

**AMBULANCE REVENUE and COST REPORT
FIRE DISTRICT and SMALL RURAL COMPANY**

**Arizona Department of Health Services
Annual Ambulance Financial Report**

ELFRIDA FIRE DISTRICT
Reporting Ambulance Service

Address: 10293 N. CENTRAL HWY

City: ELFRIDA Zip: 85610

Report Fiscal Year

From: July 1, 2014 To: June 30, 2015
Mo. Day Year Mo. Day Year

I hereby verify that I have directed the preparation of the enclosed annual report in accordance with the reporting requirements of the State of Arizona.

I have read this report and hereby verify that the information provided is true and correct to the best of my knowledge.

This report has been prepared using the accrual basis of accounting.

Authorized Signature:  Date: February 10, 2016

Print Name and Title: VICTORIA HOKE

Phone: 520-642-3749

Mail to:
Department of Health Services
Bureau of Emergency Medical Services
Certificate of Necessity and Rates Section
150 North 18th Avenue, Suite 540
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AMBULANCE REVENUE AND COST REPORT

FIRE DISTRICT and SMALL RURAL COMPANY

AMBULANCE SERVICE ENTITY: _____ **ELFRIDA FIRE DISTRICT**

FOR THE PERIOD FROM: July 1, 2014 TO: June 30, 2015

STATISTICAL SUPPORT DATA

Line No.	DESCRIPTION	(1) SUBSCRIPTION SERVICE TRANSPORTS	*(2) TRANSPORTS UNDER CONTRACT	(3) TRANSPORTS NOT UNDER CONTRACT	(4) TOTALS
1	Number of ALS Billable Transports:	_____	83,637	_____	83,637
2	Number of BLS Billable Transports:	_____	57,506	_____	57,506
3	Number of Loaded Billable Miles:	_____	3,715	_____	3,715
4	Waiting Time (Hr. & Min.):	_____	-	_____	_____
5	Canceled (Non-Billable) Runs:	_____	_____	_____	-

AMBULANCE SERVICE ROUTINE OPERATING REVENUE

6	ALS Base Rate Revenue	_____	_____	_____	\$ _____
7	BLS Base Rate Revenue	_____	_____	_____	_____
8	Mileage Charge Revenue	_____	_____	_____	_____
9	Waiting Charge Revenue	_____	_____	_____	_____
10	Medical Supplies Charge Revenue	_____	_____	_____	_____
11	Nurses Charge Revenue	_____	_____	_____	_____
12	Standby Charge Revenue (Attach Schedule)	_____	_____	_____	_____
13	TOTAL AMBULANCE SERVICE ROUTINE OPERATING REVENUE	_____	_____	_____	\$ <u>144,858</u>

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SALARY AND WAGE EXPENSE DETAIL

GROSS WAGES:		** No. of FTE's
14	Management	\$ 15,559
15	Paramedics and IEMTs	\$ 71,088
16	Emergency Medical Technician (EMT)	\$ 87,138
17	Other Personnel	\$ 33,725
18	Payroll Taxes and Fringe Benefits - All Personnel	\$ _____
19	Total Wages, Taxes & Benefits (Sum Lines 14 through 18; Post to Page 3, Line 10)	\$ <u>207,510</u>

* This column reports only those runs where a contracted discount rate was applied.
 ** Full-time equivalents (F.T.E.) is the sum of all hours for which employees wages were paid during the year divided by 2080.

AMBULANCE REVENUE AND COST REPORT
FIRE DISTRICT and SMALL RURAL COMPANY

AMBULANCE SERVICE ENTITY:

ELFRIDA FIRE DISTRICT

FOR THE PERIOD

FROM: July 1, 2014

TO: June 30, 2015

SCHEDULE OF REVENUES AND EXPENSES

Line No.	<u>DESCRIPTION</u>		
Operating Revenues:			
1	Total Ambulance Service Operating Revenue	(From: Page 2, Line 13)	\$ <u>144,858</u>
<u>Settlement Amounts:</u>			
2	AHCCCS		<u>47,789</u>
3	Medicare		<u>26,249</u>
4	Subscription Service		<u>-</u>
5	Contractual		<u>-</u>
6	Other		<u>26,160</u>
7	Total	(Sum of Lines 2 through 6)	<u>100,198</u>
8	Total Operating Revenue	(Line 1 minus Line 7)	\$ <u>44,660</u>
Operating Expenses:			
9	Bad Debt		\$
10	Total Salaries, Wages, and Employee-Related Expenses	(From: Page 2, Line 19)	<u>207,510</u>
11	Professional Services		<u>25,117</u>
12	Travel and Entertainment		<u>4,293</u>
13	Other General Administrative		<u>-</u>
14	Depreciation		<u>-</u>
15	Rent / Leasing		<u>-</u>
16	Building / Station		<u>524</u>
17	Vehicle Expense		<u>7,523</u>
18	Other Operating Expense		<u>69,528</u>
19	Cost of Medical Supplies Charged to Patients		<u>-</u>
20	Interest		<u>143</u>
21	Subscription Service Sales Expense		<u>-</u>
22	Total Operating Expense	(Sum of Lines 9 through 21)	<u>314,638</u>
23	Total Operating Income or (Loss)	(Line 8 minus Line 22)	\$ <u>(272,978)</u>
24	Subscription Contract Sales		<u>-</u>
25	Other Operating Revenue		<u>281,592</u>
26	Local Supportive Funding		<u>-</u>
27	Other Non-Operating Income (Attach Schedule)		<u>-</u>
28	Other Non-Operating Expense (Attach Schedule)		<u>-</u>
29	NET INCOME or (LOSS) Before Income Taxes	(Sum of Lines 23 through 27, minus Line 28)	\$ <u>8,614</u>
Provision for Income Taxes:			
30	Federal Income Tax		<u>-</u>
31	State Income Tax		<u>-</u>
32	Total Income Tax	(Line 30, plus Line 31)	<u>-</u>
33	Ambulance Service Net Income (Loss)	(Line 29, minus Line 32)	<u>8,614</u>

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AMBULANCE REVENUE AND COST REPORT

FIRE DISTRICT and SMALL RURAL COMPANY

AMBULANCE SERVICE ENTITY: _____ ELFRIDA FIRE DISTRICT

FOR THE PERIOD **FROM:** July 1, 2014 **TO:** June 30, 2015

BALANCE SHEET

Current audited financial statements may be submitted in lieu of these pages.

ASSETS

CURRENT ASSETS

1	Cash	\$ _____		
2	Accounts Receivable	_____		
3	Less: Allowance for Doubtful Accounts	_____		
4	Inventory	_____		
5	Prepaid Expense	_____		
6	Other Current Assets	_____		
7	TOTAL CURRENT ASSETS		\$ _____	
9	PROPERTY & EQUIPMENT			
10	Less: Accumulated Depreciation			
11	OTHER NON CURRENT ASSETS			
12	TOTAL ASSETS		\$ _____	

LIABILITIES & EQUITY

CURRENT LIABILITIES

13	Accounts Payable	\$ _____		
14	Current Portion of Notes Payable	_____		
15	Current Portion of Long-Term Debt	_____		
16	Deferred Subscription Income	_____		
17	Accrued Expenses and Other	_____		
18	_____	_____		
19	_____	_____		
20	TOTAL CURRENT LIABILITIES		\$ _____	
21	NOTES PAYABLE			
22	LONG-TERM DEBT, OTHER			
23	TOTAL LONG-TERM DEBT			

EQUITY & OTHER CREDITS

Paid-In Capital:

24	Common Stock			
25	Paid-In Capital in Excess of Par Value	_____		
26	Contributed Capital	_____		
27	Retained Earnings	_____		
28	_____	-		
29	_____	-		
30	Fund Balance	-		
31	TOTAL EQUITY			
32	TOTAL LIABILITIES & EQUITY		\$ _____	

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AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: ELFRIDA FIRE DISTRICT

FOR THE PERIOD FROM: July 1, 2014 TO: June 30, 2015

STATEMENT OF CASH FLOWS Current audited financial statements may be submitted in lieu of these pages.

OPERATING ACTIVITIES:		
1	Net (loss) Income	\$ _____
	<i>Adjustments to Reconcile Net Income to Net Cash</i>	
	<i>Provided by Operating Activities:</i> Note: a increase in these accounts improves cash flow	
2	Depreciation Expense	_____
3	Deferred Income Tax	_____
4	Loss (gain) on Disposal of Property & Equipment	_____
	<i>(Increase) Decrease in:</i> Note: a decrease in these accounts improves cash flow	
5	Accounts Receivable	_____
6	Inventories	_____
7	Prepaid Expenses	_____
	<i>Increase (Decrease) in:</i> Note: a increase in these accounts improves cash flow	
8	Accounts Payable	_____
9	Accrued Expenses	_____
10	Deferred Subscription Income	_____
11	NET CASH PROVIDED (Used) BY OPERATING ACTIVITIES	\$ _____
INVESTING ACTIVITIES:		
12	Purchases of Property & Equipment	_____
13	Proceeds from Disposal of Property & Equipment	_____
14	Purchases of Investments	_____
15	Proceeds from Disposal of Investments	_____
16	Loans Made	_____
17	Collections on Loans	_____
18	Other	_____
19	NET CASH PROVIDED (Used) BY INVESTING ACTIVITIES	_____
FINANCING ACTIVITIES:		
	<i>New Borrowings:</i>	
20	Long-Term	_____
21	Short-Term	_____
	<i>Debt Reduction:</i>	
22	Long-Term	_____
23	Short-Term	_____
24	Capital Contributions	_____
25	Dividends Paid	\$ _____
26	NET CASH PROVIDED (Used) BY FINANCING ACTIVITIES	_____
27	NET INCREASE (Decrease) IN CASH	_____
28	CASH AT BEGINNING OF YEAR	_____
29	CASH AT END OF YEAR	_____
SUPPLEMENTAL DISCLOSURES:		
	<i>Non-cash Investing and Financing Transactions:</i>	
30	_____
31	_____
32	_____
33	Interest Paid (Net of Amounts Capitalized)	_____
34	Income Taxes Paid	\$ _____

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**ELFRIDA FIRE DISTRICT
FINANCIAL STATEMENTS**

June 30, 2015

**Saunders Company, Ltd.
6008 West Cortez Street
Glendale, Arizona 85304
Fax 602-926-2431
Phone 623-476-8660**

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**ELFRIDA FIRE DISTRICT
ELFRIDA, ARIZONA
FINANCIAL STATEMENTS
JUNE 30, 2015**

TABLE OF CONTENTS

	<u>PAGE</u>	<u>EXHIBIT</u>
TABLE OF CONTENTS	1	
INDEPENDENT AUDITOR'S REPORT	5	
MANAGEMENT'S DISCUSSION AND ANALYSIS	9	
BASIC FINANCIAL STATEMENTS:	15	
Government-Wide Financial Statements		
Statement of Net Position	16	A
Statement of Activities	17	B
Fund Financial Statements		
Balance Sheet - Governmental Funds	18	C
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	19	D
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	20	E
Reconciliation of the Statement of Revenues, Expenditures And Changes in Fund Balances - Governmental Funds To the Statement of Activities	21	F
Notes to the Financial Statements	23	
REQUIRED SUPPLEMENTARY INFORMATION	43	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (GAAP Basis) General Fund	44	G
Notes to the Required Supplementary Information	45	

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**ELFRIDA FIRE DISTRICT
ELFRIDA, ARIZONA
FINANCIAL STATEMENTS
JUNE 30, 2015**

OTHER SUPPLEMENTARY INFORMATION	47
Arizona Annual Report Information	49
GOVERNMENT AUDIT STANDARDS SECTIONS	51
GOVERNMENT AUDIT STANDARDS TABLE OF CONTENTS	53
Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based On An Audit Of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	55
INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH ARS 48-805.02	59

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SAUNDERS COMPANY, LTD

JAMES H. SAUNDERS, CPA, CFE, CFF, CGFM, CGMA, PI.
TRICIA E. SAUNDERS, PI.

CERTIFIED PUBLIC ACCOUNTANT
CERTIFIED FRAUD EXAMINER
CERTIFIED GOVERNMENT FINANCIAL MANAGER
LICENSED PRIVATE INVESTIGATORS #01534603, # 1003706
CERTIFIED IN FINANCIAL FORENSICS
CHARTERED GLOBAL MANAGEMENT ACCOUNTANT

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Arizona Society of Certified Public Accountants

Arizona Association of Licensed Private Investigators
AICPA Government Audit Quality Center

International Association of Certified Fraud Examiners
Arizona Association of Certified Fraud Examiners

INDEPENDENT AUDITOR'S REPORT

To the Governing Board
Elfrida Fire District
Elfrida, Arizona

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Elfrida Fire District, Elfrida, Arizona, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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INDEPENDENT AUDITOR'S REPORT

6/30/2015

Page 2

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 of the Elfrida Fire District, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Legal and Regulatory Requirements

Arizona Revised Statutes require disclosure of certain additional supplementary information required to comply with section 48-251 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by statute as an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Saunders Company, Ltd.

Glendale, Arizona
December 30, 2015

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Elfrida Fire District
P.O. Box 68
Elfrida, AZ 85610
Phone: (520) 642-3749 or (520) 642-1722
Fax: (520) 642-3725

Dan Zamora



Fire Chief

**MANAGEMENTS DISCUSSION & ANALYSIS OF THE BASIC FINANCIAL
STATEMENTS OF THE DISTRICT
JUNE 30, 2015**

The following discussion and analysis of the Elfrida Fire District (the district's) financial performance presents management's overview of the District's financial activities for the year ended June 30, 2015. Please read it in conjunction with the District's basic financial statements which begin immediately following this analysis. This annual financial report consists of two parts, Management's Discussion and Analysis (this section) and the Basic Financial Statements.

Nature of Operations

The Elfrida Fire District provides Fire, Wildland, Ambulance, Paramedic and other minor services to homes, property and persons residing within the District boundaries, as well as services to locations and persons outside the District thru mutual aid agreements and contracts.

Results of Operations

- λ The Elfrida District had 151 ambulance ALS/BLS ambulance runs, 9 fires and 15 wild land fires.
- λ Throughout the 2014/2015 year the Elfrida Fire District has had 1 fulltime paramedic, 1 fulltime paramedic/FF, 1 fulltime EMT/FF, 1 part time paramedic/FF, 1 part time paramedic, 2 Part time paramedic/wildland/firefighter, 3 part time EMT's, 11 part time wildland firefighters, 7 part time EMT/wildland/fire fighter and one fulltime bookkeeper. These are all the employees from our district throughout the entire year.
- λ Health benefits are paid for by the Elfrida Fire District for our "fulltime" employees (20/20.) This fiscal year we have had 4 eligible employees, with one of the employees that didn't want the benefit paid this year.

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- λ The Elfrida Fire District has a pension/Retirement set up for our “fulltime” employees (20/20.) We had 4 eligible employees who all are on our retirement plan through Arizona State Retirement System.
- λ The district performed a Fire Safety/Prevention program for the McNeal and Elfrida Elementary schools.
- λ The monthly Commodity Distribution Program continues to operate out of our Elfrida Fire District Building.
- λ The Elfrida Fire District provides stand by emergency services at no cost for public events, such as football, volleyball, basketball, rodeos, etc. The district also has a food drive during Christmas season. The fire district allows the schools to have car washes at the station to raise money for their school. The fire district provides “Fire Engine Noise/Escort Service” for the athletic busses leaving the community for “Playoffs” or “State” games. The district helps with the bon fire and tug of war during homecoming for the high school. The fire district puts on a car show every year for the community and surrounding communities. The district also participates in the “Trunk-or-treat” and “Fall Festivals” at the Elfrida Elementary and Valley Union High School.
- λ The district is responsible for maintaining the community park located adjacent to the district’s bay.
- λ The district has been keeping the grass mowed down the sidewalk through the community.
- λ The district participates in an annual clean the community day.

Financial Highlights

- λ District investment in capital assets decreased by \$38,281 or 29.39%.
- λ The District’s net position decreased \$288,265 or 98.15% from the previous fiscal year.
- λ Total revenues decreased \$58,259 or 13.46% over the previous fiscal year.
- λ At the end of the current fiscal year, unrestricted net position for the Governmental activities was \$(86,559).

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements comprise three components: 1) government-wide financial statements 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The main purpose of these statements is to provide the reader with sufficient information to assess whether or not the District’s overall financial position has improved or deteriorated.

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Government - Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, use fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Net Position June 30, 2015

	BALANCE <u>JUNE 30, 2014</u>	BALANCE <u>JUNE 30, 2015</u>
Invested in Capital Assets, Net of related Debt	\$ 130,267	\$ 91,986
Unrestricted	<u>163,426</u>	<u>(86,558)</u>
Total Net Position	\$ <u>293,693</u>	\$ <u>5,428</u>

Governmental Activities

Most of the revenues for the District were derived from assessed property taxes and Fire District Assistance Tax from the County. The department also brings in money through ambulance and wildland.

General Fund Budgetary Highlights

The Elfrida Fire District stayed within the budget.

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Capital Asset and Debt Administration

Capital Assets

In order to continue to provide the best service possible, the District spends a portion of the budget on fixed asset acquisition and capital projects.

For fiscal year ended June 30, 2015 the District purchased, had contributed, or constructed the following assets:

Capital Assets, Net of Depreciation June 30, 2015

	<u>BALANCE</u> <u>06/30/2014</u>	<u>BALANCE</u> <u>06/30/2015</u>
<u>Depreciable Assets</u>		
Vehicles	\$ 525,959	\$ 525,959
Buildings	86,895	86,895
Building Improvements	26,558	26,558
Equipment, Fire	<u>319,829</u>	<u>319,829</u>
Total Historical Costs	<u>959,241</u>	<u>959,241</u>
Less Accumulated Depreciation		
Vehicles	442,775	476,229
Buildings	57,592	59,765
Building Improvements	14,688	15,352
Equipment, Fire	<u>316,866</u>	<u>318,856</u>
Less: Total Accumulated Depreciation	<u>831,921</u>	<u>870,202</u>
Depreciable Capital Assets, Net	127,320	89,039
<u>Non-Depreciable Assets</u>		
Land	<u>2,947</u>	<u>2,947</u>
Capital Assets, Net	<u>\$ 130,267</u>	<u>\$ 91,986</u>

Long Term Debt

At the end of the current fiscal year, the District had debt outstanding of \$8,473. All of the debt is backed by the full faith and credit of the District.

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Outstanding Debt

	Balance <u>June 30, 2014</u>	Balance <u>June 30, 2015</u>
Compensated Absences	\$ <u>8,327</u>	\$ <u>8,473</u>
Totals	\$ <u>8,327</u>	\$ <u>8,473</u>

Factors Affecting Future Results

The District is subject to general economic conditions such as increases or declines in property tax value or other types of revenues that vary with economic conditions.

The District is subject to general economic conditions such as increases or declines in property tax value or other types of revenues that vary with economic conditions. The department hopes to hire more staff in order to have better coverage for the district and surrounding areas.

Contacting the District

This financial report is designed to provide an overview of the District's finances for anyone with an interest in the government's finances. Any questions regarding this report or requests for additional information may be directed to Elfrida Fire District at 10293 N. Central Hwy located in Elfrida, Az.

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BASIC FINANCIAL STATEMENTS

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**ELFRIDA FIRE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015**

Exhibit A

	Governmental Activities
ASSETS	
Cash & Cash Equivalents (Note 3)	\$ 107,810
Receivables:	
Ambulance Service Fees, Net of Allowances for Doubtful Accounts (Note 5)	42,709
Wildland (Note 5)	4,644
Property Taxes (Note 6)	47,524
Prepaid Credit Card	10,000
Prepaid Expenses	3,912
Total Capital Assets, Net (Note 7)	91,986
Total Assets	308,585
DEFERRED OUTFLOW OF RESOURCES	
Deferred Pension	11,083
Total Deferred Outflow of Resources	11,083
LIABILITIES	
Payroll Taxes Payable	1,877
Wages Payable	7,607
Net Pension Liability	218,064
Compensated Absences (Note 10)	
Portion due within one year	2,118
Portion due within more than one year	8,473
Total Liabilities	238,139
DEFERRED INFLOW OF RESOURCES	
Deferred Pension	40,210
Deferred Property Taxes	35,891
Total Deferred Inflow of Resources	76,101
NET POSITION	
Invested in Capital Assets, Net of related Debt	91,986
Unrestricted (Note 12)	(86,558)
Total Net Position	\$ 5,428

-The Notes to the Financial Statements are an Integral Part of This Statement-

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**ELFRIDA FIRE DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Exhibit B

**Governmental
Activities**

EXPENSES

Public Safety - Fire/EMS Protection		
Personnel Services	\$	266,445
Materials & Services		122,907
Depreciation		38,281
		<hr style="width: 100%;"/>
Total Program Expenses		427,633

PROGRAM REVENUES

Charges for Service		121,971
Total Program Revenues		<hr style="width: 100%;"/>
Net Program Expense		305,662

GENERAL REVENUES

Property Taxes		205,112
Fire District Assistance		37,316
Investment Earnings		365
Miscellaneous		9,812
		<hr style="width: 100%;"/>
Total General Revenues		252,605

Increase (Decrease) in Net Position		(53,057)
--------------------------------------	--	----------

NET POSITION-BEGINNING OF THE YEAR		<hr style="width: 100%;"/>
		58,485

NET POSITION-END OF THE YEAR		<hr style="width: 100%;"/>
		\$ 5,428

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**ELFRIDA FIRE DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015**

Exhibit C

General

ASSETS

Cash and Cash Equivalents (Note 3)	\$	107,810
Receivables:		
Ambulance Service Fees, Net of Allowances for Doubtful Accounts (Note 5)		42,709
Wildland (Note 5)		4,644
Property Taxes (Note 6)		47,524
Prepaid Expenses		3,912
Prepaid Credit Card		<u>10,000</u>
 Total Assets	 \$	 <u>216,599</u>

LIABILITIES

Payroll Taxes Payable	\$	1,877
Wages Payable		7,607
Visa Payable		
Compensated Absences (Note 10)		<u>2,118</u>
 Total Liabilities		 <u>11,602</u>

DEFERRED INFLOW OF RESOURCES

Unavailable Property Tax Revenue		<u>35,891</u>
Total Deferred Inflow of Resources		<u>35,891</u>

FUND BALANCES

Assigned (Note 12)		104,288
Unassigned (Note 12)		<u>64,818</u>
 Total Fund Balances		 <u>169,106</u>
Total Liabilities & Fund Balances	\$	<u>216,599</u>

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**ELFRIDA FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED
JUNE 30, 2015**

Exhibit D

	General
REVENUE	
Property Taxes	\$ 205,112
Fire District Assistance Tax	37,316
Fees for Service	121,971
Interest	365
Miscellaneous	9,812
Total Revenues	374,576
EXPENDITURES	
Current:	
Public Safety	326,103
Administration	63,871
Total Expenditures	389,974
Excess (Deficiency) of Revenues over Expenditures	(15,398)
Net Change in Fund Balances	(15,398)
Fund Balances-Beginning of Year	184,504
Fund Balances-End of Year	\$ 169,106

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**ELFRIDA FIRE DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015**

Exhibit E

**Reconciliation of Governmental Fund Balance to Net Position
(Exhibit A) of governmental activities:**

Fund Balances - Total Governmental Funds (Exhibit C)		\$ 169,106
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital Assets used in governmental activities are not financial resources and, therefore are not reported in the other funds.</p>		
Governmental Capital Assets	962,188	
Less: Accumulated Depreciation	(870,202)	91,986
Deferred Outflows of Resources		11,083
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		(8,473)
Net Pension Liability Restated per GASB #68		(218,064)
Deferred Inflows of Resources		(40,210)
Net Position of Governmental Activities (Exhibit A)		\$ 5,428

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**ELFRIDA FIRE DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED
JUNE 30, 2015**

Exhibit F

**Reconciliation of the change in fund balance-total governmental funds
to the change in net position of governmental activities:**

Net Change in Fund Balances - Total Governmental Funds (Exhibit D)	\$	(15,398)
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Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because of the following:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.		(38,281)
--	--	----------

Net Change in Deferred Outflows and Inflows of Resources		476
--	--	-----

The issuance of long-term debt (e.g., bonds, leases, leave) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		146
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Change in Net Position of Governmental Activities (Exhibit B)	\$	<u>(53,057)</u>
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ELFRIDA FIRE DISTRICT
ELFRIDA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The District is a local governmental unit formed as a political subdivision of the local county which is a political subdivision of the State of Arizona. The District was formed under the provisions of Title 48 of Arizona Revised Statutes. The District operates under the guidance of an elected board, which is the policy making body of the District. The purpose of the District is to provide fire protection, emergency medical and related services to the residents and guests of the District and the surrounding area. The day to day operations are supervised by a fire chief and his staff.

The District has the power to issue bonds, levy taxes, bill for services and raise revenues with the power of the County government. The District has the power to expend public funds for any legitimate purpose required to further its needs. The District operates as an independent governmental agency directly responsible to the local taxpayers and voters.

Introduction

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, all organizations for which the primary government is financially accountable, and other organizations which by nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

Basic Financial Statements

The accounting policies for the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

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Government -wide Statements

The government -wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business -type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to users of the services 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. Other items not properly included among program revenues are reported instead as general revenues.

The government -wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds

Governmental Fund 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 as net current assets. All sources of revenue except interest become measurable when the District has rendered a service. Interest revenue is measurable when its rate becomes known. Revenues are considered available if they are received within 60 days of the end of any accounting period. Expenditures are generally recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

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Financial Statements Amounts

Cash & Cash Equivalents

All savings, checking and money market accounts with an original maturity of less than 60 days are considered to be cash equivalents.

Prepaid Items

Payments to vendors that benefit future accounting periods are classified as prepaid items until charged to expenditures in the period benefited.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$2,500 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Buildings	27.5 to 40 years
Equipment	5 to 7 years
Fire Trucks	10 years
Automobiles	5 years
Office Equipment	5 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

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In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

Accumulated unpaid vacation and leave time is normally accrued when incurred. The anticipated current portion of employee leave is accrued in the governmental fund, while the long term portion is recorded only in the long term group of accounts.

Long-Term Obligations

In the government-wide financial statements, long term debt and other long term obligations are reported as liabilities in the applicable governmental activities or business-type activities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges 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 the 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 costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position/Fund Equity

Net Position on Government Wide Financial Statements – Exhibit A

Fund Equity, as defined in GASB Statement No. 34, “Basic Financial Statements for State and Local Governments” is defined as net position and is classified in the following categories:

- λ Restricted—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- λ Unrestricted—this balance is the amount of equity which is not included in the Restricted fund balance and the Investments in Capital Asset balances.

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- λ Investment in Capital Assets, Net of Related Debt – This consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Fund Balances on Government Fund Financial Statements – Exhibit C

Beginning with fiscal year ended June 30, 2010, the District implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- λ Nonspendable fund balance—amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- λ Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- λ Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., District Board). To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint.
- λ Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board or by an official or body to which the District Board delegates the authority.
- λ Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The District Board establishes (and modifies or rescinds) fund balance commitments by a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by District Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amount and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

A fire district shall prepare an annual budget that contains detailed estimated expenditures for each fiscal year and that clearly shows salaries payable to employees of the district. The budget summary shall be posted in three public places and a complete copy of the budget shall be published on the district's official website for twenty days before a public hearing at a meeting called by the board to adopt the budget. Copies of the budget shall also be available to members of the public on written request to the district. Following the public hearing, the district board shall adopt a budget. A complete copy of the adopted budget shall be posted in a prominent location on the district's official website within seven business days after final adoption and shall be retained on the website for at least sixty months. For any fire district that does not maintain an official website, the fire district may comply with this subsection by posting on a website of an association of fire districts in this state. ARS 48-805.2(a)

Pursuant to ARS 48.805.2(d), all fire district are required to submit certain information accompanying the budget which has been certified to by the chairman and clerk of the District Board. The budget and the accompanying certification are required to be submitted to the County Board of Supervisors no later than August 1st of each year.

Budgets are adopted by the District on basis consistent with Arizona Revised Statutes.

Encumbrance accounting is not employed by the District. All appropriations lapse at year-end.

NOTE 3 - DEPOSITS, INVESTMENT RISK & CASH MANAGEMENT

Deposits and Investments

The deposit of public funds is regulated by Arizona Revised Statutes (ARS). ARS 48-807 allows the District to establish bank accounts with any financial institution that is authorized to do business in the State of Arizona for the purpose of operating a payroll account, holding special revenues, ambulance revenues or both as necessary to fulfill the District's fiduciary responsibilities. The District may also establish, through the County Treasurer, accounts for monies from property taxes, grants, contributions and donations. The County Treasurer is required to establish a fund known as the "fire district general fund" for the receipt of all taxes levied on behalf of the District.

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The District may register warrants only if separate accounts are maintained by the County Treasurer for each governmental fund of the District. Warrants may only be registered on the maintenance and operation account, the unrestricted capital outlay account and the special revenue accounts, and only if the total cash balance of all three accounts is insufficient to pay the warrants and only after any revolving line of credit has been expended. Registered warrants may not exceed ninety per cent of the taxes levied by the County for the District's current fiscal year. Registered warrants bear interest as prescribed by statute and are redeemed as provided for by law for County warrants.

Unless monies are legally restricted by contract, agreement or law, those monies may be transferred between fund accounts according to the original or amended budget of the Fire District.

Any surplus remaining the fire district general fund at the end of the fiscal year shall be credited to the fire district general fund of the district for the succeeding fiscal year and after subtraction of accounts payable and encumbrances, shall be used to reduce the tax levy for the following year.

The District accounts with the County Treasurer are part of an investment pool operated by the County Treasurer which is in turn invested in the Local Government Investment Pool (LGIP) operated by the Arizona State Treasurer. The risk category (defined below) cannot be determined, as the District does not own identifiable securities, but only as a shareholder in the statewide pool.

Financial institutions accepting governmental monies in the State of Arizona are required to collateralize at 102% all government deposits which exceed the FDIC insurance limit. The current FDIC limit is \$250,000 for the total of all interest bearing accounts and \$250,000 for the total of all demand deposit accounts. The collateralization is required to be separately identifiable securities and be held by a third party financial institution or trust agency. ARS (Title 35) requires this to be monitored by the State Treasurer's Office.

The District may also place monies in investments which are subject to the risks identified below.

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The following is a summary of the Cash and Cash Equivalents held by financial institutions at June 30, 2015:

DEPOSITORY ACCOUNTS:

	General <u>Fund</u>
Insured Deposits (FDIC)	\$ 96,646
Uninsured & Uncollateralized	<u>40,124</u>
Total Deposits	136,770
In Transit Items	<u>(29,087)</u>
Total Depository Accounts	107,683

NON DEPOSITORY ACCOUNTS

Cash on Hand	<u>127</u>
Total Non Depository Accounts	<u>127</u>
Total Cash & Cash Equivalents	<u>\$ 107,810</u>

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the system will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools and in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

The District does not invest in any identifiable securities. District investments are limited to open-end mutual funds.

<u>Custodial Credit Risk For:</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
County Treasurer Pool	Unrated	Not Applicable	\$40,124

Credit Risk Statutes authorize the District to invest in obligations of the U.S. Treasury and federal agency securities, along with certain public obligations, such as bonds or other obligations of any state of the United States of America or of any agency, instrumentality, or local governmental unit of any such state in which the District invests, that are rated in the highest rating category of nationally recognized statistical rating organizations.

Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk.

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The District normally invests only in FDIC insured bank accounts, accounts collateralized above FDIC insurance limits in commercial banks, the County Treasurer's investment pool, which is reinvested in the Arizona State Treasurer Local Government Investment Pool (LGIP), and open-end mutual stock funds of commercial brokerage firms.

No ratings were available for any of the District's investments and those investments are considered unrated.

Concentration of Credit Risk Concentration of credit risk is associated with investments in any one issuer that represent 5 percent or more of total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are considered as excluded from this requirement.

The District invests only in FDIC banking institutions, mutual funds and government investment pools. The District does not have a policy relating to concentration of credit risk.

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Interest rate risk factors and information are not available for the mutual fund investments of the District.

The weighted average maturity of the LGIP-GOV pool at June 30, 2015:

Pool 5	40 Days
Pool 7	47 Days
Pool 500	1.54 Years
Pool 700	1.73 Years

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 the public; and natural or manmade disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have never exceeded commercial insurance coverage for the District.

In addition, as the owner and operator of emergency response vehicles, the District is exposed to a high risk of loss related to these activities. The District carries commercial insurance on all vehicles and requires insurance coverage on all privately owned vehicles used for District activities.

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Custodial risk of deposit and investment accounts is the risk that in the event of a failure, the District's deposits may not be returned to it. The District does not have a policy for custodial risk, concentration of risk, concentration of credit risk, interest rate risk, or foreign currency risk for deposits or investments.

NOTE 4 - INVENTORIES

The costs of governmental fund-type inventories are recorded as expenditures when purchased. All inventories of the District are considered immaterial.

NOTE 5 – RECEIVABLES

General and governmental fund receivables are recorded as received except for those funds collected and held by other governments on behalf of the Fire District. These amounts are recorded as soon as they are measurable and available in accordance with governmental accounting standards.

Ambulance receivables were \$47,634 with an allowance for bad debt of \$4,925 at June 30, 2015. This gave a net of \$42,709 which was expected to be collectable.

Wildland receivables were \$4,644 with an allowance for bad debt of \$0 at June 30, 2015. This gave a net of \$4,644 which was expected to be collectable.

NOTE 6 – PROPERTY TAX REVENUE RECEIVABLE

Property Tax Receivables arise when property taxes are levied but not currently collected. The collectible portion (taxes levied less estimated uncollectible) are recorded as deferred inflow of resources in the period when an enforceable legal claim to the assets arise.

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NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended.

	<u>BALANCE</u> <u>06/30/2014</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>06/30/2015</u>
<u>Depreciable Assets</u>				
Vehicles	\$ 525,959	\$ 0	\$ 0	\$ 525,959
Buildings	86,895	0	0	86,895
Building Improvements	26,558	0	0	26,558
Equipment, Fire	<u>319,829</u>	<u>0</u>	<u>0</u>	<u>319,829</u>
Total Historical Costs	<u>959,241</u>	<u>0</u>	<u>0</u>	<u>959,241</u>
Less Accumulated Depreciation				
Vehicles	442,775	33,454	0	476,229
Buildings	57,592	2,173	0	59,765
Building Improvements	14,688	664	0	15,352
Equipment, Fire	<u>316,866</u>	<u>1,990</u>	<u>0</u>	<u>318,856</u>
Less: Total Accumulated Depreciation	<u>831,921</u>	<u>38,281</u>	<u>0</u>	<u>870,202</u>
Depreciable Capital Assets, Net	127,320	(38,281)	0	89,039
<u>Non-Depreciable Assets</u>				
Land	<u>2,947</u>	<u>0</u>	<u>0</u>	<u>2,947</u>
Capital Assets, Net	<u>\$ 130,267</u>	<u>\$ (38,281)</u>	<u>\$ 0</u>	<u>\$ 91,986</u>

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NOTE 8 - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," the District recognized deferred outflows of resources in the governmentwide statements. These items are a consumption of net position by the District that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The District has two items that are reportable on the Governmentwide Statement of Net Position: the first item relates to outflows from changes in the net pension liability and the second item relates to property taxes.

Deferred outflows of resources balances for the year ended June 30, 2015 were as follows:

Governmentwide Deferred Outflows	Government <u>Activities</u>
Pensions	<u>\$11,083</u>
Total Governmental Activities	<u>\$11,083</u>

Deferred Inflows of Resource balances for the year ended June 30, 2015 were as follows:

Governmentwide Deferred Inflows	Government <u>Activities</u>
Property Taxes	\$35,891
Pensions	<u>40,210</u>
Total Governmental Activities	<u>\$76,101</u>

NOTE 9 - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

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NOTE 10 – ACCUMULATED COMPENSATED ABSENCES

Accumulated unpaid vacation and leave time is accrued when incurred. The current portion of such amounts has been accrued in the governmental fund (using the modified accrual basis of accounting).

The District has adopted a policy of not vesting sick leave however, unused sick leave is accumulated. The District is not obligated to pay accumulated sick time. Therefore, no liability for sick time has been recognized in the District’s financial statement. The District currently shows accumulated sick time to be \$7,811.

NOTE 11 – LONG-TERM INDEBTEDNESS

In the government -wide financial statements, long term debt and other long term obligations are reported as liabilities in the applicable governmental activities or business -type activities in the statement of net assets.

General Obligation Bonds

The District does not currently have any general obligation bonds.

Operating Leases

The District does not currently have any operating leases.

Capital Leases

The District does not currently have any capital leases.

Changes in Long-Term Indebtedness:

	Balance <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2015</u>
Compensated Absences	\$ <u>8,327</u>	\$ <u>146</u>	\$ <u>0</u>	\$ <u>8,473</u>
Totals	\$ <u>8,327</u>	\$ <u>146</u>	\$ <u>0</u>	\$ <u>8,473</u>

NOTE 12 – NET POSITION/FUND BALANCE

The District’s Net Position consists of restricted, unrestricted, and net investment in capital assets amounts.

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The District's Governmental Funds fund balances consist of restricted, committed, assigned and unassigned amounts.

Restricted fund balances are amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance is amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., District Board). To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint.

Assigned fund balance is amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board or by an official or body to which the District Board delegates the authority.

Unassigned fund balance is amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Net Position :

Invested in Capital Assets, Net of Related Debt	\$ 91,986
Unrestricted	<u>(86,558)</u>
Total Net Position	<u>\$ 5,428</u>

Governmental Fund Balances :

Assigned Fund Balance – Payroll	\$ 104,278
Assigned Fund Balance – Capital	<u>10</u>
Total Assigned Fund Balances	104,288
Unassigned Fund Balances	<u>64,818</u>
Total Fund Balance	<u>\$ 169,106</u>

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NOTE 13 - PROPERTY TAXES

The District is authorized to levy property taxes in an amount sufficient to operate the District. This levy cannot exceed three dollars and twenty-five cents per one hundred dollars of assessed valuation. It also cannot exceed the amount of the levy in the preceding tax year multiplied by 1.08.

The District levies real property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

The District also levies various personal property taxes during the year, which are due at the same time as real property taxes.

A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

The taxpayers may, by vote of the electorate, authorize either a five year budget override or a permanent override, depending upon certain criteria being met. The taxpayers also may authorize the issuance of bonds for capital acquisitions in addition to the operating taxes referred to above.

The County collects a County-Wide Fire District Assistance Tax (FDAT) and distributes the funds to all Fire Districts in the County, according to a formula established by state law. The maximum awarded to a District cannot exceed \$400,000 per year.

NOTE 14 - EMPLOYEE RETIREMENT SYSTEMS

Plan Descriptions

The District contributes to the one plans described below. Benefits are established by state statute and the plans generally provide retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees' annual compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. Health Insurance premium benefits are generally paid as a fixed dollar amount per month towards the retiree's healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

The Arizona State Retirement System (ASRS) administers a cost sharing, multiple-employer defined benefit pension plan, a cost-sharing, multiple employer defined health insurance premium plan, and a cost-sharing, multiple employer defined long-term disability plan that covers employees of the State of Arizona and employees of participating political subdivisions and school districts. The ASRS is governed by the Arizona State Retirement System Board according to provisions of the A.R.S. Title 38, Chapter 5, Article 2. The ASRS System does not provide information on each individual entity that has an account in the System. Information provided in this report is based on the information provided by ASRS, which is on a state wide basis.

Normal retirement is when an individual achieves 80 points, which is age plus years of service after age 62. Retirement benefits are computed by the Arizona State Retirement System.

The information required by GASB 50 paragraph 7b, three year trend information, is not currently available.

Each multiple employer plan issues a publicly available financial report that includes its financial statements and required supplementary information. A report may be obtained by writing or calling the applicable plan.

ASRS
3300 N. Central Avenue
PO Box 33910
Phoenix, AZ 85067-3910
(602) 240-2000 or 1-800-621-3778

NOTE 15 – PENSIONS – Liabilities, Expenses and Deferred Cash Flows

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability of \$218,064 for the Arizona State Retirement System as its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2014, the District's proportion was 0.001474, which was a decrease of 0.000018 from its proportion measured as of June 30, 2013.

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For the year ended June 30, 2015, the District recognized pension total expenses of \$13,447. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$ 11,083	\$ 0
Changes in assumptions	0	0
Net difference between projected and actual earning on retirement plan investments	0	38,133
Changes in proportion and differences between District contributions and proportionate share of contributions	0	2,077
	<u>\$ 11,083</u>	<u>\$ 40,210</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2016	\$ (5,618)
2017	(8,358)
2018	(9,533)
2019	0
2020	0
Thereafter	0
Total	<u>\$ (23,509)</u>

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NOTE 16 - POST EMPLOYMENT BENEFITS

The government provides certain health care and insurance benefits for recently separated employees as required by the Federal law under COBRA. Any cost of health care and insurance benefits would be short term and recognized as an expenditure as claims are paid. The District currently has no such claims.

NOTE 17 - NEW ACCOUNTING PRONOUNCEMENTS

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

Statement No. 68	<i>“Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27”</i>	The provisions of this effective for financial statements for fiscal years beginning after June 15, 2014.
Statement No. 69	<i>“Government Combinations And Disposals of Government Operations”</i>	The provisions of this statement are effective for financial statements for periods beginning after December 15, 2013.
Statement No. 71	<i>“Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 27”</i>	The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2014.

NOTE 18- SUBSEQUENT EVENTS

Management has evaluated subsequent events and does not know of any comments or disclosures that should be made thru the date of this report.

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NOTE 20- PRIOR PERIOD ADJUSTMENT

The prior period adjustment was made to adjust the governmental activities beginning net position. The adjustment was made to reflect the prior period costs related to the implementation of the net pension liability, to comply with GASB Statement #68.

The restatement of beginning net position of the governmental activities is summarized as follows:

	Governmental <u>Activities</u>
Net position at July 1, 2014	\$ 293,693
Net pension liability adjustment	(247,959)
Net property tax adjustment	<u>12,751</u>
Net restated position at July 1, 2014	<u>\$ 58,485</u>

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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ELFRIDA FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
GENERAL FUND
FOR THE YEAR ENDED
JUNE 30, 2015

Exhibit G

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final
	<u>Original</u>	<u>Final</u>		Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 186,447	\$ 186,447	\$ 205,112	\$ 18,665
Fire District Assistance	30,000	30,000	37,316	7,316
Fees for Service	350,701	350,701	121,971	(228,730)
Grant Revenue	200,000	200,000	-	(200,000)
Interest	1,000	1,000	365	(635)
Miscellaneous	40,000	40,000	9,812	(30,188)
Total Revenues	<u>808,148</u>	<u>808,148</u>	<u>374,576</u>	<u>(433,572)</u>
Expenditures:				
Current:				
Public Safety	777,348	777,348	326,103	451,245
Administration	47,700	47,700	63,871	(16,171)
Capital Outlay	88,100	88,100	-	88,100
Total Expenditures	<u>913,148</u>	<u>913,148</u>	<u>389,974</u>	<u>523,174</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(105,000)</u>	<u>(105,000)</u>	<u>(15,398)</u>	<u>89,602</u>
Net Change in Fund Balances	(105,000)	(105,000)	(15,398)	89,602
Fund Balances at Beginning of Year	<u>105,000</u>	<u>105,000</u>	<u>184,504</u>	<u>79,504</u>
Fund Balances at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 169,106</u>	<u>\$ 169,106</u>

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ELFRIDA FIRE DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
FISCAL YEAR ENDED JUNE 30, 2015

1. BUDGETARY BASIS OF PRESENTATION

The budget included in these financial statements represents the original budget and amendments approved by the Board of Directors. The budgetary basis is the modified accrual basis of accounting with encumbrances included as actual. Accordingly, for the purpose of comparing budgeted expenditures to actual amounts, prior and current year encumbrances have been integrated with the amounts shown on the *Statement of Revenues, Expenditures, and Changes in Fund Balances*.

Various reclassifications have been made to the actual amounts to conform to classifications included in the budget approved by the Board of Directors.

The legal level of budgetary control attributed to the Board of Directors is considered at the objective or natural classification level, presented as subtotals in the schedule of budget to actual (e.g., total revenue, total salaries and benefits, total services and supplies, etc.).

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OTHER SUPPLEMENTARY INFORMATION

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**ELFRIDA FIRE DISTRICT
ANNUAL REPORT INFORMATION
FISCAL YEAR ENDED JUNE 30, 2015**

AZ Revised Statutes (ARS) requires certain additional information be attached to the audit report to comply with ARS 48-251 & 48-253 as required to meet the requirements of the AZ "Annual Report" of Special Districts. This information is included as other supplementary information.

FIRE BOARD MEETINGS:

<u>Date</u>	<u>Time</u>	<u>Location</u>
July 22, 2014	5:00 p.m.	Station #1 – Elfrida, Arizona
Aug 26, 2014	5:00 p.m.	Station #1 – Elfrida, Arizona
Sep 23, 2014	5:00 p.m.	Station #1 – Elfrida, Arizona
Oct 28, 2014	5:00 p.m.	Station #1 – Elfrida, Arizona
Nov 18, 2014	5:00 p.m.	Station #1 – Elfrida, Arizona
Dec 23, 2014	5:00 p.m.	Station #1 – Elfrida, Arizona
Jan 26, 2015	5:00 p.m.	Station #1 – Elfrida, Arizona
Feb 18, 2015	5:00 p.m.	Station #1 – Elfrida, Arizona
Mar 17, 2015	5:00 p.m.	Station #1 – Elfrida, Arizona
Apr 21, 2015	5:00 p.m.	Station #1 – Elfrida, Arizona
May 19, 2015	5:00 p.m.	Station #1 – Elfrida, Arizona
June 16, 2015	5:00 p.m.	Station #1 – Elfrida, Arizona

BOARD MEMBERS:

<u>Name</u>	<u>Business Phone Number</u>	<u>Occupation</u>
Dale Hedges	520-642-3749	Member
Alma Garcia	520-642-3749	President
Linda Forester	520-642-3749	Member
Sandra Overfield	520-642-3749	Secretary
Andrew Warn	520-642-3749	Treasurer

LOCATION OF POSTING OF MEETING NOTICES (all meetings):

Fire Station #1	Elfrida, Arizona
Bob's Hometown Hardware	Elfrida, Arizona
U.S. Post Office	Elfrida, Arizona

LEGAL DESCRIPTION OF BOUNDARY CHANGES:

None

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**ELFRIDA FIRE DISTRICT
GOVERNMENT AUDIT STANDARDS**

June 30, 2015

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**ELFRIDA FIRE DISTRICT
ELFRIDA, ARIZONA
TABLE OF CONTENTS
GOVERNMENT AUDIT STANDARDS SECTION
JUNE 30, 2015**

	<u>PAGE</u>
GOVERNMENT AUDIT STANDARDS SECTION	51
GOVERNMENT AUDIT STANDARDS SECTION TABLE OF CONTENTS	53
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	55
INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH ARS 48-805.02	59

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SAUNDERS COMPANY, LTD

JAMES H. SAUNDERS, CPA, CFE, CFF, CGFM, CGMA, PI.
TRICIA E. SAUNDERS, PI.

CERTIFIED PUBLIC ACCOUNTANT
CERTIFIED FRAUD EXAMINER
CERTIFIED GOVERNMENT FINANCIAL MANAGER
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Redheadedcutie10@AOL.com

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Arizona Society of Certified Public Accountants

Arizona Association of Licensed Private Investigators
AICPA Government Audit Quality Center

International Association of Certified Fraud Examiners
Arizona Association of Certified Fraud Examiners

INDEPENDENT AUDITOR'S 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*

To the Governing Board
Elfrida Fire District
Elfrida, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Elfrida Fire District, Elfrida, Arizona, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 30, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the district's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the district's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 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*.

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Saunders Company, Ltd.

Glendale, Arizona
December 30, 2015

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SAUNDERS COMPANY, LTD

**JAMES H. SAUNDERS, CPA, CFE, CFF, CGFM, CGMA, PI.
TRICIA E. SAUNDERS, PI.**

CERTIFIED PUBLIC ACCOUNTANT
CERTIFIED FRAUD EXAMINER
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Arizona Association of Licensed Private Investigators
AICPA Government Audit Quality Center

International Association of Certified Fraud Examiners
Arizona Association of Certified Fraud Examiners

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH ARS 48 -805.02

To the Governing Board
Elfrida Fire District
Elfrida, Arizona

We have examined management's assertion that the Elfrida Fire District has complied with Arizona Revised Statutes (ARS) 48-805.02(F) for the year ended June 30, 2015. This statute requires the District to comply with ARS 48-805 (B)(2), 48-806 and 48-807. These requirements relate to debt and liabilities incurred by the District. The District's management is responsible for the assertion and compliance with the provisions of these statutes. Our responsibility is to express an opinion on the assertion based on our examination.

Our examination as conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the District's compliance with the statutes referred to above and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In connection with our examination, nothing came to our attention that caused us to believe that the District's assertion of compliance with these statutes was inaccurate or that the District failed to comply with the provisions of ARS sections 48-805 (B)(2), 48-806, 48-807 and 48-805.02(F) as required, insofar as it relates to accounting matters. However, our examination was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced conditions of the statute, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Governing Board and management of the District and the State of Arizona. This report is not intended to be and should not be used by anyone other than these specified parties.

Saunders Company, Ltd.

Glendale, Arizona
December 30, 2015

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