 1, and the majority of the taxes are collected and remitted to the District by March 1 of the following year. The District is required to adopt a final budget at the time the tax rates are set. The budget serves as the foundation for the District's financial planning and control. The budget is segregated into funds, departments, and functions.

### ***Economic Condition and Outlook***

The District serves an area of St. Louis County that has experienced steady growth. This is evidenced by several factors. The assessed value of the real and personal property within the District continues to increase each year, growing by over 98% during the last 10 years and by over 35% within the last 5 years. The steady growth in previous years can be contributed to the growth in Chesterfield Valley. Chesterfield Valley utilized a Tax Increment Financing District (TIF) which was complete in 2008. With the TIF expired, the District does not anticipate such a rapid rate of growth over the next 5 years. Given current economic conditions, we expect minimal growth.

Major industries located within the District's boundaries include the following: health-care facilities and offices, pharmaceutical research and development, manufacturing fa-

cilities, real estate developers and homebuilders, financial institutions and insurance companies, and retail trade. The District is home to Maryville University and Logan College of Chiropractic. There is one major hospital located in the District, and several major hospitals located within close proximity of the District's boundaries. The District has one airport, which houses many private corporate jets and is the areas FAA Flight Service Center.

The District receives the majority of its revenue from property tax. Such revenue sources are dependent upon the area economy, and these sources are susceptible to income fluctuations and the District must continue to closely monitor economic indicators such as employment data and housing sales. With a downturn in the national economy, the District has experienced some financial impact, including the reduction of permit fees and lower rates of return on investments.

### ***Major Initiatives***

#### **For the Year and for the Future**

It is the intent of the District to continue to deliver the highest quality service in our main focus areas of fire suppression, fire prevention, emergency medical services, and public education. We intend to do this by striving to maintain a highly trained team of personnel, working with the best possible equipment, while maximizing the costs to the taxpayer. The District will continue to evaluate on-going delivery methods, response times, equipment improvements, technology improvements, and service levels.

The District continues to seek improvement in the areas of interoperability, intra-operability, interagency communications, fire-ground operations, personnel safety, and technology.

During 2007, the Insurance Service Office (ISO) evaluated the District. Evaluation is done on each of the communities which are located within the District boundaries. All of the communities covered by the District enjoy either a Class 2 or 3 rating. By industry standards, this rating is very high and allows property owners to enjoy reduced fire insurance premiums compared to individuals living in fire districts with a classification above Class 3.

### ***Long-term Financial Planning***

The District recognizes the growth that is occurring in the far west end of the District and is making plans for an additional firehouse. In preparation, land was researched and purchased during 2009. The District continues to place the construction of the firehouse and significant operation costs in its long range plan. There are no plans to construct the new firehouse in the 2010 or 2011 budget.



During 2008, the District began exploring the possibility of pursuing Accreditation from the Commission on Fire Accreditation International (CFAI). There are currently only two fire districts in the State of Missouri that have achieved Accreditation status. The process of Accreditation is lengthy and was not completed during 2009. As part of the exploration process, the District assigned resources to begin the documentation phase, and to begin the self-assessment process.

### *Award Submission*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2008. This was the third consecutive year the District has received this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a government unit must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to program requirements and we are submitting it to the GFOA to determine its eligibility.

### *Acknowledgements*

We wish to express our gratitude to the District's personnel who assisted in accumulating the data in this report and to the accounting firm of Hochschild, Bloom & Company LLP for their guidance and assistance in preparing the District's CAFR. We would also like to express our appreciation to the Board of Directors and the Fire Chief whose continuing support has been vital to the financial and community affairs and successes of the District.

Respectfully submitted,

**Monarch Fire Protection District  
Finance & Accounting Department**



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Michelle DePew, Controller

**MONARCH FIRE PROTECTION DISTRICT**  
**LIST OF PRINCIPAL OFFICIALS**  
**AS OF DECEMBER 31, 2009**

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**BOARD OF DIRECTORS**

Richard Gans, President

Kim Evans, Treasurer

Robin Harris, Secretary

**FIRE AND EMS CHIEF**

Clifford Biele

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Monarch Fire Protection District, Missouri

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



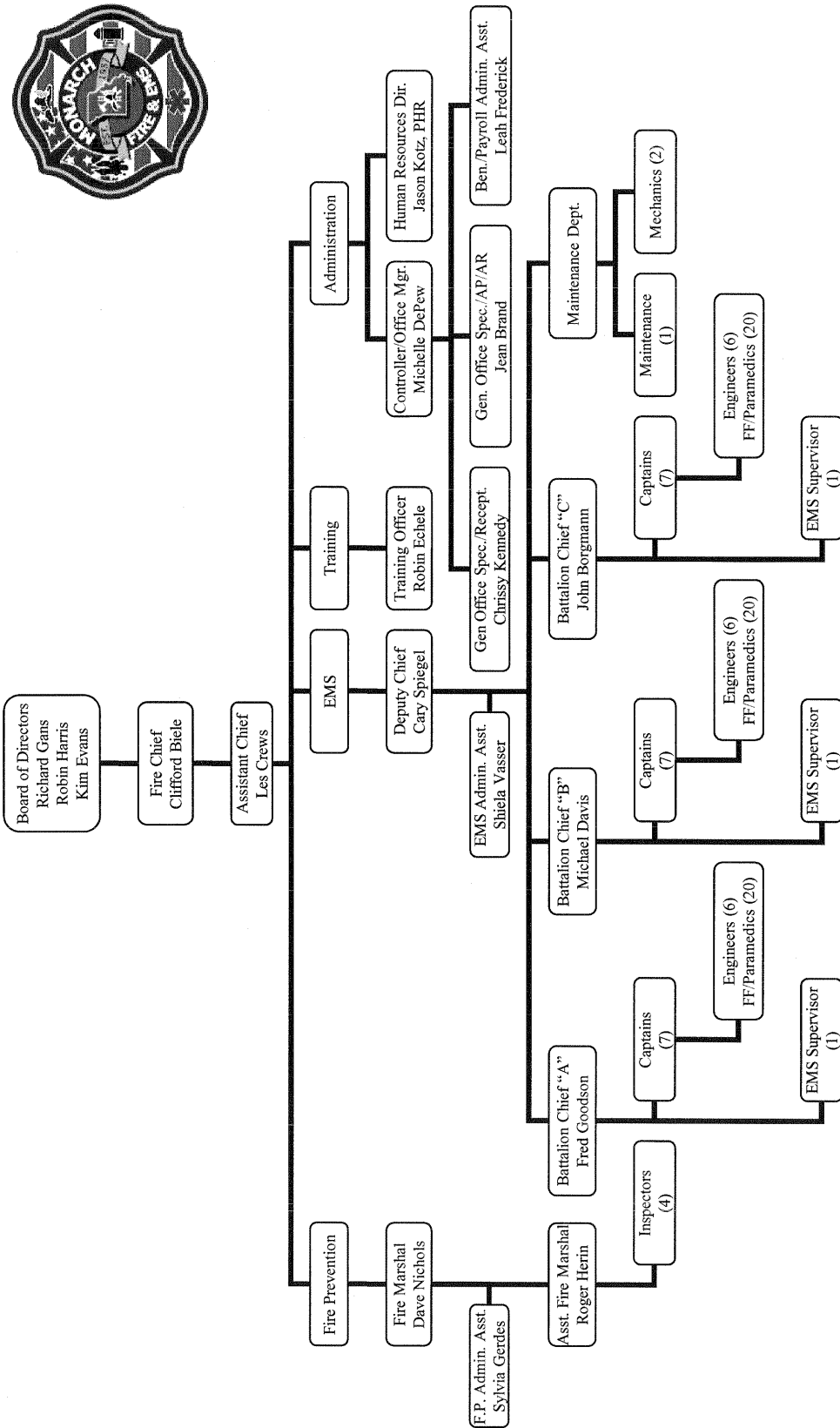
A stylized, handwritten signature in black ink, appearing to be "J.R. Emer".

President

A handwritten signature in black ink, reading "Jeffrey R. Emer".

Executive Director

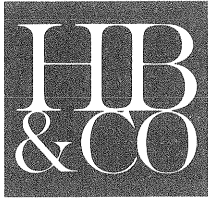
# MONARCH FIRE PROTECTION DISTRICT ORGANIZATIONAL CHART



The mission of the Monarch Fire Protection District is to provide the highest quality emergency services to the community through fire rescue and emergency medical services, fire prevention, and education. We will maintain the highest standard through experience, education, and planning. Our Commitment extends beyond the traditional role of the fire service to improve the safety and quality of life for all.

**FINANCIAL SECTION**

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**Hochschild, Bloom & Company LLP**  
Certified Public Accountants  
Consultants and Advisors

## INDEPENDENT AUDITORS' REPORT

June 21, 2010

Board of Directors  
**MONARCH FIRE PROTECTION DISTRICT**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **MONARCH FIRE PROTECTION DISTRICT** (the District) as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of December 31, 2009, and the respective changes in financial position thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 21, 2010 on our consideration of the District's internal control over financial reporting and on our tests of its

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- 1000 Washington Square, P.O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

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compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

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 U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and, therefore, express no opinion thereon.

*Hochschild Bloom & Company LLP*  
**CERTIFIED PUBLIC ACCOUNTANTS**



# MONARCH FIRE PROTECTION DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FOR THE YEAR ENDED DECEMBER 31, 2009

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This section of the Monarch Fire Protection District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended December 31, 2009. Please read it in conjunction with the District's financial statements, which follow this section.

#### FINANCIAL HIGHLIGHTS

- During the year, the District's expenses were \$54,000 less than the \$21 Million generated in taxes and other revenue for governmental programs. The change in net assets decreased by 97.2% when compared to the prior year change in net assets.
- The District has no business-type activities, but does operate one Internal Service Fund.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four sections - the introductory section, financial section, statistical section, and the internal control and compliance section. In the financial section, the basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services like fire suppression were financed in the short-term as well as what remains for future spending.
  - Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.
  - Proprietary fund statements offer financial information about business-type activities and Internal Service Funds. Since the District has no business-type activities, these statements cover only the Internal Service Fund.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The figure below summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**MONARCH FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

Major Features of Monarch Fire Protection District Government-wide and Fund Financial Statements				
	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District government (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as fire suppression and emergency medical services	Includes only the District's Internal Service Fund	The District is trustee or agent for someone else's resources such as the Welfare Benefit Plan
Required financial statements	<ul style="list-style-type: none"> <li>▪ Statement of net assets</li> <li>▪ Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Balance sheet</li> <li>▪ Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>▪ Statement of net assets</li> <li>▪ Statement of revenues, expenses, and changes in net assets</li> <li>▪ Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>▪ Statement of fiduciary net assets</li> <li>▪ Statement of changes in fiduciary net assets</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenue and expenses during year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenue and expenditures during year, regardless of when cash is received or paid	All revenue and expenses during the year, regardless of when cash is received or paid

**Government-wide financial statements.** The government-wide statement reports information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net assets--the difference between the District's assets and liabilities--is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base.
- The government-wide financial statements of the District are comprised solely of governmental activities.

**MONARCH FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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**Fund financial statements.** The fund financial statements provide more detailed information about the District's most significant funds - not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law and by bond covenants.
- The District's Board of Directors establishes other funds to control and manage money for particular purposes (like emergency medical services) or to show that it is properly using certain taxes (like collection and payment of dispatch agency fees).

The District has three kinds of funds:

- **Governmental funds** - Most of the District's basic services are included in governmental funds, which focus on 1) how cash and other financial assets that can readily be converted to cash flow in and out and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- **Fiduciary funds** - The District is the trustee, or fiduciary, for the Welfare Benefit Plan. It is also responsible for other assets that--because of a trust arrangement--can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in this fund are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.
- **Proprietary funds** - The District uses an Internal Service Fund (a kind of proprietary fund) to report activities of the District's dental and vision plans.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS OF THE DISTRICT**

**Net assets.** The District's total net assets were \$35.5 Million and \$35.4 Million at December 31, 2009 and 2008, respectively. There was an increase of \$54,000 or 0.2% in the net assets between the years ended December 31, 2009 and 2008. The condensed statement of net assets was as follows:

**MONARCH FIRE PROTECTION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	December 31		2009 Change	
	2009	2008	Amount	Percent
<b>ASSETS</b>				
Current and other assets	\$ 30,821,767	32,640,059	(1,818,292)	(5.6) %
Capital assets, net of depreciation	11,628,952	10,919,034	709,918	6.5
Total Assets	<u>42,450,719</u>	<u>43,559,093</u>	<u>(1,108,374)</u>	(2.5)
<b>LIABILITIES</b>				
Other liabilities	2,094,924	2,702,532	(607,608)	(22.5)
Long-term debt outstanding	4,850,391	5,405,085	(554,694)	(10.3)
Total Liabilities	<u>6,945,315</u>	<u>8,107,617</u>	<u>(1,162,302)</u>	(14.3)
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	10,478,426	10,502,797	(24,371)	(0.2)
Restricted for debt service	1,237,191	1,046,998	190,193	18.2
Unrestricted	23,789,787	23,901,681	(111,894)	(0.5)
Total Net Assets	<u>\$ 35,505,404</u>	<u>35,451,476</u>	<u>53,928</u>	0.2 %

There was a decrease in the District's general obligation bonds included in long-term debt in the amount of \$550,000.

**Changes in net assets.** The District's total revenue was \$21 Million. This is decrease of \$1.5 million from the prior year primarily due to the one-time distribution of revenues form the advance pay-off of tax increment financing (TIF) bonds and the related closure of the Chesterfield Valley TIF District. The majority of the District's revenue comes from property taxes, accounting for 97.4%. Another 1.4% comes from program revenue - fees charged for services. Approximately 1.2% is investment earnings and other miscellaneous revenue such as contributions.

The total cost of all programs and services was \$20.7 Million. This is an increase of \$285,000 or 1.4% more than last year. The District has two major types of expenses, including personnel costs and maintenance costs. This year, the personnel costs accounted for 72% of the total expenses. There was a 10% decrease in personnel costs from the prior year.

**Governmental activities.** This analysis focuses on the net assets and changes in net assets of the District's governmental activities. Governmental activities increased the District's net assets by \$54,000 and \$1.9 million for the years ended December 31, 2009 and 2008, respectively. The condensed statement of activities was as follows:

**MONARCH FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>December 31</u>		<u>2009 Change</u>	
	<u>2009</u>	<u>2008</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUES</b>				
Program revenues:				
Charges for services	\$ 299,504	483,148	(183,644)	(38.0) %
General revenues:				
Property taxes levied	20,223,096	20,032,123	190,973	1.0
Tax increment financing	20,030	1,284,935	(1,264,905)	(98.4)
Investment income	107,526	483,932	(376,406)	(77.8)
Miscellaneous	119,715	41,758	77,957	186.7
Gain on sale of assets	2,052	-	2,052	-
Total Revenues	<u>20,771,923</u>	<u>22,325,896</u>	<u>(1,553,973)</u>	<u>(7.0)</u>
<b>EXPENSES</b>				
Fire, ambulance, and EMS services	19,698,041	18,969,871	728,170	3.8
Dispatching services	951,089	1,376,749	(425,660)	(30.9)
Interest on long-term debt	68,865	85,920	(17,055)	(19.8)
Total Expenses	<u>20,717,995</u>	<u>20,432,540</u>	<u>285,455</u>	<u>1.4</u>
<b>CHANGE IN NET ASSETS</b>	53,928	1,893,356	(1,839,428)	(97.2)
NET ASSETS, JANUARY 1	<u>35,451,476</u>	<u>33,558,120</u>	<u>1,893,356</u>	5.6
<b>NET ASSETS, DECEMBER 31</b>	<u>\$35,505,404</u>	<u>35,451,476</u>	<u>53,928</u>	0.2 %

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

**General Fund.** General Fund revenues exceeded expenditures by \$351,000. The largest expenditure in the General Fund related to salaries and personnel costs, which accounted for 87% (\$8.9 million) of the total General Fund expenditures. The fund balance increased \$563,000 to \$15.8 million.

**Ambulance Fund.** Ambulance and EMS expenditures exceeded revenues by \$306,000. The largest expenditure in the Ambulance Fund related to salaries and personnel costs, which accounted for 91% (\$6 million) of the total Ambulance Fund expenditures. The fund balance decreased \$358,000 to \$7.2 million.

**Dispatch Fund.** Dispatch expenditures exceeded revenues by \$282,000. The largest expenditure in the Dispatch Fund related to dispatching fees, which accounted for 99.96% (\$1.2 million) of the total Dispatch Fund expenditures. The fund balance decreased \$282,000 to \$102,000.

**MONARCH FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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**Debt Service Fund.** Debt Service expenditures exceeded revenues by \$20,000. The largest expenditure in the Debt Service Fund related to debt service, which accounted for 99.92% (\$621,000) of the total Debt Service Fund expenditures. The fund balance decreased \$20,000 to \$910,000.

**Capital Projects Fund.** Capital Projects expenditures exceeded revenues by \$1.3 million. The largest expenditure in the Capital Projects Fund related to capital outlay which accounted for 100% (\$1.3 million) of the total Capital Projects Fund expenditures. The fund balance decreased \$680,000 to \$1.3 million.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the budget once. This budget amendment falls into two categories:

- Changes to reflect actual beginning account balances and expected revenue (correcting estimated amounts in the original budget adopted in August 2008).
- Increases in appropriations to prevent budget overruns.

As a result of the revisions to the budget, the District was able to keep the expenditures within less than 4% of actual budget amounts, with the two largest negative variances of \$232,000 and \$113,000 being in salaries and personnel costs and capital outlay, respectively.

The District's governmental fund balances (modified accrual basis) differ from the fund's budgetary fund balance primarily because of the timing difference on tax levy revenue recognition and the timing of recognition of payroll expenditures at year-end.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets.** At the end of 2009, the District had invested \$11.6 Million in a broad range of capital assets, including land and buildings, fire and medical equipment, communications equipment and maintenance equipment, as well as the furniture and fixtures for the engine houses and administration building. The District is not responsible for maintaining any infrastructure assets and does not own any such assets. See table below. This amount represents a net increase (including additions and deductions) of \$709,000, or 6.5% over last year. Capital assets, net of depreciation, (in Thousands) were as shown in the following table:

	<u>December 31</u>		<u>2009</u>
	<u>2009</u>	<u>2008</u>	<u>Change</u>
Land	\$ 2,469	1,965	25.6 %
Construction in progress	72	-	100.0
Buildings and improvements	6,833	7,073	(3.4)
Equipment and other	2,256	1,881	19.9
Total	<u>\$ 11,630</u>	<u>10,919</u>	6.5 %

The capital assets purchased during the year represent a sizeable investment.

# MONARCH FIRE PROTECTION DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FOR THE YEAR ENDED DECEMBER 31, 2009

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There were a couple of significant purchases during the year 2009.

- 2 ambulances were purchased at a cost over \$419,000
- 5 Zoll Monitors were purchased at a cost over \$119,000
- 2 vehicles were purchased at a cost of over \$63,000.
- Purchased land for \$504,000 for the purpose of a potential future fire station.

There were no significant disposals during the year.

More information about the District's capital assets can be found in Note E to the financial statements.

**Long-term debt.** At year-end the District had \$1.8 Million in bonds outstanding. These bonds were issued in July 2004. More detailed information about the District's long-term liabilities is presented in Note G to the financial statements.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The District is subject to the Missouri State Hancock Amendment. This restricts the amount of growth the District may have in revenue in any given year to the rate of inflation certified by the State of Missouri plus new construction. The revenue, aside from new construction, may grow at a maximum of 5%, with other restrictions within the law. Actual allowable revenue growth has been less than 5%.
- The District expects slow to moderate growth in revenue due to tax rate reductions for residential and commercial property.

The General Fund accounts for all financial resources except those required to be accounted for in another fund. This fund represents the largest portion of the District's appropriations and expenditures. Amounts available for appropriation in the General Fund budget (before transfers) are \$10.9 Million, a decrease of 1% over the final 2009 budget of \$11 Million. Budgeted General Fund expenditures (before transfers) are expected to increase to \$11.2 Million, an increase of 5% from the final 2009 budget of \$10.7 Million. At the close of 2010, the fund balance of the General Fund is expected to have decreased by \$427,000 after net transfers.

The District uses a Special Revenue Ambulance Fund to account for expenditures for the EMS department. This fund represents a sizeable amount of the operating expenditures of the District. Amounts available for appropriation in the Ambulance Fund budget (before transfers) are \$6.7 Million, no increase/decrease over the final 2009 budget of \$6.7 Million. Budgeted expenditures (before transfers) in this Special Revenue Fund are expected to increase to \$7.1 Million, an increase of 1% over the final 2009 budget of \$7 Million. Expenditures are allocated to the Ambulance Fund when they are directly related to providing EMS services to the District. At the close of 2010, the fund balance of the Ambulance Fund is expected to have decreased by \$391,000 after net transfers.

As a service organization, the largest expenditure of the District is wages, benefits, and related costs. In the budget for 2010, these costs are expected to increase by approximately 7% in the General and Ambulance Funds. The General Fund expense is expected to increase \$736,000, an 8% increase over the final 2009 budget of \$9.1 Million. For the Ambulance Fund, wages, benefits, and related costs are budgeted at \$6.5 Million, an increase of 5% over the final 2009 budget of \$6.2 Million. Included in the 2010 budget is a retirement package incentive of \$515,000 which contributed to the increase in personnel costs.

**MONARCH FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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The Dispatch Fund is a Special Revenue Fund that accounts for the proceeds of a special tax levy which is restricted for the provision of a centralized dispatching service. The amount available for appropriation and the amount of budgeted expenditures in this fund are \$1 Million, with no change from the final 2009 budgeted revenue of \$1 Million. At the close of 2010, the fund balance of the Dispatch Fund is not expected to change.

Acquisition and construction of major capital items are accounted for in the District's Capital Projects Fund. Annual revenues budgeted for this fund remained unchanged from the 2009 final budget amount of \$29,000. Budgeted expenditures for the year of \$682,000 is a decrease of 60% over the final 2009 budget of \$1.7 Million. The District decreased the budgeted transfers into this fund by 67%, from \$605,000 to \$202,000. The District has planned several large capital asset purchases, including thermal cameras, pumper equipment, and an auto pulse machine. At the close of 2010, the fund balance of the Capital Projects Fund is expected to have decreased by \$451,000.

The Debt Service Fund is used to account for the accumulation of resources for the payment of general long-term debt principal and interest. Amounts available for appropriation in the Debt Service Fund budget are \$869,000, an increase of 18% over the final 2009 budget of \$738,000. Budgeted Debt Service Fund expenditures are expected to increase to \$629,000, an increase of 1% from the final 2009 budget of \$622,000. At the close of 2010, the fund balance of the Debt Service Fund is expected to have increased by \$240,000.

The District's Pension Revenue Fund is a Special Revenue Fund that accounts for contributions made to and benefits paid from the District's pension plan. The amount available for appropriation and the amount of budgeted expenditures in this fund are \$2 Million, an increase of 1.5% over the final 2009 budgeted revenue and expenditures of \$1.9 Million. There is no change in fund balance budgeted for the Pension Revenue Fund.

The District has added no major new programs to the 2010 budget.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our 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 about this report or need additional financial information, contact:

Monarch Fire Protection District  
Michelle DePew, Controller  
13725 Olive Blvd.  
Chesterfield, MO 63017



# MONARCH FIRE PROTECTION DISTRICT

## STATEMENT OF NET ASSETS

DECEMBER 31, 2009

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 10,968,626
Cash - restricted	52,386
Investments	7,962,786
Receivables, net of allowances for uncollectibles:	
Property taxes	10,665,440
Ambulance billings	80,823
Other	106,219
Deposits	9,137
Inventory	25,832
Prepaid dispatch services	400,775
Deposit for new pumper truck	537,124
Bond issuance costs, net of accumulated amortization	12,619
Capital assets:	
Land and construction in progress	2,540,874
Other capital assets, net of accumulated depreciation	9,088,078
Total Assets	<u>42,450,719</u>
<b>LIABILITIES</b>	
Accounts payable	513,370
Accrued interest payable	20,780
Accrued wages and payroll taxes	476,082
Claims payable	35,933
Pension contribution payable	1,048,759
Noncurrent liabilities:	
Due within one year	1,540,790
Due in more than one year	3,309,601
Total Liabilities	<u>6,945,315</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	10,478,426
Restricted for debt service	1,237,191
Unrestricted	<u>23,789,787</u>
Total Net Assets	<u>\$ 35,505,404</u>

See notes to financial statements

# MONARCH FIRE PROTECTION DISTRICT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2009

<b>FUNCTIONS/PROGRAMS</b>	<b>Expenses</b>	<b>Program Revenues - Charges for Services</b>	<b>Net Revenues (Expenses) And Change In Net Assets</b>
<b>Governmental Activities</b>			
Fire, ambulance, and EMS services	\$ 19,698,041	299,504	(19,398,537)
Dispatching services	951,089	-	(951,089)
Interest on long-term debt	68,865	-	(68,865)
Total Governmental Activities	<u>\$ 20,717,995</u>	<u>299,504</u>	<u>(20,418,491)</u>
<b>General Revenues</b>			
Property taxes levied			20,223,096
Tax increment financing			20,030
Investment income			107,526
Miscellaneous			119,715
Gain on sale of assets			2,052
Total General Revenues			<u>20,472,419</u>
<b>CHANGE IN NET ASSETS</b>			53,928
<b>NET ASSETS, JANUARY 1</b>			<u>35,451,476</u>
<b>NET ASSETS, DECEMBER 31</b>			<u>\$ 35,505,404</u>

**MONARCH FIRE PROTECTION DISTRICT**  
**BALANCE SHEET - ALL GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2009**

	General	Ambulance	Dispatch	Pension Revenue	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 6,664,252	3,101,461	93,955	-	284,653	449,124	10,593,445
Cash - restricted	52,386	-	-	-	-	-	52,386
Investments	5,438,337	1,934,449	-	-	400,000	190,000	7,962,786
Receivables, net of allowances for uncollectibles:							
Taxes	5,281,398	3,244,359	538,386	1,048,759	552,538	-	10,665,440
Ambulance billings	-	80,823	-	-	-	-	80,823
Other	97,219	-	-	-	-	9,000	106,219
Deposit for new pumper truck	537,124	-	-	-	-	-	537,124
Due from other funds	6,483	-	-	-	-	605,000	611,483
Deposits	342	795	-	-	-	8,000	9,137
<b>Total Assets</b>	<b>\$ 18,077,541</b>	<b>8,361,887</b>	<b>632,341</b>	<b>1,048,759</b>	<b>1,237,191</b>	<b>1,261,124</b>	<b>30,618,843</b>

**LIABILITIES AND FUND BALANCES**

<b>Liabilities</b>							
Accounts payable	\$ 111,928	41,808	352,984	-	-	6,650	513,370
Accrued wages and payroll taxes	271,816	204,266	-	-	-	-	476,082
Due to other funds	550,000	61,483	-	-	-	-	611,483
Deferred revenue	1,374,858	887,642	177,442	-	326,796	-	2,766,738
Pension contribution payable	-	-	-	1,048,759	-	-	1,048,759
<b>Total Liabilities</b>	<b>2,308,602</b>	<b>1,195,199</b>	<b>530,426</b>	<b>1,048,759</b>	<b>326,796</b>	<b>6,650</b>	<b>5,416,432</b>
<b>Fund Balances</b>							
Reserved for deposit for new pumper truck	537,124	-	-	-	-	-	537,124
Reserved for debt service	-	-	-	-	910,395	-	910,395
Unreserved, designated for subsequent year tax levy	9,029,733	5,442,367	432,546	-	-	-	14,904,646
Unreserved, reported in:							
General Fund	6,202,082	-	-	-	-	-	6,202,082
Special Revenue Funds	-	1,724,321	(330,631)	-	-	-	1,393,690
Capital Projects Fund	-	-	-	-	-	1,254,474	1,254,474
<b>Total Fund Balances</b>	<b>15,768,939</b>	<b>7,166,688</b>	<b>101,915</b>	<b>-</b>	<b>910,395</b>	<b>1,254,474</b>	<b>25,202,411</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 18,077,541</b>	<b>8,361,887</b>	<b>632,341</b>	<b>1,048,759</b>	<b>1,237,191</b>	<b>1,261,124</b>	<b>30,618,843</b>

See notes to financial statements

**MONARCH FIRE PROTECTION DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2009**

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Total Fund Balance - Governmental Funds \$ 25,202,411

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

Capital assets used in governmental activities are not financial resources and,  
therefore, are not reported in the governmental funds. The cost of the assets  
is \$22,366,359 and the accumulated depreciation is \$10,737,407. 11,628,952

Other assets are not available to pay for current period expenditures, and,  
therefore, are not reported as assets in the governmental funds. Those  
assets at year-end consist of:

Inventory	25,832
Prepaid dispatch services	400,775
Unamortized bond issuance cost	12,619

Other long-term assets (property taxes and ambulance billings not collected  
within 60 days of year-end) are not available to pay for current period  
expenditures and, therefore, are deferred in the governmental funds. 2,766,738

Internal Service Fund is used by management to charge the costs of certain  
activities, such as insurance, to individual funds. The assets and liabilities  
of the District's Internal Service Fund are included in governmental activities  
in the statement of net assets. 339,248

Certain long-term liabilities are not due and payable in the current period  
and, therefore, are not reported as liabilities in the governmental funds.

Those long-term liabilities at year-end consist of:

Accrued interest payable	(20,780)
General obligation bonds	(1,800,000)
Accrued compensated absences	(2,966,233)
Voluntary termination benefits payable	(77,804)
Unamortized bond premium	(6,354)

Total Net Assets Of Governmental Activities \$ 35,505,404

**MONARCH FIRE PROTECTION DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - ALL GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	General	Ambulance	Dispatch	Pension Revenue	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>							
Taxes:							
Levy	\$ 10,200,841	6,159,778	945,990	2,198,786	595,890	-	20,101,285
Tax increment financing	10,233	6,241	987	1,881	688	-	20,030
Ambulance billings	-	127,522	-	-	-	-	127,522
Inspection and permit fees	171,982	-	-	-	-	-	171,982
Investment income	57,579	24,736	80	-	4,759	19,475	106,629
Miscellaneous	119,756	-	-	-	-	-	119,756
Total Revenues	<u>10,560,391</u>	<u>6,318,277</u>	<u>947,057</u>	<u>2,200,667</u>	<u>601,337</u>	<u>19,475</u>	<u>20,647,204</u>
<b>EXPENDITURES</b>							
Current:							
Administrative and general	229,391	82,087	-	-	-	-	311,478
Training and support	25,420	-	-	-	-	-	25,420
Fire prevention and inspection	15,202	354	-	-	-	-	15,556
Maintenance and support services	372,817	163,612	-	-	-	-	536,429
Professional fees	387,876	247,509	500	-	500	-	636,385
Director's fees	18,170	11,649	-	-	-	-	29,819
Utilities	142,706	-	-	-	-	-	142,706
Salaries and personnel costs	8,868,799	6,002,361	-	2,200,667	-	-	17,071,827
Dispatching service	-	-	1,228,815	-	-	-	1,228,815
Capital outlay	148,622	117,019	-	-	-	1,304,801	1,570,442
Debt service:							
Principal	-	-	-	-	550,000	-	550,000
Interest and other charges	-	-	-	-	71,156	-	71,156
Total Expenditures	<u>10,209,003</u>	<u>6,624,591</u>	<u>1,229,315</u>	<u>2,200,667</u>	<u>621,656</u>	<u>1,304,801</u>	<u>22,190,033</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>351,388</u>	<u>(306,314)</u>	<u>(282,258)</u>	<u>-</u>	<u>(20,319)</u>	<u>(1,285,326)</u>	<u>(1,542,829)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from sale of capital assets	11,252	2,800	-	-	-	-	14,052
Transfers in	750,000	-	-	-	-	605,000	1,355,000
Transfers out	(550,000)	(55,000)	-	-	-	-	(605,000)
Total Other Financing Sources (Uses)	<u>211,252</u>	<u>(52,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>605,000</u>	<u>764,052</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>562,640</u>	<u>(358,514)</u>	<u>(282,258)</u>	<u>-</u>	<u>(20,319)</u>	<u>(680,326)</u>	<u>(778,777)</u>
FUND BALANCES, JANUARY 1	<u>15,206,299</u>	<u>7,525,202</u>	<u>384,173</u>	<u>-</u>	<u>930,714</u>	<u>1,934,800</u>	<u>25,981,188</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 15,768,939</u>	<u>7,166,688</u>	<u>101,915</u>	<u>-</u>	<u>910,395</u>	<u>1,254,474</u>	<u>25,202,411</u>

**MONARCH FIRE PROTECTION DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF ALL**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

Net Changes In Fund Balances - Governmental Funds \$ (778,777)

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

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses. This is the amount by which capital outlays over the capitalization threshold (\$1,593,182) exceeded depreciation expense (\$883,250) in the current period. 709,932

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (14)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:  
 Increase in deferred revenue 121,811

Prepays and inventory in the statement of net assets that do not provide current financial resources are expensed in the governmental funds:  
 Increase in prepaid dispatch services 277,726  
 Decrease in inventory (55,770)  
 Net Adjustment 221,956

The repayment of the principal of long-term debt consumes the current financial resources of the governmental funds and has no effect on net assets. This amount is the net effect of differences in the treatment of long-term debt.  
 Repayments:  
 General obligation bonds 550,000  
 Voluntary termination benefits 53,351  
 Amortization of premium 2,932  
 Amortization of issuance costs (5,825)  
 Net Adjustment 600,458

Some expenses reported in the statement of activities may require the use of current financial resources and, therefore, are reported accordingly as expenditures in the governmental funds:  
 Decrease in accrued interest on bonds 5,684  
 Increase in accrued compensated absences (51,589)  
 Net Adjustment (45,905)

An Internal Service Fund is used by management to charge the costs of dental and vision insurance to individual funds. The change in net assets of the Internal Service Fund is reported with governmental activities. (775,533)

Change In Net Assets Of Governmental Activities \$ 53,928

**MONARCH FIRE PROTECTION DISTRICT**  
**PROPRIETARY FUND - STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2009**

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	<b>Internal Service Fund - Dental And Vision Plan</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 375,181
<b>LIABILITIES</b>	
Claims payable	<u>35,933</u>
<b>NET ASSETS</b>	
Unrestricted	<u><u>\$ 339,248</u></u>

**MONARCH FIRE PROTECTION DISTRICT**  
**PROPRIETARY FUND - STATEMENT OF REVENUES,**  
**EXPENSES, AND CHANGE IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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	<b><u>Internal Service Fund - Dental And Vision Plan</u></b>
<b>OPERATING REVENUES</b>	
Charges for services	<u>\$ 162,749</u>
<b>OPERATING EXPENSES</b>	
Insurance claims	166,331
Administrative fees and miscellaneous	<u>22,848</u>
Total Operating Expenses	<u>189,179</u>
<b>OPERATING LOSS</b>	(26,430)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment income	897
<b>OTHER FINANCING USES</b>	
Transfers out	<u>(750,000)</u>
<b>CHANGE IN NET ASSETS</b>	(775,533)
NET ASSETS, JANUARY 1	<u>1,114,781</u>
<b>NET ASSETS, DECEMBER 31</b>	<u><u>\$ 339,248</u></u>



**MONARCH FIRE PROTECTION DISTRICT**  
**PROPRIETARY FUND - STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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	<u>Internal Service Fund - Dental And Vision Plan</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	
<b>Cash flows from operating activities:</b>	
Charges for services	\$ 162,749
Insurance claims	(215,398)
Administrative fees and miscellaneous	(22,848)
Net Cash Used In Operating Activities	<u>(75,497)</u>
 <b>Cash flows used in noncapital financing activities:</b>	
Transfer to other funds	<u>(750,000)</u>
 <b>Cash flows from investing activities:</b>	
Sale of investments	801,679
Investment income received	897
Net Cash Provided By Investing Activities	<u>802,576</u>
 <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	 (22,921)
 CASH AND CASH EQUIVALENTS, JANUARY 1	 <u>398,102</u>
 CASH AND CASH EQUIVALENTS, DECEMBER 31	 <u><u>\$ 375,181</u></u>
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>	
Operating loss	\$ (26,430)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Decrease in claims payable	<u>(49,067)</u>
Net Cash Used In Operating Activities	<u><u>\$ (75,497)</u></u>

# MONARCH FIRE PROTECTION DISTRICT

## STATEMENT OF FIDUCIARY NET ASSETS

DECEMBER 31, 2009

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	<u>Welfare Benefit Plan Trust - VEBA</u>
<b>ASSETS</b>	
Investments:	
Money market funds	\$ 144,880
Annuities	3,180,563
Limited partnerships	<u>333,993</u>
Total Investments	3,659,436
Cash and cash equivalents	52,584
Other receivable	<u>2,700</u>
Total Assets	<u>3,714,720</u>
<b>LIABILITIES</b>	
Accounts payable	<u>196</u>
<b>NET ASSETS</b>	
Held in trust for employee welfare	<u><u>\$ 3,714,524</u></u>

**MONARCH FIRE PROTECTION DISTRICT**  
**STATEMENT OF CHANGE IN FIDUCIARY NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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	<u>Welfare Benefit Plan Trust - VEBA</u>
<b>ADDITIONS</b>	
Investment income:	
Interest	\$ 5,087
Net appreciation in the fair value of investments	332,466
Total Investment Income	<u>337,553</u>
Contribution from Pension Revenue Fund	285,000
Total Additions	<u>622,553</u>
<b>DEDUCTIONS</b>	
Benefit payments	130,471
Disability payments	93,401
Actuarial and consulting fees	8,519
Insurance	61,855
Legal fees	813
Administrative fees and miscellaneous	1,482
Total Deductions	<u>296,541</u>
<b>CHANGE IN NET ASSETS</b>	326,012
NET ASSETS HELD IN TRUST, JANUARY 1	<u>3,388,512</u>
<b>NET ASSETS HELD IN TRUST, DECEMBER 31</b>	<u><u>\$ 3,714,524</u></u>

# MONARCH FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**MONARCH FIRE PROTECTION DISTRICT** (the District) is a political subdivision duly organized under the laws of the State of Missouri to provide fire protection, fire prevention, and emergency ambulance service to its residents.

The accounting policies and financial reporting practices of the District conform to U.S. generally accepted accounting principles (GAAP) applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the District's more significant accounting policies:

#### 1. Reporting Entity

The District's financial statements include all funds controlled by the District. A component unit is an organization that is included in the District's financial statements for which the District is financially accountable, or for which the District is not accountable, but for which the nature and significance or their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The District has no component units.

#### 2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

#### 3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary

# MONARCH FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

ary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due (i.e., matured).

Property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Ambulance services are recorded at the time of service, net of allowances for uncollectible amounts. Inspection fees and other income are recorded as revenues when received in cash because they are generally not measurable until actually received. Interest income is recorded as earned since it is measurable and available.

The District reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operation. The principal operating revenues of the Internal Service Fund are charges for services. Operating expenses for the Internal Service Fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports the following major governmental funds:

**MONARCH FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**General Fund** -- This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

**Ambulance Fund** -- This fund is a Special Revenue Fund that is used to account for the proceeds of a special tax levy which is restricted for the provision of emergency medical services.

**Dispatch Fund** -- This fund is a Special Revenue Fund that receives tax revenue and disburses funds in order to participate with other fire protection districts and a municipality in a centralized dispatching service for the dispatching of fire and ambulance calls.

**Pension Revenue Fund** -- This fund is a Special Revenue Fund that is used to account for contributions made to and benefits paid from the District's pension plan.

**Debt Service Fund** -- This fund accounts for the accumulation of resources for the payment of general long-term debt principal and interest.

**Capital Projects Fund** -- This fund is used to account for financial resources to be used for the acquisition or construction of major capital items.

Additionally, the District reports the following fund types:

**Internal Service Fund** -- This fund accounts for dental and vision insurance coverages provided to District departments on a cost-reimbursement basis.

**Welfare Benefit Plan Trust** -- This fund is used to account for assets held by the District in a trustee capacity. The fund accumulates contributions from the Pension Revenue Fund as well as earnings from the fund's investments. Disbursements are made for death, post-retirement medical, disability, and severance benefits as well as for educational assistance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges and various other functions of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capi-

**MONARCH FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

tal grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes and investment income.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**4. Cash and Cash Equivalents**

For purposes of the accompanying statement of cash flows, the Internal Service Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Short-term investments subject to market value fluctuations have been classified as investments.

**5. Investments**

Investments are generally stated at fair value.

Statutes authorize the District to invest in time deposits, U.S. Treasury and Federal agency securities, commercial paper, bankers' acceptances, and repurchase agreements. Statutes authorize the Welfare Benefit Plan Trust - VEBA to invest in corporate stocks, bonds, and insurance contracts.

**6. Allowance for Doubtful Accounts**

The allowance for uncollectible receivables is as follows:

	<b>December 31</b>
	<b>2009</b>
General Fund	\$ 50,717
Ambulance Fund	30,887
Dispatch Fund	4,929
Pension Revenue Fund	9,675
Debt Service Fund	4,126
	<hr/>
	\$ 100,334
	<hr/> <hr/>

**MONARCH FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. Prepaid Items**

Under the purchase method, prepaid items are reported in the governmental activities and represent payments to vendors for services that will benefit periods beyond the fiscal year-end.

**8. Inventories**

Expenditures for medical supplies in the governmental fund types are charged to operations as expended under the purchase method. Government-wide statements of net assets inventory is stated at the lower of cost, determined on the first-in, first-out method, or market.

**9. Capital Assets**

Capital assets, which include property and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost exceeding capitalization limits as delineated below and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Depreciation is being computed on the straight-line method. The estimated useful lives and capitalization limits are as follows:

<b>Assets</b>	<b>Estimated Lives</b>	<b>Capitalization Limits</b>
Buildings and improvements	30	\$3,000
Equipment and other	5 - 20	\$250 - \$1,000

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities, or extend useful lives are capitalized.

**10. Due To/From Other Funds**

Noncurrent portions of long-term interfund loans receivable (reported in “advances to” asset accounts) are equally offset by a fund balance reserve account which indicates that they do not constitute “available spendable resources” since they are not a component of net current assets. Current portions of long-term interfund loans receivable (reported in “due from” asset accounts) are considered “available spendable resources” and are subject to elimination upon consolidation.



**MONARCH FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**11. Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before December 31. All unpaid taxes are delinquent January 1 of the following year.

Property taxes levied for 2009 are recorded as receivables, net of estimated uncollectibles, as are prior year levies which are reevaluated annually. Taxes receivable represent estimated amounts to be collected by the County Collector of Revenue for 2009 and prior tax years to be remitted to the District subsequent to year-end. The portion of taxes not collected and remitted to the District within 60 days of year-end is recorded as deferred tax revenue. Property taxes are assessed, billed, and collected by St. Louis County and remitted by the County to the District. The County's fee is 1.5% of the taxes collected. The following is a summary of the 2009 tax rates per \$100 of assessed valuation:

	2009 Tax Rates					Total
	General Fund	Ambulance Fund	Dispatch Fund	Pension Revenue Fund	Debt Service Fund	
Real property:						
Residential	0.419	0.250	0.042	0.079	0.036	0.826
Commercial	0.470	0.290	0.044	0.090	0.036	0.930
Agricultural	0.355	0.325	0.047	0.100	0.036	0.863
Personal property	0.506	0.325	0.046	0.100	0.036	1.013

Property tax rates for each of the above categories and for each fund type is levied per \$100 of assessed valuation which totaled \$2,291,946,112 for the District (real property \$1,971,863,434 and personal property \$320,082,678).

**12. Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the District's management and the VEBA's actuary to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Actual results could differ from those amounts.

**13. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

# MONARCH FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 13. Long-term Obligations (Continued)

Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### 14. Restricted Cash

Certain resources set aside for the payment of deposits, special project donations, flexible spending, and bond issue reserves are classified as restricted cash on the balance sheet because their use is limited by outside restrictions.

### NOTE B - CASH AND INVESTMENTS

#### 1. Deposits

Custodial Credit Risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the District or trustee institution. The value of the securities must amount to the total of the District's cash not insured by the Federal Deposit Insurance Corporation.

As of December 31, 2009, the District's bank balances were entirely secured or collateralized with securities held by the District or by its agent in the District's name.

#### 2. Investments

As of December 31, 2009, the District had the following investments (annuities are shown prior to surrender charges):

**MONARCH FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE B - CASH AND INVESTMENTS (Continued)**

**2. Investments (Continued)**

<u>Investments</u>	<u>Fair Market Value</u>	<u>Maturities</u>		<u>Credit Risk</u>
		<u>No Maturity</u>	<u>Less Than One Year</u>	
<b>Governmental Activities</b>				
Collateralized repurchase agreement	\$ 7,166,052	-	7,166,052	Not rated
Collateralized certificates of deposit	4,265,000	-	4,265,000	N/A
Government securities:				
Federal agency notes	2,717,890	-	2,717,890	AAA
Commercial paper	979,896	-	979,896	A
Total Governmental Funds	<u>15,128,838</u>	<u>-</u>	<u>15,128,838</u>	
<b>Fiduciary Fund</b>				
Money market funds	144,880	144,880	-	Not rated
Annuities	3,180,563	3,180,563	-	Not rated
Limited partnerships	333,993	333,993	-	Not rated
Total Fiduciary Fund	<u>3,659,436</u>	<u>3,659,436</u>	<u>-</u>	
Grand Total Investments	<u>\$18,788,274</u>	<u>3,659,436</u>	<u>15,128,838</u>	

**Investments Policies**

**Credit Risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In accordance with its formal investment policy, the District minimizes credit risk by:

- Prequalifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the District will do business
- Diversifying the portfolio so that potential losses on individual securities will be minimized

**Interest Rate Risk** is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. In accordance with its formal investment policy, the District minimizes interest rate risk by:

**MONARCH FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE B - CASH AND INVESTMENTS (Continued)**

**2. Investments (Continued)**

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
- Investing operating funds primarily in shorter-term securities

**Concentration of Credit Risk** is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's policy to minimize concentration of credit risk is for diversification strategies to be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

	<u>Maximum</u>
a. U.S. treasuries and securities having principal and/or interest guaranteed by the U.S. government	100%
b. Collateralized time and demand deposits	100
c. U.S. government agencies and government-sponsored enterprises	60
d. Collateralized repurchase agreements	80
e. U.S. government agency callable securities	40
f. Commercial paper	40
g. Bankers' acceptances	40

At December 31, 2009, the District had 47% of their available funds invested in collateralized repurchase agreements (\$7,166,052), 28% in collateralized certificates of deposits (\$4,265,000), 18% in Federal Agency Notes (\$2,717,890), and 7% in HSBC Commercial Paper (\$979,896).

**NOTE C - COMPENSATED ABSENCES**

The District grants vacation to all employees at a rate based on years of experience and employees are scheduled to take vacation in the following year. Vacation time does not accumulate from year to year. Employees earn vacation based on their anniversary date. The liability for accrued vacation as of December 31, 2009 was \$658,726.

**MONARCH FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE C - COMPENSATED ABSENCES (Continued)**

The District also grants sick leave to all employees at the rate of six days per year for shift personnel and eight days per year for administrative personnel. Covered employees are allowed to accumulate unused sick leave days up to 120 days and 240 days for shift personnel and administrative personnel, respectively. Upon termination of employment due to retirement or other reasons, 70% to 100% of the balance accumulated is paid to the employee. The amount paid is based upon a formula agreed upon in the Memorandum of Understanding with the Professional Fire Fighter Local 2665 (Local 2665). The liability for accrued sick leave as of December 31, 2009 was \$2,307,507.

The District accrues accumulated unpaid compensated absences when earned (or estimated to be earned) by the employee. The liability is not accrued in the governmental funds but is maintained separately and represents a reconciling item between the fund and government-wide presentations.

Compensated absences will be liquidated by the General and Ambulance Funds.

**NOTE D - CONTRACTUAL AGREEMENTS**

The District, in conjunction with other entities, has created the Central County Emergency 911 Dispatching Center (CCE911). The Board of CCE911 is composed of one member from each of the boards of the participating governments. The District has entered into an agreement with CCE911 for dispatching services and maintenance of communication equipment. The agreement requires the District to pay annual assessments equal to the property taxes collected under a specific dispatch levy (see Note A-11).

The District has agreed to certain employment terms with the Local 2665 of the International Association of Fire Fighters with regards to a Memorandum of Understanding between the fire fighters and administrative personnel and the District. The District approved an ordinance containing a Memorandum of Understanding with the Local 2665 for the period from March 1, 2008 to December 31, 2010.

**NOTE E - CAPITAL ASSETS**

Capital asset activity was as follows:

**MONARCH FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE E - CAPITAL ASSETS (Continued)**

	<b>For The Year Ended December 31, 2009</b>			
	<b>Balance December 31 2008</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance December 31 2009</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 1,965,398	503,769	-	2,469,167
Construction in progress	-	71,707	-	71,707
Total Capital Assets Not Being Depre- ciated	1,965,398	575,476	-	2,540,874
Capital assets being depreciated:				
Buildings and improvements	12,193,440	156,339	-	12,349,779
Equipment and other	6,745,949	861,367	131,610	7,475,706
Total Capital Assets Being Depreciated	18,939,389	1,017,706	131,610	19,825,485
Less - Accumulated depreciation for:				
Buildings and improvements	5,121,015	396,203	-	5,517,218
Equipment and other	4,864,738	487,047	131,596	5,220,189
Total Accumulated Depreciation	9,985,753	883,250	131,596	10,737,407
Total Capital Assets Being Depreciated, Net	8,953,636	134,456	14	9,088,078
Governmental Activities Capital Assets, Net	\$ 10,919,034	709,932	14	11,628,952

Depreciation expense was charged to functions/programs of the primary government as follows:

	<b>For The Year Ended December 31 2009</b>
<b>Governmental Activities</b>	
Fire service	\$ 605,043
Ambulance and EMS services	278,207
Total	\$ 883,250

**MONARCH FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE F - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has transferred these risks by purchasing insurance from commercial enterprises. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District has joined together with other districts to form a group of self-insurers for workers' compensation, a public entity risk pool currently operating as a common risk management and insurance program for workers' compensation claims. The agreement for formation of the Missouri Fire and Ambulance Districts' Insurance Trust (MoFAD) provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. The pooling agreement allows for the pool to use 5% of assessments to make the pool self-sustaining for supplemental aggregate reinsurance coverage. This coverage will be funded until the cumulative balance reaches \$1,000,000. MoFAD has published its own financial report for the year ended December 31, 2009 that can be obtained from MoFAD. The District's annual premium payment for 2009 to MoFAD was \$666,934.

The District self-insures for employee dental and vision claims up to predetermined maximums. Under the program, an Internal Service Fund provides coverage for up to annual per person maximums of \$2,000 and \$300 for dental and vision claims, respectively.

The District purchases commercial insurance for health claims in excess of coverage provided by the Internal Service Fund. The District implemented a program to provide for reimbursement of 50% of individual deductibles.

The claims liability reflected in the Internal Service Fund as accrued expenses in the amount of \$35,933 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the claims payable liability of the Internal Service Fund were as follows:

	<b>Dental And Vision</b>
Unpaid claims, December 31, 2007	\$ 187,500
Incurred claims	1,799,852
Claim payments	(1,902,352)
Unpaid claims, December 31, 2008	85,000
Incurred claims	166,331
Claim payments	(215,398)
Unpaid Claims, December 31, 2009	\$ 35,933

The claims liability is expected to be repaid during the fiscal year ending December 31, 2010.

**MONARCH FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE G - LONG-TERM DEBT**

The following is a summary of changes in long-term debt:

	<b>For The Year Ended December 31, 2009</b>			<b>Amounts Due Within One Year</b>
	<b>Balance December 31 2008</b>	<b>Additions</b>	<b>Reductions</b>	
	<b>Balance December 31 2009</b>			
General obligation bonds	\$ 2,350,000	-	550,000	1,800,000
Plus - Unamortized premium	9,286	-	2,932	-
Compensated absences	2,914,644	1,453,221	1,401,632	2,966,233
Voluntary termination benefits	131,155	-	53,351	77,804
	<u>\$ 5,405,085</u>	<u>1,453,221</u>	<u>2,007,915</u>	<u>4,850,391</u>
				<u>1,540,790</u>

General obligation bonds consisted of the following:

	<b>December 31 2009</b>
\$4,300,000 general obligation bonds dated July 1, 2004, matures March 1, 2012 with interest rates from 3% to 3.625%. Bonds were issued for the purpose of constructing a new fire station and vehicle and apparatus replacement.	<u>\$ 1,800,000</u>

A summary of principal debt service requirements is as follows:

<b>For The Years Ended December 31</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	\$ 575,000	53,000	628,000
2011	600,000	33,156	633,156
2012	625,000	11,328	636,328
	<u>\$ 1,800,000</u>	<u>97,484</u>	<u>1,897,484</u>

The general obligation bonds will be liquidated by the property tax approved by taxpayers of the District which is reported in the Debt Service Fund.



# MONARCH FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE H - EMPLOYEE RETIREMENT PLAN

#### Plan Description

The Retirement Plan for Employees of the Monarch Fire Protection District (the Plan) is a single-employer, noncontributory, defined contribution pension plan administered by District management that covers all eligible employees at the end of the Plan year who have completed five hundred (500) hours of service during the Plan year. Plan members self-direct the investment assets held in their individual accounts. At December 31, 2009 there were 133 Plan members. Plan members are not allowed to contribute to the Plan.

#### Significant Accounting Policies

Contributions to the Plan are at the sole and absolute discretion of the Board of Directors. Contributions are made with funds derived from the tax established pursuant to Section 321.610 RSMo, or at the discretion of the Board of Directors from other available revenue of the District. The contribution is allocated to participants' accounts in an amount equal to the total amount contributed multiplied by the ratio of the participant's eligible compensation for the Plan year to total eligible compensation for all participants entitled to a contribution for the Plan year. Participants become 100% vested after 10 years of service. During the year ended December 31, 2009, the District's total tax revenue of the Pension Revenue Fund was \$2,198,786. These receipts are used to fund the Retirement Plan for Employees of the District and the District's Welfare Benefit Plan (see Note I). Contributions of \$1,615,000 and \$285,000 were contributed to the two plans, respectively, during 2009 for the previous plan year.

### NOTE I - OTHER POST-EMPLOYMENT BENEFITS

In addition to the benefits described in Note H, the District provides post-retirement medical benefits, disability benefits, educational assistance benefits, a \$50,000 per participant plus balance of participant's account as a death benefit, and severance benefits to eligible employees. These benefits are provided under a plan known as the Monarch Fire Protection District Welfare Benefit Plan (the VEBA).

Employees are eligible to participate in the VEBA after one month of full-time employment. At December 31, 2009, there were 126 participants (122 active and 4 disabled retirees).

Under the terms of the VEBA, the District shall contribute amounts required to fund benefits under the Plan. The VEBA administrator appoints an actuary to determine the liabilities under the Plan and the contributions required to fund such liabilities.

Other related information is as follows:

**MONARCH FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE I - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

	<b>December 31</b>	
	<b>2009</b>	<b>2008</b>
Actuarially required contribution	\$ 39,592	35,108
Actual contribution	285,000	270,000
Net assets available for benefits	3,714,524	3,388,512
Actuarially accrued liability	974,243	1,212,869

The District uses the aggregate cost funding method. Under this method, the present value of all projected benefits in excess of plan assets is spread over the present value of future payroll and funded as a level percentage of covered compensation. Actuarial gains and losses are spread over future normal costs.

Significant actuarial assumptions include an interest rate of 6.5% and salary increases of 5% per year. Mortality rates are the 1983 Group Annuity Mortality Table for Males, set forward 10 years.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value.

**NOTE J - VOLUNTARY TERMINATION BENEFITS**

The District had agreed to provide certain benefits to retirees beyond the date of their retirement under agreements titled “Monarch Fire Protection District Retirement Package” (the Package). The Board of Directors had agreed to provide health insurance premiums for set periods of time beyond the date of retirement and for set dollar amounts, to individuals that retired in certain years. Retirees that chose to stay on the District Health Insurance Plan are responsible for any premium amount above that agreed to in the Package.

The premiums are paid on behalf of the retirees from the General Funds as the premiums come due. Obligations under the Package are as follows:

<b>For The Years Ended December 31</b>	<b>Annual Obligation</b>	<b>Amount Contributed</b>	<b>Obligation Remaining</b>
2009	\$ 53,351	53,351	77,804
2010	53,351	-	24,453
2011	16,302	-	8,151
2012	8,151	-	-

# MONARCH FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE K - DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The plan complies with Section 457 of the Internal Revenue Code, whereby, trust provisions are incorporated so that plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. As a result, as of December 31, 2009, the assets and liabilities of the deferred compensation plan are not included in the accompanying financial statements.

### NOTE L - NET ASSETS/FUND BALANCES

The government-wide financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted, and unrestricted.

**Invested in Capital Assets, Net of Related Debt** -- This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

**Restricted Net Assets** -- This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

**Unrestricted Net Assets** -- This category represents net assets of the District, not restricted for any project or other purpose.

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and management and can be increased, reduced, or eliminated by similar actions.

As of December 31, 2009, reservations of fund balances are described below:

**Deposit for new pumper truck** -- To reflect payments made to a vendor for a new pumper truck that will be delivered beyond the fiscal year-end. These funds are not available for general operations.

**Debt Service** -- To reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest. These funds are not available for general operations.

As of December 31, 2009, designations of fund balances are described below:

**Subsequent Year Tax Levy** -- To reflect the funds received in current year for the subsequent year's tax levy.

**MONARCH FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE M - FIRE DISTRICT DIRECTORS' FEES AND RELATED EXPENSES**

Directors' fees consist of the following:

	<b>For The Year Ended December 31 2009</b>
Richard Gans, President	\$ 9,940
Robin Harris, Secretary	7,150
Kimberly Evans, Treasurer	10,200

The members of the Board of Directors are elected by the residents of the District to six-year terms. Annually the Board determines which of its members will serve as president, treasurer, and secretary. The Board appoints the District's Chief.

Each member of the Board may receive a fee not to exceed \$200 for attending each regularly called board meeting, or special meeting, but shall not be paid for attending more than four in any calendar month. The Secretary and Treasurer may each receive additional compensation for the performance of their duties and to reimburse expenses, not to exceed \$1,000 per year. The President may receive additional compensation for the performance of duties and to reimburse expenses not to exceed \$1,200 per year.

**NOTE N - INSURANCE COVERAGE**

The following insurance policies of the District were in force during the fiscal year ended December 31, 2009:

<b>Insurance In Force</b>	<b>Coverage</b>
<b>American Alternative Insurance Corp.</b>	
Commercial Automobile Policy:	
Liability	\$1,000,000 Liability
Auto Medical Payments	\$1,000/Person
Uninsured and Underinsured Motorists	\$1,000,000/Accident
Comprehensive Coverage	Actual Cash Value/Cost of Repair
Collision	Actual Cash Value/Cost of Repair
Commercial Umbrella	\$2,000,000/Occurrence
	\$4,000,000 General Aggregate
	\$4,000,000/Products Completed Operation

**MONARCH FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE N - INSURANCE COVERAGE (Continued)**

<b>Insurance In Force</b>	<b>Coverage</b>
Commercial General Liability	\$1,000,000/Occurrence \$3,000,000/Products Completed Operation \$3,000,000 General Aggregate \$1,000,000 Personal Injury \$1,000,000 Fire Damage Legal Liability \$5,000 Medical Expense
Commercial Property: Buildings Business Personal Property Business Income	Guaranteed Replacement Cost Guaranteed Replacement Cost 12 Months Actual Loss Sustained
Management Liability	\$3,000,000 Aggregate \$1,000,000 Each Wrongful Act \$5,000 Each Action for Injunctive Relief
Commercial Crime Policy Employee Dishonesty	\$500,000 Directors \$500,000/Chief/Assistant Chief \$500,000/Administrator
Portable Equipment	Guaranteed Replacement Cost
<b>MoFAD</b> Workers' Compensation	Statutory Limits

**NOTE O - INTERFUND ASSETS/LIABILITIES**

Individual interfund assets and liabilities are as follows:

**Due from/to other funds:**

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>December 31 2009</b>
General Fund	Ambulance Fund	\$ 6,483
Capital Projects Fund	General Fund	550,000
Capital Projects Fund	Ambulance Fund	55,000
		\$ 611,483

**MONARCH FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE O - INTERFUND ASSETS/LIABILITIES (Continued)**

**Interfund transfers:**

<b>Transfers In</b>	<b>Transfers Out</b>	<b>For The Year Ended December 31 2009</b>
General Fund	Proprietary Fund	\$ 750,000
Capital Projects Fund	General Fund	550,000
Capital Projects Fund	Ambulance Fund	55,000
		\$ 1,355,000

The outstanding balances between funds result mainly from the time lag between the dates that interfund transactions occur and payments between funds are made. These balances are expected to be repaid during the fiscal year ending December 31, 2010. The transfers were made to the Capital Projects Fund during the year in order to fund expenditures which were not allowable expenditures per the debt covenant and to the General Fund to reimburse the amount of premiums paid in excess of expenditures.

**NOTE P - CONTINGENCIES AND COMMITMENTS**

The District paid \$537,162 for a new pumper truck during the year ended December 31, 2009, which was not delivered prior to year-end. Subsequent to year-end, equipment totaling \$67,751 was purchased to fully equip the new pumper truck and the reserve pumper truck.

The District had a commitment for \$25,047 for three thermal imaging cameras at December 31, 2009. These cameras were to be paid for with 2010 funds.

The District is a defendant in a number of lawsuits pertaining to matters that are incidental to performing routine functions. Based on the current status of all these legal proceedings, it is the opinion of management that they will not have a material effect on the District's financial position.

**NOTE Q - FUTURE ACCOUNTING PRONOUNCEMENTS**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), establishes standards for the policies and disclosures for fund balance among other things. GASB 54 will be effective for the District for the year ending December 31, 2011. The District, however, has not yet completed its assessment of the statement or the potential impact of the statement on its financial position.

**MONARCH FIRE PROTECTION DISTRICT**  
**REQUIRED SUPPLEMENTAL INFORMATION**

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**REQUIRED SUPPLEMENTAL INFORMATION**

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**MONARCH FIRE PROTECTION DISTRICT**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - GENERAL FUND - BUDGETARY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
<b>REVENUES</b>				
Tax revenue - levy	\$ 10,741,000	10,741,000	10,572,236	(168,764)
Tax revenue - TIF	-	10,234	10,233	(1)
Inspection and permit fees	350,000	180,000	171,982	(8,018)
Investment income	255,000	55,000	49,126	(5,874)
Miscellaneous	20,700	20,500	22,658	2,158
Total Revenues	<u>11,366,700</u>	<u>11,006,734</u>	<u>10,826,235</u>	<u>(180,499)</u>
<b>EXPENDITURES</b>				
Current:				
Administrative and general	228,850	234,054	229,391	(4,663)
Training and support	22,500	29,200	25,420	(3,780)
Fire prevention and inspection	53,400	50,900	15,202	(35,698)
Maintenance and support services	425,000	415,231	372,817	(42,414)
Professional fees	123,000	393,039	387,876	(5,163)
Directors' fees	19,200	18,200	18,170	(30)
Utilities	153,500	147,651	142,706	(4,945)
Salaries and personnel costs	9,049,350	9,132,956	8,900,765	(232,191)
Capital outlay	266,300	261,400	148,622	(112,778)
Total Expenditures	<u>10,341,100</u>	<u>10,682,631</u>	<u>10,240,969</u>	<u>(441,662)</u>
<b>REVENUES OVER EXPENDITURES</b>	<u>1,025,600</u>	<u>324,103</u>	<u>585,266</u>	<u>261,163</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	20,000	20,000	11,252	(8,748)
Transfers in	-	750,000	750,000	-
Transfers out	(550,000)	(550,000)	(550,000)	-
Total Other Financing Sources (Uses)	<u>(530,000)</u>	<u>220,000</u>	<u>211,252</u>	<u>(8,748)</u>
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<u>495,600</u>	<u>544,103</u>	<u>796,518</u>	<u>252,415</u>
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments	(265,844)	(265,844)	(265,844)	
Expenditure accrual adjustments	31,966	31,966	31,966	
Total Adjustments To Reconcile To GAAP Basis	<u>(233,878)</u>	<u>(233,878)</u>	<u>(233,878)</u>	
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>	261,722	310,225	562,640	
FUND BALANCE, JANUARY 1	<u>15,206,299</u>	<u>15,206,299</u>	<u>15,206,299</u>	
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 15,468,021</u>	<u>15,516,524</u>	<u>15,768,939</u>	



**MONARCH FIRE PROTECTION DISTRICT**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - AMBULANCE FUND - BUDGETARY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
				<u>Actual</u>
<b>REVENUES</b>				
Tax revenue - levy	\$ 6,557,600	6,557,600	6,432,329	(125,271)
Tax revenue - TIF	-	6,241	6,241	-
Ambulance billings	150,000	150,000	127,522	(22,478)
Investment income	121,000	22,000	21,902	(98)
Miscellaneous	500	500	-	(500)
Total Revenues	<u>6,829,100</u>	<u>6,736,341</u>	<u>6,587,994</u>	<u>(148,347)</u>
<b>EXPENDITURES</b>				
Current:				
Administrative and general	76,000	84,100	82,087	(2,013)
Maintenance and support services	152,000	179,000	163,612	(15,388)
Professional fees	99,500	248,560	247,509	(1,051)
Directors' fees	12,800	12,800	11,649	(1,151)
Salaries and personnel costs	6,279,100	6,255,143	5,964,147	(290,996)
Capital outlay	181,200	170,341	117,373	(52,968)
Total Expenditures	<u>6,800,600</u>	<u>6,949,944</u>	<u>6,586,377</u>	<u>(363,567)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>28,500</u>	<u>(213,603)</u>	<u>1,617</u>	<u>215,220</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	10,000	10,000	2,800	(7,200)
Transfers out	(55,000)	(55,000)	(55,000)	-
Total Other Financing Sources (Uses)	<u>(45,000)</u>	<u>(45,000)</u>	<u>(52,200)</u>	<u>7,200</u>
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<u>(16,500)</u>	<u>(258,603)</u>	<u>(50,583)</u>	<u>208,020</u>
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments	(269,717)	(269,717)	(269,717)	
Expenditure accrual adjustments	(38,214)	(38,214)	(38,214)	
Total Adjustments To Reconcile To GAAP Basis	<u>(307,931)</u>	<u>(307,931)</u>	<u>(307,931)</u>	
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>	(324,431)	(566,534)	(358,514)	
FUND BALANCE, JANUARY 1	<u>7,525,202</u>	<u>7,525,202</u>	<u>7,525,202</u>	
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 7,200,771</u>	<u>6,958,668</u>	<u>7,166,688</u>	

**MONARCH FIRE PROTECTION DISTRICT**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - DISPATCH FUND - BUDGETARY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Over (Under) Actual</b>
<b>REVENUES</b>			
Tax revenue - levy	\$ 1,024,100	1,010,451	(13,649)
Tax revenue - TIF	-	987	987
Investment income	1,000	80	(920)
Total Revenues	1,025,100	1,011,518	(13,582)
<b>EXPENDITURES</b>			
Current:			
Professional fees	500	500	-
Dispatching service	1,024,600	1,010,635	(13,965)
Total Expenditures	1,025,100	1,011,135	(13,965)
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	-	383	383
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>			
Revenue accrual adjustments	(64,461)	(64,461)	
Expenditure accrual adjustments	(218,180)	(218,180)	
Total Adjustments To Reconcile To GAAP Basis	(282,641)	(282,641)	
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>	(282,641)	(282,258)	
FUND BALANCE, JANUARY 1	384,173	384,173	
<b>FUND BALANCE, DECEMBER 31</b>	\$ 101,532	101,915	

**MONARCH FIRE PROTECTION DISTRICT**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - PENSION REVENUE FUND - BUDGETARY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Over (Under) Actual</b>
<b>REVENUES</b>			
Tax revenue - levy	\$ 1,959,200	1,940,446	(18,754)
Tax revenue - TIF	10,800	1,881	(8,919)
Total Revenues	1,970,000	1,942,327	(27,673)
<b>EXPENDITURES</b>			
Pension contribution	1,970,000	1,900,000	(70,000)
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>			
	-	42,327	42,327
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>			
Revenue accrual adjustments	-	258,340	
Expenditure accrual adjustments	-	(300,667)	
Total Adjustments To Reconcile To GAAP Basis	-	(42,327)	
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>			
	-	-	
<b>FUND BALANCE, JANUARY 1</b>			
	-	-	
<b>FUND BALANCE, DECEMBER 31</b>			
	\$ -	-	

**MONARCH FIRE PROTECTION DISTRICT  
REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO  
SCHEDULES OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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**Budgets**

Budgets are adopted on a modified cash basis adjusted for the timing on tax levy revenue recognition and payroll expenditures recognition of accounting. Annual appropriated budgets are adopted for each governmental fund. Budgets are not prepared for the Proprietary Fund (Internal Service Fund - Dental and Vision Plan) and the Fiduciary Fund (Welfare Benefit Plan Trust - VEBA). All annual appropriations lapse at fiscal year-end.

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

- a. Budget worksheets are distributed by the Controller to department heads for the accounts that relate to that department. All department heads are responsible for developing their annual budget based upon their needs and goals for the following year.
- b. Information is returned to the Controller by the department heads in a variety of formats. However, all accounts must be addressed and large or unusual expenditure requests must have explanations or supporting documents attached.
- c. All information is compiled as received then reviewed by the Chief and the Controller. Decisions can then be made regarding what budget items are appropriate and necessary and which need to be modified.
- d. The legal level of budgetary control is individual line items within all departments.
- e. State statutes prohibit deficit budgeting by requiring that estimated expenditures for the fiscal year do not exceed estimated revenues for the fiscal year plus unencumbered budget basis fund balances at the beginning of the fiscal year.
- f. The draft of the budget, when completed, is presented to the Board of Directors for their revision and approval. The annual operating budget for the fiscal year beginning the following January 1 must be adopted prior to December 31.
- g. During the year, budget amendments may be submitted by the Chief and the Controller to the Board of Directors. Budget amendments were adopted once during the current year.

The District issues a separate budget report to demonstrate legal compliance at the legal level of budgetary control. This report titled "Monarch Fire Protection District Budget to Actual Report" is available upon request to the District.

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**MONARCH FIRE PROTECTION DISTRICT**  
**OTHER SUPPLEMENTAL**

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**OTHER SUPPLEMENTAL INFORMATION**

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**MONARCH FIRE PROTECTION DISTRICT**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - DEBT SERVICE FUND - BUDGETARY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Over (Under) Actual</b>
<b>REVENUES</b>			
Tax revenue - levy	\$ 724,200	688,523	(35,677)
Tax revenue - TIF	-	688	688
Investment income	14,000	4,102	(9,898)
Total Revenues	738,200	693,313	(44,887)
<b>EXPENDITURES</b>			
Current:			
Professional fees	500	500	-
Debt service:			
Principal	550,000	550,000	-
Interest and other charges	71,369	71,156	(213)
Total Expenditures	621,869	621,656	(213)
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	116,331	71,657	(44,674)
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>			
Revenue accrual adjustments	(91,976)	(91,976)	
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>	24,355	(20,319)	
FUND BALANCE, JANUARY 1	930,714	930,714	
<b>FUND BALANCE, DECEMBER 31</b>	\$ 955,069	910,395	

**MONARCH FIRE PROTECTION DISTRICT**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - CAPITAL PROJECTS FUND - BUDGETARY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Over (Under) Actual</b>
<b>REVENUES</b>			
Investment income	\$ 29,000	18,989	(10,011)
<b>EXPENDITURES</b>			
Capital outlay	1,720,000	1,304,801	(415,199)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,691,000)	(1,285,812)	405,188
<b>OTHER FINANCING SOURCES</b>			
Transfers in	605,000	605,000	-
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	(1,086,000)	(680,812)	405,188
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>			
Revenue accrual adjustments	486	486	
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>	(1,085,514)	(680,326)	
<b>FUND BALANCE, JANUARY 1</b>	1,934,800	1,934,800	
<b>FUND BALANCE, DECEMBER 31</b>	\$ 849,286	1,254,474	



**MONARCH FIRE PROTECTION DISTRICT**  
**STATISTICAL**

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**STATISTICAL SECTION**

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# MONARCH FIRE PROTECTION DISTRICT

## STATISTICAL OVERVIEW

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This section of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial position and changes therein.

<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	49 - 52
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	53 - 56
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	57 - 60
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	61 - 64
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	65 - 66

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**MONARCH FIRE PROTECTION DISTRICT**  
**NET ASSETS BY COMPONENT - ACCRUAL BASIS OF ACCOUNTING**  
**LAST SEVEN FISCAL YEARS**

	For The Years Ended December 31						
	2003	2004	2005	2006	2007	2008	2009
Primary government - governmental activities:							
Invested in capital assets, net of related debt	\$ 11,196,444	10,607,325	10,388,863	10,211,492	10,232,102	10,502,797	10,478,426
Restricted	537,022	740,054	893,051	903,484	951,284	1,046,998	1,237,191
Unrestricted	14,544,947	15,887,398	18,117,042	20,531,811	22,374,734	23,901,681	23,789,787
	<u>\$ 26,278,413</u>	<u>\$ 27,234,777</u>	<u>29,398,956</u>	<u>31,646,787</u>	<u>33,558,120</u>	<u>35,451,476</u>	<u>35,505,404</u>

Note: The District implemented GASB 34 in fiscal year 2003 and, therefore, only seven years are available for presentation.

**MONARCH FIRE PROTECTION DISTRICT**  
**CHANGES IN NET ASSETS - ACCRUAL BASIS OF ACCOUNTING**  
**LAST SEVEN FISCAL YEARS**

	For The Years Ended December 31						
	2003	2004	2005	2006	2007	2008	2009
<b>EXPENSES</b>							
Fire, ambulance, and EMS services	\$ 15,008,932	16,791,406	15,925,920	16,425,902	17,474,802	18,969,871	19,698,041
Dispatching services	739,027	805,745	765,146	834,324	892,464	1,376,749	951,089
Interest on long-term debt	121,566	118,312	133,743	118,261	106,163	85,920	68,865
Total Expenses	<u>15,869,525</u>	<u>17,715,463</u>	<u>16,824,809</u>	<u>17,378,487</u>	<u>18,473,429</u>	<u>20,432,540</u>	<u>20,717,995</u>
<b>PROGRAM REVENUES</b>							
Charges for services - permit fees and ambulance calls	548,701	573,778	610,943	668,328	635,701	483,148	299,504
Capital grants	-	49,996	4,250	2,500	-	-	-
Total Program Revenues	<u>548,701</u>	<u>623,774</u>	<u>615,193</u>	<u>670,828</u>	<u>635,701</u>	<u>483,148</u>	<u>299,504</u>
<b>NET REVENUES (EXPENSES)</b>	<u>(15,320,824)</u>	<u>(17,091,689)</u>	<u>(16,209,616)</u>	<u>(16,707,659)</u>	<u>(17,837,728)</u>	<u>(19,949,392)</u>	<u>(20,418,491)</u>
<b>GENERAL REVENUES AND OTHER</b>							
<b>CHANGES IN NET ASSETS</b>							
Property tax:							
Taxes levied	14,987,369	17,753,371	17,777,621	18,250,572	18,676,035	20,032,123	20,223,096
Tax increment financing	74,373	104,094	112,057	124,078	137,245	1,284,935	20,030
Investment income	130,283	138,478	466,812	747,996	873,984	483,932	107,526
Miscellaneous	18,844	52,110	17,305	17,350	61,797	41,758	119,715
Gain on sale of assets	-	-	-	-	-	-	2,052
Total General Revenues And Other	<u>15,210,869</u>	<u>18,048,053</u>	<u>18,373,795</u>	<u>19,139,996</u>	<u>19,749,061</u>	<u>21,842,748</u>	<u>20,472,419</u>
Changes In Net Assets	<u>\$ (109,955)</u>	<u>956,364</u>	<u>2,164,179</u>	<u>2,432,337</u>	<u>1,911,333</u>	<u>1,893,356</u>	<u>53,928</u>

Note: The District implemented GASB 34 in fiscal year 2003 and, therefore, only seven years are available for presentation.

**MONARCH FIRE PROTECTION DISTRICT**  
**FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED ACCRUAL BASIS OF ACCOUNTING**  
**LAST TEN FISCAL YEARS**

	For The Years Ended December 31									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>General Fund</b>										
Reserved for deposit on new pumper truck	\$ -	-	-	-	-	-	-	-	-	537,124
Unreserved, designated for:										
Subsequent year tax levy	-	-	-	-	-	-	8,924,195	8,453,276	9,422,115	9,029,733
Unreserved	12,101,055	11,456,467	11,061,334	9,316,762	10,188,049	10,433,091	3,826,768	4,801,372	5,784,184	6,202,082
Total General Fund	\$ 12,101,055	11,456,467	11,061,334	9,316,762	10,188,049	10,433,091	12,750,963	13,254,648	15,206,299	15,768,939
<b>All Other Governmental Funds</b>										
Reserved for debt service	\$ 552,059	567,394	761,230	-	665,429	743,734	827,151	794,300	930,714	910,395
Unreserved, designated for:										
Subsequent year tax levy, reported in Special Revenue Funds	-	-	-	-	-	-	6,229,384	5,625,708	6,508,570	5,874,913
Unreserved, reported in:										
Special Revenue Funds	5,991,268	6,990,409	6,862,889	8,111,516	7,050,494	6,710,282	1,689,966	1,787,960	1,400,805	1,393,690
Capital Projects Funds	12,738	16,574	16,256	16,493	4,291,610	3,516,026	1,735,904	1,757,985	1,934,800	1,254,474
Total All Other Governmental Funds	\$ 6,556,065	7,574,377	7,640,375	8,128,009	12,007,533	10,970,042	10,482,405	9,965,953	10,774,889	9,433,472

**MONARCH FIRE PROTECTION DISTRICT**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED ACCRUAL BASIS OF ACCOUNTING**  
**LAST TEN FISCAL YEARS**

	For The Years Ended December 31									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>REVENUES</b>										
Property taxes	\$ 12,585,751	13,417,709	13,794,004	14,306,395	18,329,836	16,306,138	19,475,626	17,363,094	22,343,654	20,121,315
Ambulance billings	81,507	51,625	107,846	164,964	168,708	145,337	148,989	149,029	129,564	127,522
Inspection and permit fees	291,600	317,083	289,122	383,737	405,070	465,606	519,339	486,672	353,584	171,982
Investment income	735,090	575,052	212,222	130,046	134,844	453,848	712,407	817,780	453,737	106,629
Miscellaneous	16,341	21,322	5,994	14,522	102,106	21,555	19,850	40,583	41,758	119,756
<b>Total Revenues</b>	<b>13,710,289</b>	<b>14,382,791</b>	<b>14,409,188</b>	<b>14,999,664</b>	<b>19,140,564</b>	<b>17,392,484</b>	<b>20,876,211</b>	<b>18,857,158</b>	<b>23,322,297</b>	<b>20,647,204</b>
<b>EXPENDITURES</b>										
Current operations	10,291,374	11,796,448	12,939,994	13,912,799	15,591,349	15,457,704	15,901,667	16,673,911	18,268,941	18,769,620
Dispatching service	316,105	306,392	455,082	739,027	804,956	1,128,796	541,377	1,137,414	1,182,264	1,228,815
Capital outlay	1,874,707	1,502,577	1,504,117	847,612	405,103	1,020,278	2,008,814	456,786	503,435	1,570,442
Debt service:										
Principal	275,000	300,000	300,000	325,000	1,800,000	425,000	475,000	525,000	525,000	550,000
Interest and other charges	138,288	124,650	112,075	100,831	119,925	156,600	120,118	105,118	88,215	71,156
<b>Total Expenditures</b>	<b>12,895,474</b>	<b>14,030,067</b>	<b>15,311,268</b>	<b>15,925,269</b>	<b>18,721,333</b>	<b>18,188,378</b>	<b>19,046,976</b>	<b>18,898,229</b>	<b>20,567,855</b>	<b>22,190,033</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>814,815</b>	<b>352,724</b>	<b>(902,080)</b>	<b>(925,605)</b>	<b>419,231</b>	<b>(795,894)</b>	<b>1,829,235</b>	<b>(41,071)</b>	<b>2,754,442</b>	<b>(1,542,829)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from sale of capital assets	18,385	21,000	572,945	11,700	9,100	3,445	1,000	28,304	6,145	14,052
Proceeds from issuance of debt	-	-	-	-	4,300,000	-	-	-	-	-
Premium on debt	-	-	-	-	22,480	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	750,000
<b>Total Other Financing Sources (Uses)</b>	<b>18,385</b>	<b>21,000</b>	<b>572,945</b>	<b>11,700</b>	<b>4,331,580</b>	<b>3,445</b>	<b>1,000</b>	<b>28,304</b>	<b>6,145</b>	<b>764,052</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 833,200</b>	<b>373,724</b>	<b>(329,135)</b>	<b>(913,905)</b>	<b>4,750,811</b>	<b>(792,449)</b>	<b>1,830,235</b>	<b>(12,767)</b>	<b>2,760,587</b>	<b>(778,777)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	3.9 %	3.5	3.1	2.9	11.7	3.5	3.6	3.4	3.0	3.0

Beginning in 2004, the Pension Revenue Fund was utilized (pension levy was not previously accounted for in a government fund) creating a jump in tax revenue reflected in the governmental funds presentation.

**MONARCH FIRE PROTECTION DISTRICT**  
**ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY (IN THOUSANDS OF DOLLARS)**  
**LAST TEN FISCAL YEARS**

For The Years Ended December 31	Real Estate					Railroad And Utility	Total Real Estate	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value	
	Residential Property	Commercial Property	Agriculture Property	Total								As A Percentage Of Actual Value	%
				Commercial Property	Agriculture Property								
2000	\$ 831,390	259,082	2,252	20,377	1,113,101	279,425	1,392,526	1.019	6,106,085	22.81	22.81		
2001	947,634	300,240	2,202	20,946	1,271,022	296,186	1,567,208	0.995	6,898,164	22.71	22.71		
2002	972,040	307,989	2,123	20,050	1,302,202	304,674	1,606,876	0.979	7,072,836	22.72	22.72		
2003	1,045,082	317,202	2,223	19,342	1,383,849	288,198	1,672,047	1.068 *	7,435,247	22.49	22.49		
2004	1,068,493	325,030	2,233	20,425	1,416,181	284,129	1,700,310	1.029 *	7,574,195	22.45	22.45		
2005	1,206,336	373,833	2,203	21,639	1,604,011	300,381	1,904,392	0.970 *	8,504,489	22.39	22.39		
2006	1,219,228	409,696	2,211	21,830	1,652,965	317,313	1,970,278	0.991 *	8,666,976	22.73	22.73		
2007	1,498,036	475,212	2,126	22,099	1,997,473	325,951	2,323,424	0.854 *	10,434,066	22.27	22.27		
2008	1,520,813	490,938	2,189	21,300	2,035,240	344,954	2,380,194	0.859 *	10,658,128	22.33	22.33		
2009	1,432,031	515,655	1,856	22,619	1,972,161	327,444	2,299,605	0.895 *	10,216,912	22.51	22.51		

\*Commencing in 2003, Missouri State Law required the District to calculate a separate tax rate for residential real estate, agricultural real estate, commercial real estate, and personal property. The tax rate stated above for each fund for 2003 through 2009 reflects a re-blended rate for the various types of taxable property.

Source: St. Louis County Collector

**MONARCH FIRE PROTECTION DISTRICT**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES (RATE PER \$1,000 OF ASSESSED VALUE)**  
**LAST TEN FISCAL YEARS ENDED DECEMBER 31**

For The Years Ended December 31	District Direct Rates				Overlapping Rates												
	Basic Rate	General Obligation			Total Direct	St. Louis County	Parkway School District		Rockwood School District		MSD Extension	City Of Ballwin	City Of Maryland Heights	City Of Chesterfield	City Of Coeur Coeur	City Of Clarkson Valley	City Of Wildwood
		Debt Service	Debt	Service			School District	School District	Extension	Extension							
2000	0.989	0.030	0.027	0.019	0.580	3.603	4.525	0.020	-	-	0.100	0.070	0.100	0.070	0.100	-	
2001	0.968	0.027	0.013	0.995	0.580	3.455	4.421	0.019	-	-	0.060	0.070	0.140	0.070	0.140	-	
2002	0.966	0.013	0.097	0.979	0.580	3.511	4.439	0.019	-	-	0.060	0.070	0.136	0.070	0.136	-	
2003	0.971	0.040	0.040	1.068 *	0.580	3.451	4.271	0.019	-	-	0.060	0.070	0.139	0.070	0.139	-	
2004	0.989	0.040	0.040	1.029 *	0.580	3.610	4.633	0.019	-	-	0.060	0.070	0.134	0.070	0.134	-	
2005	0.930	0.033	0.033	0.970 *	0.558	3.453	4.507	0.019	-	-	0.060	0.093	0.134	0.093	0.134	-	
2006	0.958	0.030	0.030	0.991 *	0.558	3.641	4.418	0.019	-	-	0.060	0.090	0.128	0.090	0.128	-	
2007	0.824	0.030	0.030	0.854 *	0.558	3.230	3.999	0.017	-	-	0.060	0.075	0.103	0.075	0.103	-	
2008	0.829	0.030	0.030	0.859 *	0.558	3.230	3.923	-	-	-	0.030	0.075	0.106	0.075	0.106	-	
2009	0.859	0.036	0.036	0.895 *	0.523	3.410	4.008	-	-	-	0.030	0.080	0.114	0.080	0.114	-	

Note: The District's property tax rate may be increased above annually determined maximum only by a majority vote of the District's residents. Rates for debt service are set based on each year's requirements.

\*Commencing in 2003, Missouri State Law required the District to calculate a separate tax rate for residential real estate, agricultural real estate, commercial real estate, and personal property. The District tax rate stated above for each fund for 2003 through 2009 reflects a re-blended rate for the various types of taxable property. For overlapping Districts, the rate stated above is the residential real estate rate, as this is the largest assessed valuation.

Source: St. Louis County Collector



**MONARCH FIRE PROTECTION DISTRICT**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND THIRTEEN YEARS AGO**

Taxpayer	2009			1996		
	Taxable Assessed Valuation	Rank	Percent Of	Taxable Assessed Valuation	Rank	Percent Of
			Total Assessed Valuation			Total Assessed Valuation
THF Chesterfield Development, LLC	\$ 53,976,130	1	2.35 %	\$ -	-	- %
Pfizer, Inc.	37,787,810	2	1.64	-	-	-
Pharmacia Corporation	31,139,240	3	1.35	-	-	-
Chesterfield Mall, LLC	28,974,300	4	1.26	24,488,510	1	2.35
AmerenUE	22,377,423	5	0.97	20,029,507	2	1.92
FSP Timberlake Corporation	15,318,400	6	0.67	-	-	-
Scott Properties LP/Scott Family Properties LP	14,657,210	7	0.64	-	-	-
Missouri American Water Company	13,708,070	8	0.60	14,902,210	3	1.43
Chesterfield Village, Inc.	11,641,820	9	0.51	-	-	-
G&E Healthcare	10,465,420	10	0.46	-	-	-
St. Louis West Joint Venture	-	-	-	14,205,380	4	1.36
St. Luke's Episcopal Presbyterian Hospital	-	-	-	6,890,220	5	0.66
Wild Horse Joint Venture	-	-	-	5,759,320	6	0.55
Corporate Plaza Management Co.	-	-	-	5,057,700	7	0.48
Container Corp. of America	-	-	-	5,022,310	8	0.48
Bettie Gershman	-	-	-	3,557,930	9	0.34
Smith Barney Real Estate Fund	-	-	-	3,322,280	10	0.32
	<u>\$ 240,045,823</u>		<u>10.45 %</u>	<u>\$ 103,235,367</u>		<u>9.89 %</u>

Source: St. Louis County Collector

Listing for ten years ago not available.

**MONARCH FIRE PROTECTION DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

For The Years Ended December 31	Taxes Levied For The Year	Collected Within The Fiscal Year Of The Levy		Collections In Subsequent Years*	Total Collections To Date	
		Amount	Percentage Of Levy		Amount	Percentage Of Levy
2000	\$ 13,753,028	\$ 13,232,163	96.21 %	\$ 762,062	\$ 13,994,225	101.75 %
2001	14,931,111	14,324,030	95.93	614,648	14,938,678	100.05
2002	15,043,218	14,345,666	95.36	716,179	15,061,845	100.12
2003	17,147,849	14,207,054	82.85	693,347	14,900,401	86.89
2004	17,355,163	15,898,223	91.61	2,910,642	18,808,865	108.38
2005	17,383,747	15,395,108	88.56	590,975	15,986,083	91.96
2006	17,747,391	16,991,756	95.74	1,958,778	18,950,534	106.78
2007	18,497,562	16,164,414	87.39	803,855	16,968,269	91.73
2008	20,751,524	18,195,459	87.68	2,396,028	20,591,487	99.23
2009	20,167,615	17,312,380	85.84	2,357,659	19,670,039	97.53

Source: St. Louis County Collector

\*Collections not available by levy year.

**MONARCH FIRE PROTECTION DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**(DOLLARS IN THOUSANDS, EXCEPT PER CAPITA)**  
**LAST TEN FISCAL YEARS**

<b>For The Years Ended December 31</b>	<b>Governmental Activities</b>		<b>Percentage Of Personal Income</b>	<b>District Per Capita</b>
	<b>General Obligation Debt</b>	<b>Total Primary Government</b>		
2000	\$ 2,725	\$ 2,725	0.01 %	\$ 45.16
2001	2,425	2,425	0.01	39.48
2002	2,125	2,125	-	33.98
2003	1,800	1,800	-	28.28
2004	4,300	4,300	0.01	66.35
2005	3,875	3,875	0.01	58.74
2006	3,400	3,400	0.01	50.63
2007	2,875	2,875	0.01	42.51
2008	2,350	2,350	0.01	34.51
2009	1,800	1,800	0.01	30.00

**MONARCH FIRE PROTECTION DISTRICT**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**(DOLLARS IN THOUSANDS, EXCEPT PER CAPITA)**  
**LAST TEN FISCAL YEARS**

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<u>For The Years Ended December 31</u>	<u>General Bonded Debt Outstanding</u>		<u>Percentage Of Actual Taxable Value Of Property</u>	<u>District Per Capita</u>
	<u>General Obligation Debt</u>	<u>Total Primary Debt</u>		
2000	\$ 2,725	\$ 2,725	0.20 %	\$ 45.16
2001	2,425	2,425	0.15	39.48
2002	2,125	2,125	0.13	33.98
2003	1,800	1,800	0.11	28.28
2004	4,300	4,300	0.25	66.35
2005	3,875	3,875	0.20	58.74
2006	3,400	3,400	0.17	50.63
2007	2,875	2,875	0.12	42.51
2008	2,350	2,350	0.10	34.51
2009	1,800	1,800	0.08	30.00

**MONARCH FIRE PROTECTION DISTRICT**  
**DIRECT AND OVERLAPPING GOVERNMENTAL**  
**ACTIVITIES DEBT (DOLLARS IN THOUSANDS)**  
**DECEMBER 31, 2009**

<u>Governmental Unit</u>	<u>Debt Out- standing</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share Of Overlapping Debt</u>
General obligation bonds:			
St. Louis County	\$ 49,050	9.61 %	\$ 4,714
Parkway School District	142,481	29.04	41,376
Rockwood School District	169,975	28.08	47,729
MSD Extension	-	20.20	-
City of Ballwin	2,820	0.53	15
City of Maryland Heights	-	1.18	-
City of Chesterfield	21,445	92.14	19,759
City of Creve Coeur	6,885	10.19	702
City of Clarkson Valley	-	76.50	-
City of Wildwood	2,270	27.09	615
Subtotal Of Overlapping Debt			<u>114,910</u>
Monarch Fire Protection District	1,800	100.00	<u>1,800</u>
Total Direct And Overlapping Debt			<u><u>\$ 116,710</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by St. Louis County Assessor's office.

**MONARCH FIRE PROTECTION DISTRICT**  
**LEGAL DEBT MARGIN INFORMATION (DOLLARS IN THOUSANDS)**  
**LAST TEN FISCAL YEARS**

	For The Years Ended December 31									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 69,626,300	78,360,400	80,343,800	83,602,350	85,015,500	95,219,593	97,424,253	116,171,204	119,009,708	114,980,280
Total net debt applicable to limit	1,789,720	1,473,025	1,363,770	98,490	3,634,571	3,135,139	2,583,355	2,080,700	1,419,286	889,605
Legal Debt Margin	\$ 67,836,580	76,887,375	78,980,030	83,503,860	81,380,929	92,084,454	94,840,898	114,090,504	117,590,422	114,090,675

Total net debt applicable to the limit as a percentage of debt limit

	2.57 %	1.88	1.70	0.12	4.28	3.29	2.65	1.79	1.19	0.77
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Legal debt margin calculation for fiscal year 2009:  
 Assessed value \$ 2,299,605,602

Debt limit (5% of assessed value)  
 Debt applicable to limit: \$ 114,980,280

General obligation bonds 1,800,000  
 Less - Amount set aside for payment of general obligation bonds (910,395)  
 Total Debt Applicable To Limit 889,605

Legal Debt Margin \$ 114,090,675

**MONARCH FIRE PROTECTION DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

For The Years Ended December 31	Estimated Population		Personal Income (Thousands Of Dollars)	Per Capita Personal Income	Public School Enrollment	Unemployment Rate	Housing Units Built
	County	District					
2000	1,016,315	60,340	\$ 41,011,770	\$ 40,354	152,518	2.20 %	2,691
2001	1,017,970	61,426	42,320,067	41,573	150,830	3.80	2,454
2002	1,018,102	62,532	42,959,832	42,196	146,947	4.80	2,180
2003	1,013,123	63,658	43,792,242	43,225	149,569	5.10	2,257
2004	1,009,235	64,803	45,517,508	45,101	147,949	5.40	2,625
2005	1,004,666	65,970	46,311,739	46,097	142,462	5.10	2,541
2006	998,704 (1)	67,157	49,662,201	49,727	148,303	4.60	1,795
2007	993,118 (1)	67,627	50,036,726	56,280	148,516	4.90	915
2008	991,830 (1)	68,101	53,926,646	54,343	147,240	3.10	NA
2009	992,408 (1)	68,578	53,175,205	53,582	148,347	5.90	NA

2004 Median Age: 39.0 years (Source: St. Louis County, Missouri)  
2004 Percent High School Graduates: 91.4% (Source: St. Louis County, Missouri)  
2004 Percent College Graduates: 37.1% (Source: St. Louis County, Missouri)

Note: Unless noted above, the demographic and economic statistics are for St. Louis County, Missouri, the county in which the District is located.

(1) Population estimate based upon U.S. Census Bureau estimate

Sources:

- St. Louis County, Missouri
- Population 2000: U.S. Census Bureau
- Population Estimates: 2006 American Community Survey
- Per Capita Income: U.S. Department of Commerce, Bureau of Economic Analysis
- Public School Enrollment: U.S. Census Bureau
- Unemployment Rate: U.S. Department of Labor
- Housing Units Built: U.S. Census Bureau
- NA: Information not available as of the date of this report.

**MONARCH FIRE PROTECTION DISTRICT**  
**2009 TOP EMPLOYERS BY INDUSTRY GROUP**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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**Employment by Industry Group - St. Louis County**

<u>Type</u>	<u>Estimated Employment</u>	<u>Rank</u>	<u>Percentage Of Total County Employment</u>
Education and health services	113,421	1	21.6 %
Trade, transportation, and utilities	109,745	2	20.9
Manufacturing	66,687	3	12.7
Professional and business services	53,034	4	10.1
Other services	41,483	5	7.9
Leisure and hospitality	39,907	6	7.6
Financial activities	36,231	7	6.9
Construction	25,730	8	4.9
Information	19,955	9	3.8
Public administration	17,328	10	3.3
Natural resources and mining	1,575	11	0.3
Total	<u>525,096</u>		<u>100.0 %</u>

Source: St. Louis Regional Chamber & Growth Association (RCGA), Employment by Industry

Note: Listing for nine years ago not available.



**MONARCH FIRE PROTECTION DISTRICT**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Employers - City of Chesterfield	2009			2000		
	Estimated Employment	Rank	Percentage Of Total City Employment	Estimated Employment	Rank	Percentage Of Total City Employment
St. Luke's Hospital	3,645	1	10.41	NA *	-	NA %*
Pfizer, Inc.	1,077	2	3.08	NA *	-	NA *
Parkway School District	1,027	3	2.93	NA *	-	NA *
McBride and Son Management Co.	700	4	2.00	NA *	-	NA *
Reinsurance Group of America, Inc.	607	5	1.73	NA *	-	NA *
Amdocs, Inc.	550	6	1.57	NA *	-	NA *
Mercy Health Plans	370	7	1.06	NA *	-	NA *
Rockwood School District	363	8	1.04	NA *	-	NA *
IKON Office Solutions	293	9	0.84	NA *	-	NA *
Technology Partners, Inc.	289	10	0.83	NA *	-	NA *
Total Employers	8,921		25.49 %	-		NA %*

Note: The District's largest coverage area is in the City of Chesterfield, with around 90% of the City of Chesterfield protected by the District. The City of Chesterfield is the largest city within the District's boundaries. The above list of employers is data for the City of Chesterfield.

\*Employment information for 2000 is not available.

**MONARCH FIRE PROTECTION DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTIONS/PROGRAMS**  
**LAST TEN FISCAL YEARS**

<b>FUNCTIONS/PROGRAMS</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
General government:										
Chief officers	7	7	7	7	7	7	7	7	7	7
Firefighters, firefighter/paramedics, and officers	90	91	91	90	91	99	99	100	100	101
Inspectors and fire prevention	5	5	5	5	5	5	5	5	5	5
Maintenance	2	2	3	3	3	3	3	3	3	3
Training	-	1	1	1	1	1	1	1	1	1
Administration	5	5	5	5	5	5	6	7	7	7
<b>Total General Government</b>	<b>109</b>	<b>111</b>	<b>112</b>	<b>111</b>	<b>112</b>	<b>120</b>	<b>121</b>	<b>123</b>	<b>123</b>	<b>124</b>

**MONARCH FIRE PROTECTION DISTRICT**  
**OPERATING INDICATORS BY FUNCTIONS/PROGRAMS**  
**LAST TEN FISCAL YEARS**

<b>FUNCTIONS/PROGRAMS</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Responses:										
EMS emergency	3,535	3,687	3,733	3,809	3,596	3,939	3,945	4,230	4,536	4,194
Non-EMS emergency	1,763	1,683	1,674	1,647	1,615	1,533	1,736	1,750	1,784	1,350
Total Responses	<u>5,298</u>	<u>5,370</u>	<u>5,407</u>	<u>5,456</u>	<u>5,211</u>	<u>5,472</u>	<u>5,681</u>	<u>5,980</u>	<u>6,320</u>	<u>5,544</u>
Construction permits issued	<u>1,300</u>	<u>996</u>	<u>1,009</u>	<u>1,245</u>	<u>1,168</u>	<u>906</u>	<u>843</u>	<u>756</u>	<u>631</u>	<u>490</u>

Source: District's EMS Division, Fire Prevention Bureau

**MONARCH FIRE PROTECTION DISTRICT**  
**CAPITAL ASSETS STATISTICS BY FUNCTIONS/PROGRAMS**  
**LAST TEN FISCAL YEARS**

FUNCTIONS/PROGRAMS	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Buildings:										
Fire stations	5	5	5	5	5	5	5	5	5	5
Training tower	1	1	1	1	1	1	1	1	1	1
Headquarters (shared building until 2006)	1	1	1	1	1	1	1	1	1	1
Maintenance building	1	1	1	1	1	1	1	1	1	1
<b>Total Buildings</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
Fleet vehicles:										
Fire and EMS direct vehicles	15	15	20	18	19	20	19	18	19	20
Support vehicles	14	18	20	15	15	16	16	16	16	16
<b>Total Fleet Vehicles</b>	<b>29</b>	<b>33</b>	<b>40</b>	<b>33</b>	<b>34</b>	<b>36</b>	<b>35</b>	<b>34</b>	<b>35</b>	<b>36</b>

Note: In 2006, the District completed a fire station and moved the station in the shared building with Headquarters, making Headquarters a stand-alone location.

Source: District's Administration office

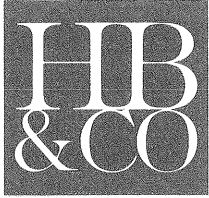
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**MONARCH FIRE PROTECTION DISTRICT**  
**INTERNAL CONTROL AND COMPLIANCE**

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**INTERNAL CONTROL AND COMPLIANCE SECTION**

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**Hochschild, Bloom & Company LLP**  
Certified Public Accountants  
Consultants and Advisors

**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

June 21, 2010

Board of Directors  
**MONARCH FIRE PROTECTION DISTRICT**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **MONARCH FIRE PROTECTION DISTRICT** (the District) as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 21, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the District in a separate letter dated June 21, 2010.

This report is intended solely for the information and use of the Board of Directors, management, others within the District, and all applicable regulatory agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Hochschild Bloom & Company LLP*  
**CERTIFIED PUBLIC ACCOUNTANTS**