

AMBULANCE REVENUE and COST REPORT
FIRE DISTRICT and SMALL RURAL COMPANY

Arizona Department of Health Services
Annual Ambulance Financial Report

Lakeside Vol. Fire Department DBA Lakeside Fire District

Reporting Ambulance Service

Address: 2922 W. White Mountain Blvd

City: Lakeside, AZ Zip: 85929

Report Fiscal Year

From: July 1, 2014 To: June 30, 2014
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: 1/15/2015

Print Name and Title: Toni Russell, Admin

Phone: 928-368-6112

Mail to:
Department of Health Services
Bureau of Emergency Medical Services
Certificate of Necessity and Rates Section
150 North 18th Avenue, Suite 540
Phoenix, AZ 85007-3248
Telephone: (602) 364-3150
Fax: (602) 364-3567

RECEIVED

JAN 22 2015

BEMSTS-CON & RATES



AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: Lakeside Vol Fire Dept DBA Lakeside Fire District

FOR THE PERIOD FROM: July 1, 2013 TO: June 30, 2014

STATISTICAL SUPPORT DATA

Line No.	DESCRIPTION	(1) SUBSCRIPTION SERVICE TRANSPORTS	*(2) TRANSPORTS UNDER CONTRACT	(3) TRANSPORTS NOT UNDER CONTRACT	(4) TOTALS
01	Number of ALS Billable Transports:				538
02	Number of BLS Billable Transports :				214
03	Number of Loaded Billable Miles :				3895
04	Waiting Time (Hr. & Min.):				
05	Canceled (Non-Billable) Runs:				

AMBULANCE SERVICE ROUTINE OPERATING REVENUE

06	ALS Base Rate Revenue				\$379607
07	BLS Base Rate Revenue				270327
08	Mileage Charge Revenue				55457
09	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				\$1005391

SALARY AND WAGE EXPENSE DETAIL

GROSS WAGES:

		**No. of F.T.E.s	
14	Management	\$ 99562	2
15	Paramedics and IEMTs	\$ 536969	17
16	Emergency Medical Technician (EMT)	\$ 226181	13
17	Other Personnel	\$ 46844	1
18	Payroll Taxes and Fringe Benefits - All Personnel	\$ 294555	
19	Total Wages, Taxes & Benefits	\$1204111	

*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.

RECEIVED

JAN 22 2015

BEMSTS-CON & RATES



AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: Lakeside Vol Fire Dept DBA Lakeside Fire District
FOR THE PERIOD FROM: July 1, 2013 TO: June 30, 2014

SCHEDULE OF REVENUES AND EXPENSES

Line No.	DESCRIPTION	FROM	
Operating Revenues:			
01	Total Ambulance Service Operating Revenue	Page 2, Line 13	\$1005391
Settlement Amounts:			
02	AHCCCS		(182873)
03	Medicare		(155602)
04	Subscription Service		()
05	Contractual		()
06	Other		(158912)
07	Total (Sum of Lines 02 through 06)		(497387)
08	Total Operating Revenue (Line 01 minus Line 07)		\$ <u>508004</u>
Operating Expenses:			
09	Bad Debt		\$ 80203
10	Total Salaries, Wages, and Employee-Related Expenses		<u> </u>
11	Professional Services		1204111
12	Travel and Entertainment		<u> </u>
13	Other General Administrative		10015
14	Depreciation		<u> </u>
15	Rent/Leasing		59928
16	Building/Station		<u> </u>
17	Vehicle Expense		30980
18	Other Operating Expense		<u> </u>
19	Cost of Medical Supplies Charged to Patients		23467
20	Interest		<u> </u>
21	Subscription Service Sales Expense		<u> </u>
22	Total Operating Expense (Sum of Lines 09 through 21)		1549238
23	Total Operating Income or Loss (Line 08 minus Line 22)		\$ -1041234
24	Subscription Contract Sales		<u> </u>
25	Other Operating Revenue		<u> </u>
26	Local Supportive Funding		\$ 1251369
27	Other Non-Operating Income (Attach Schedule)		<u> </u>
28	Other Non-Operating Expense (Attach Schedule)		<u> </u>
29	NET INCOME/(LOSS) (Line 23 plus Sum of Lines 24 through 28)		\$ <u>210135</u>

RECEIVED

JAN 22 2015

BEMSTS-CON & RATES



**LAKESIDE FIRE DISTRICT
FINANCIAL STATEMENTS
June 30, 2014**

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

**RECEIVED
JAN 22 2015
BEMSTS-CON & RATES**



THIS PAGE
IS
DELIBERATELY LEFT BLANK

**LAKESIDE FIRE DISTRICT
LAKESIDE, ARIZONA
FINANCIAL STATEMENTS
JUNE 30, 2014**

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:	19	
Government-Wide Financial Statements		
Statement of Net Position	20	A
Statement of Activities	21	B
Fund Financial Statements		
Balance Sheet - Governmental Funds	22	C
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	23	D
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	24	E
Reconciliation of the Statement of Revenues, Expenditures And Changes in Fund Balances - Governmental Funds To the Statement of Activities	25	F
Statement of Net Position - Fiduciary Funds	25	G
Statement of Changes in Fiduciary Net Position	27	H
Notes to the Financial Statements	29	

RECEIVED
JAN 22 2015
BEMSTS-CON & RATES



THIS PAGE
IS
DELIBERATELY LEFT BLANK

**LAKESIDE FIRE DISTRICT
LAKESIDE, ARIZONA
FINANCIAL STATEMENTS
JUNE 30, 2014**

	<u>PAGE</u>	<u>EXHIBIT</u>
REQUIRED SUPPLEMENTARY INFORMATION	47	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (GAAP Basis) General Fund	49	1
Pension Financial Disclosures	50	
Notes to the Required Supplementary Information	52	
OTHER SUPPLEMENTARY INFORMATION	53	
Arizona Annual Report Information	55	
Volunteer Pension Distribution	57	
GOVERNMENT AUDIT STANDARDS SECTION	59	
GOVERNMENT AUDIT STANDARDS TABLE OF CONTENTS	61	
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>	63	

RECEIVED

JAN 22 2015

BEMSTS-CON & RATES



THIS PAGE
IS
DELIBERATELY LEFT BLANK

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

6008 W. CORTEZ ST
GLENDALE, ARIZONA 85304
Tel: (623) 476-8660
Fax: (602) 926-2431
E-Mail: JamesH49@AOL.com
Redheadedcutie10@AOL.com

Member: American Institute of Certified Public Accountants
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
Lakeside Fire District
Lakeside, Arizona

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lakeside Fire District, Lakeside, Arizona, as of and for the year ended June 30, 2014, 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.

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 Lakeside Fire District, as of June 30, 2014, 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.

RECEIVED

JAN 22 2015

BEMSTS-CON & RATES



THIS PAGE

IS

DELIBERATELY LEFT BLANK

Independent Auditor's Report

June 30, 2014

Page 2

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.

Arizona Revised Statutes require disclosure of certain additional supplementary information required to comply with section 9-956 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Arizona State Fire Marshal as mandated 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 January 6, 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
January 6, 2015

RECEIVED
JAN 22 2015
DEMST'S-CON & RATES



**THIS PAGE
IS
DELIBERATELY LEFT BLANK**

Lakeside Fire District

Management's Discussion and Analysis of Basic Financial Statements June 30, 2014

The following discussion and analysis of the Lakeside Fire District (the district's) financial performance presents management's overview of the District's financial activities for the year ended June 30, 2014. 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 Lakeside Fire District is located in the White Mountains of Northern Arizona, surrounded by the largest stand of ponderosa pines in the country. The Lakeside Fire District protects a 25 square mile area (16,000 acres) and provides fire, ambulance and paramedic services to homes, commercial business, property, and the permanent population of approximately 6500 residents with the district boundaries, as well as providing services to the additional 20,000 seasonal residents and tourists drawn to the area for recreation. The district prides itself in the high level of service to the community. The district conducts business inspections, plan reviews and approvals. The district provides car seats, information, inspections and training by our certified technicians. The district also has trained wild land fire fighters who respond to wild land fires throughout Arizona and the United States.

The district is also able to provide swift water rescue, ice rescue and hi-angle rope rescue to our district as well as other to locations and persons outside the district through mutual aid and automatic response agreements with neighboring fire districts, the Forest Service, and the White Mountain Apache Tribe. The automatic response agreement with the surrounding fire districts has resulted in better and faster response to emergencies. Centralized dispatch now contacts the nearest unit to respond. Automatic/mutual aid also results in response by each department's specialized equipment as needed, such as the ladder truck owned by Show Low Fire District being able to respond to fire scenes. This has resulted in improved service and money being saved by all departments.

The Lakeside Fire District offers the use of our training and conference rooms to groups for meetings and trainings.

RECEIVED

JAN 22 2015

BEMSTS-CON & RATES

Lakeside Fire District Fire Marshall is the Public Education Coordinator who is continually educating school students at each of the area schools, as well as Senior Centers, Clubs, Nursing homes, mobile home parks and churches. He is available for special safety presentation request from the public.

The Lakeside Fire District's Fire Marshall works closely with the Fire Marshalls from the Pinetop and Show Low Fire Districts. This cooperation results in improved fire code enforcement, as well as familiarizing them with each of the community's commercial buildings. This spirit of cooperation has prevailed in all aspects of fire protection, fire prevention and fire education in our area.

A Fire Marshall Volunteer assists Fire Marshall Captain Webb with commercial building inspections and general office work. This volunteer works on an as needed basis and has proven to be a great asset to the office of the Fire Marshall.

Full time staffing in the District totals 27 personnel. There are 21 full time firefighters of which 15 are firefighter/medics and all others are firefighter/EMTs. The Fire Chief, Assistant Chief, Fire Marshall, and two fulltime administration staff members and receptionist make up the rest of the employees. Additionally, there are 12 reserve firefighter/EMTs and two firefighter/medics on call on an as needed basis for shift coverage and emergencies.

Each year the Lakeside Fire District employees, union, and auxiliary members volunteer hundreds of hours on the food and toy drives. This is a successful endeavor that funds the annual Christmas Toy Drive for needy children in the surrounding communities and for food baskets that are distributed to needy families during Thanksgiving and Christmas each year. Funds are also used by the union to assist burned out families and others in the community that are in need.

Results of Operations

- λ Improved dispatch and call requirements resulted in 1079 Fire Incident alarm dispatched calls, an increase of 460 incidents from the past year of 619 Fire Incident runs. These incidents include non-fire emergency services, calls of good intent, as well as building fires, chimney fires, vehicle fires, and unauthorized debris fire investigations and checking out reports of smoke in the area. These also include invalid citizen assist calls, medically assisting EMS crews, removal of victims from stalled elevators, gas leaks, electrical and wiring problem calls, vehicle lock-out assist with children or animals locked in running vehicles, animal problems, police assist, invalid assist, false alarms, lightning strikes, alarm system activations, and other public service calls as well as response to actual structural fire calls, water rescue, and response to motor vehicle accidents, extrication, and other traffic incidents and emergencies.

RECEIVED

JAN 22 2015

BEMSTS-CON & RATES

- λ 839 Ambulance calls, an increase of 25 calls from the previous year of 814 EMS calls.

- λ The District participated in the sixth annual regional wild land refresher course sponsored by the Northeastern Arizona Fire Chiefs Association held at Fools Hollow Lake in Show Low, AZ. Two sessions were held, on April 4 and 5, 2014. The classes were attended by hundreds of firefighters and fire department administrative personnel from 14 agencies from districts throughout Arizona. The training once again was successful in allowing all fire districts as well as forest service personnel to work and train together, receiving the same training that will be useful in actual wild land fire events when many different agencies respond to wild land fires.

- λ The Lakeside Fire District continued the Red Tag Green Tag Program that was initiated last year. The Crews went door to door in the district, assessing property for wildland/urban interface safety. The firefighters spoke to the homeowners regarding ways to make their property safer in the event of wildfire. A Red Tag was given if there were several fire hazards present that would need to be mitigated or a Green Tag if all safety items had been done. The results of the Red Tag Green Tag assessments have been integrated into our mapping system to have a better knowledge of which areas of the district have been mitigated for fire safety, and those still needing work. This will be invaluable information in the event of wildfire visiting the area, as the fire crews will know which areas to concentrate their firefighting efforts, resulting in better protection for the community as well as the fire fighters. As a result of the mapping study, those home owners in Red Zones were sent letters addressing the problems and were advised to mitigate the property for fire defense.

- λ The Lakeside Fire District continued with several other entities in the county in a feasibility study for a Regional Dispatch Center. Lakeside Fire District entered into a conversation more than four years ago to address issues with emergency communications throughout Navajo county. Those initial meetings, which included law enforcement, fire, EMS, County staff, private EMS providers, Summit Hospital, and City officials, resulted in a working group who endeavored to come up with a solution to improve emergency communications regionally. Lakeside Fire has been one of the driving forces behind regional dispatch from these initial phases.

RECEIVED

JAN 22 2015

BEMSTS-CON & RATES

At present, there are several small dispatch centers serving the police, EMS and fire agencies in the county area. All are understaffed and have antiquated systems. The feasibility study looked to create one consolidated center for all fire, police and EMS dispatch within Navajo County east of Winslow, and south of Highway 40, consisting of a new dispatching system and increased staffing for efficient services to all the emergency entities. This was foreseen as cost saving for all involved with better and faster communication in emergency situations. During this process, Show Low Police Department, Pinetop Lakeside Police Department, and Snowflake-Taylor Police Department opted not to move forward with the rest of the group. While this was not the desired outcome, it still allows for all fire and EMS providers to share a common communications platform and dispatch facility. Northern Arizona Regional dispatch Center will soon be up and running with the following partners participating: Navajo County, Summit Regional Healthcare Medical Center, Show Low Fire District, Pinetop Fire District, White Mountain Lakes Fire District, Linden Fire District, Pinedale-Clay Springs Fire District, Lakeside Fire District, Joseph City Fire District, Sun Valley Fire District, Heber-Overgaard Fire District. The NARDC will be located in Holbrook, Arizona and will be governed by a Board of Directors consisting of five voting members. There will be two representatives from Navajo County (one to be the Navajo County Sheriff or his designee, and the second to be the County Manager or his designee). Two representatives shall be selected by the Fire Chiefs of the principal fire districts that are parties to the NARDC. One representative for Board membership will be appointed by the City of Holbrook. There will be a sixth non-voting advisory member from Summit Regional Healthcare Medical Center.

- λ Lakeside Fire District along with Show Low Fire District, Linden Fire District and Pinetop Fire District contracted with Emergency Services Consulting International to conduct a feasibility study for combined services. The result of the study revealed that combined services were highly recommended and feasible. However, due to the high debt being carried by Pinetop Fire District, the recommendation was for the Lakeside, Show Low and Linden Fire Districts combine services in the form of a singular merged district. Additional studies done by those three districts disclosed the efficiencies gained by combing the districts. The districts began cooperative sharing of crews, moving a Lakeside Ambulance to Show Low Station 321, and sharing the training and operational officers. The governing Boards of each District will consider conducting public hearings in the near future for discussion and information regarding a merger of the three fire districts.

RECEIVED
JAN 22 2015
BEMSTS-CON & RATES

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, 2014

	<u>BALANCE</u> <u>JUNE 30, 2013</u>	<u>BALANCE</u> <u>JUNE 30, 2014</u>
Invested in Capital Assets, Net of related Debt	\$ 1,776,592	\$ 1,630,144
Unrestricted	<u>1,366,629</u>	<u>1,406,139</u>
Total Net Position	<u>\$ 3,143,221</u>	<u>\$ 3,036,283</u>

Governmental Activities

Much of the revenues for the District were derived from assessed property taxes and Fire District assistance Tax collected through Navajo County Treasurers Office. The tax revenue and FDAT total was \$2,502,738.17 which was 100.5% of the expected tax revenue. The district was fortunate in our tax collections given the current state of the economy. Ambulance services also provide revenue. This year ambulance revenue added \$490,895.33 to the budget and exceeded the projected amount by 0.1%. Wild land fire revenue was anticipated at \$125,500.00. However it provided \$163,139.83 which was 30% higher than anticipated. A small amount of revenue is generated from room rental fees. This year the district collected \$2,771.00 from room rental fees.

General Fund Budgetary Highlights

The Lakeside Fire District stayed with our budget once again. The district strives to provide the best service coverage for our area, using diligently responsible management of the tax monies allotted.

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 2014 the District purchased, had contributed, or constructed the following assets:

RECEIVED
JAN 22 2015
BEMSTS-CON & RATES

- λ Lakeside Fire District continues to be fiscally responsible, and has annual government audits performed by certified auditors of the highest caliber. James H. Saunders and staff of the Saunders Company, LTD is the District's auditor. Mr. Saunders is a Certified Public Account, Certified Fraud Examiner, Certified Financial Forensics, Certified Governmental Finance Manager, and a Licensed Private Investigator and is the auditor of many of the Fire Districts in the state of Arizona.

Financial Highlights

- λ District had no investment in capital assets.
- λ The District's net position decreased \$106,938 or 3.40% from the previous fiscal year.
- λ Total revenues decreased \$363,941 or 10.39% over the previous fiscal year.
- λ At the end of the current fiscal year, unrestricted net position for the General fund was \$1,406,139.

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.

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.

- λ Lakeside Fire District made no major apparatus purchase this fiscal year. The district did do replacement of bays doors at Station 2, replaced the keyless door locks on four doors, purchased computer equipment upgrades, and a laptop and equipment for the 2013 Dodge Ambulance purchased last year. An Ice Rescue equipment platform was purchased for water/ice rescue and new extrication cutters were added to the inventory.
- λ Lakeside Fire District carries no financial debt other than the administration building that was erected in 2005-06. Each year the District pays \$119,860.00 in quarterly payments to Chase Equipment Finance. The lease-purchase contract is scheduled for pay-off February 13, 2021. However, the district is preparing fiscally for early pay off. The contract does not allow prepayment prior to February 13, 2016 and that is the desired target year for pay off.

Capital Assets, Net of Depreciation June 30, 2014

	BALANCE <u>06/30/2013</u>	BALANCE <u>06/30/2014</u>
<u>Depreciable Assets</u>		
Vehicles	\$1,933,571	\$ 1,933,571
Buildings	2,176,933	2,176,933
Equipment, Admin	172,532	172,532
Equipment, Fire	<u>830,400</u>	<u>830,400</u>
Total Historical Costs	<u>5,113,436</u>	<u>5,113,436</u>
Less Accum Depreciation		
Vehicles	1,235,180	1,384,088
Buildings	543,365	600,021
Equipment, Admin	160,988	165,186
Equipment, Fire	<u>771,241</u>	<u>793,567</u>
Less: Total Accumulated Depreciation	<u>2,710,774</u>	<u>2,942,862</u>
Depreciable Capital Assets, Net	2,402,662	2,170,574
<u>Non-Depreciable Assets</u>		
Land	<u>152,000</u>	<u>152,000</u>
Capital Assets, Net	<u>\$2,554,662</u>	<u>\$ 2,322,574</u>

RECEIVED
JAN 22 2015
DEMSTIS-COUN & RATES

Long Term Debt

At the end of the current fiscal year, the District had debt outstanding of \$934,746. All of the debt is backed by the full faith and credit of the District.

Outstanding Debt

	Balance <u>June 30, 2013</u>	Balance <u>June 30, 2014</u>
Fire Station	\$ 778,070	\$ 692,430
Total Lease Obligations	778,070	692,430
Compensated Absences	<u>302,056</u>	<u>242,316</u>
Totals	<u>\$ 1,080,126</u>	<u>\$ 934,746</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. Future income will fluctuate with local tax assessments and collections by Navajo County. Growth has slowed in the area, and the district did have an assessed value decrease once again. The ability of assessed value recovery has been hampered by the passage of Proposition 117 in 2013 which limited taxable value growth to a maximum of 5% annually. The Lakeside Fire District lost approximately 30% of assessed value in the past four years. With the limitations imposed by Prop 117, it will likely take 10 to 12 years to recover.

Tax collections came in as predicted with very little in revenue loss for the 2013-2014 fiscal year. Lakeside Fire District has always been very conservative in budgeting, and because of this, the district did well financially once again by staying within the budget, and not having to do a line of credit loan for the fourth year in a row. By keeping our budget growth at 2% or less each year we hope to survive the era of low assessments until the economy improves

The proposed merger of the Lakeside, Show Low and Linden Fire Districts will decrease costs, provide 24/7 Advance Life Support medical response to the Linden community, and make more efficient use of shared fire crews and equipment. This effort will result in a more cost effective and sustainable fire and medical service delivery model for our residents.

RECEIVED

JAN 22 2015

BEMSTS-CON & RATES

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 Lakeside Fire District at 2922 W. White Mountain Blvd, Lakeside, AZ 85929.

RECEIVED
JAN 22 2015
DEMSTIS-CON & RATES



**THIS PAGE
IS
DELIBERATELY LEFT BLANK**

RECEIVED
JAN 22 2015
BEMSTS-CON & RATES

BASIC FINANCIAL STATEMENTS

RECEIVED
JAN 22 2015
DEMSTS-CON & RATES

**LAKESIDE FIRE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014**

Exhibit A

	Governmental Activities
ASSETS	
Cash & Cash Equivalents (Note 3)	\$ 1,649,667
Receivables:	
Ambulance Service Fees, Net Allowance for Doubtful Accounts (Note 5)	139,789
Property Taxes (Note 6)	106,194
Wildland (Note 5)	11,863
Total Capital Assets, Net (Note 7)	2,322,574
 Total Assets	 4,230,087
LIABILITIES	
Accounts Payable	11,913
Payroll Taxes Payable	31,677
Wages Payable	48,695
Compensated Absences (Note 10)	
Portion due within one year	60,579
Portion due after one year	242,316
Lease/Purchases Payable (Note 11)	
Portion due within one year	89,635
Portion due after one year	602,795
 Total Liabilities	 1,087,610
DEFERRED INFLOW OF RESOURCES	
Unavailable Property Tax Revenue	106,194
Total Deferred Inflow of Resources	106,194
NET POSITION	
Invested in Capital Assets, Net of related Debt	1,630,144
Unrestricted (Note 13)	1,406,139
 Total Net Position	 \$ 3,036,283

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

RECEIVED

JAN 22 2015

BEMSTS-CON & RATES

**LAKESIDE FIRE DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

Exhibit B

**Governmental
Activities**

EXPENSES

Public Safety - Fire/EMS Protection		
Personnel Services	\$	2,564,672
Materials & Services		447,792
Depreciation		232,088
		<hr style="width: 100%;"/>
Total Program Expenses		3,244,552

PROGRAM REVENUES

Charges for Service		583,812
Total Program Revenues		<hr style="width: 100%;"/>
Net Program Expense		583,812
		<hr style="width: 100%;"/>
		2,660,740

GENERAL REVENUES

Property Taxes		2,332,135
Fire District Assistance		170,603
Investment Earnings		6,595
Miscellaneous		44,469
		<hr style="width: 100%;"/>
Total General Revenues		2,553,802

Decrease in Net Position		(106,938)
--------------------------	--	-----------

NET POSITION-BEGINNING OF THE YEAR		<hr style="width: 100%;"/>
		3,143,221

NET POSITION-END OF THE YEAR		<hr style="width: 100%;"/>
		\$ 3,036,283

RECEIVED

JAN 22 2015

BEMSTS-CON & RATES

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

**LAKESIDE FIRE DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014**

Exhibit C

	<u>General</u>	<u>Wildland Revenue</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents (Note 3)	\$ 998,859	\$ 650,808	\$ 1,649,667
Receivables:			
Ambulance Service Fees, Net Allowance for Doubtful Accounts (Note 5)	139,789	-	139,789
Wildland (Note 5)	11,863	-	11,863
Property Taxes (Note 6)	106,194	-	106,194
Total Assets	<u>\$ 1,256,705</u>	<u>\$ 650,808</u>	<u>\$ 1,907,513</u>
LIABILITIES			
Payroll Taxes Payable	\$ 31,677	\$ -	\$ 31,677
Accounts Payable	11,913	-	11,913
Wages Payable	48,695	-	48,695
Compensated Absences (Note 10)	60,579	-	60,579
Total Liabilities	152,864	-	152,864
DEFERRED INFLOW OF RESOURCES			
Unavailable Property Tax Revenue	106,194	-	106,194
Total Deferred Inflow of Resources	106,194	-	106,194
FUND BALANCES			
Assigned (Note 13)	160,679	650,808	811,487
Unassigned	836,968	-	836,968
Total Fund Balances	997,647	650,808	1,648,455
Total Liabilities & Fund Balances	<u>\$ 1,256,705</u>	<u>\$ 650,808</u>	<u>\$ 1,907,513</u>

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

RECEIVED
JAN 22 2015
REVISIONS & NOTES

**LAKESIDE FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED
JUNE 30, 2014**

Exhibit D

	<u>General</u>	<u>Wildland Revenue</u>	<u>Total Governmental Funds</u>
REVENUE			
Property Taxes	\$ 2,332,135	\$ -	\$ 2,332,135
Fire District Assistance Tax	170,603	-	170,603
Fees for Service	583,812	-	583,812
Interest	5,631	964	6,595
Miscellaneous	44,469	-	44,469
	<u>3,136,650</u>	<u>964</u>	<u>3,137,614</u>
Total Revenues			
EXPENDITURES			
Current:			
Public Safety	2,950,584	-	2,950,584
Administration	56,666	-	56,666
Debt Service			
Principal	85,640	-	85,640
Interest	34,215	-	34,215
Capital Outlay	30,740	-	30,740
	<u>3,157,845</u>	<u>-</u>	<u>3,157,845</u>
Total Expenditures			
Excess (Deficiency) of Revenues over Expenditures	<u>(21,195)</u>	<u>964</u>	<u>(20,231)</u>
Net Change in Fund Balances	(21,195)	964	(20,231)
Transfers	<u>187,860</u>	<u>(187,860)</u>	<u>-</u>
Net Change in Fund Balances	166,665	(186,896)	(20,231)
Fund Balances-Beginning of Year	<u>830,982</u>	<u>837,704</u>	<u>1,668,686</u>
Fund Balances-End of Year	<u>\$ 997,647</u>	<u>\$ 650,808</u>	<u>\$ 1,648,455</u>

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

RECEIVED
JAN 22 2015
BEMSTS-CON & RATES

**LAKESIDE FIRE DISTRICT
 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2014**

Exhibit E

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

Fund Balances - Total Governmental Funds (Exhibit C) \$ 1,648,455

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

Capital Assets used in governmental activities are
 not financial resources and, therefore are not
 reported in the other funds.

Governmental Capital Assets	5,265,436	
Less: Accumulated Depreciation	<u>(2,942,862)</u>	
		2,322,574

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		<u>(934,746)</u>
--	--	------------------

Net Position of Governmental Activities (Exhibit A)		<u><u>\$ 3,036,283</u></u>
---	--	----------------------------

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

RECEIVED
 JAN 22 2015
 BEMSTS-CON & RATES

**LAKESIDE 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, 2014**

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)	\$	(20,231)
---	----	----------

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.		(232,088)
--	--	-----------

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.		<u>145,381</u>
---	--	----------------

Change in Net Position of Governmental Activities (Exhibit B)	\$	<u><u>(106,938)</u></u>
---	----	-------------------------

RECEIVED
JAN 22 2015
BEMSTS-CON & RATES

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

**LAKESIDE FIRE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014**

Exhibit G

	Volunteer Pension Fund	Fire Dept Auxiliary Fund	Totals
ASSETS			
Cash & Cash Equivalents	\$ 231,928	\$ 9,480	\$ 241,408
Investments, at fair value			
Mutual Funds	166,779	-	166,779
Total Assets	398,707	9,480	408,187
LIABILITIES			
Bank Overdraft	15	-	15
Total Liabilities	15	-0-	15
NET POSITION			
Held in trust for pension and other purposes	\$ 398,692	\$ 9,480	\$ 408,172

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

RECEIVED
JAN 22 2015
BEMSTS-CON & RATES

**LAKESIDE FIRE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

Exhibit H

	Volunteer Pension Fund	Fire Dept Auxiliary Fund	Totals
ADDITIONS			
Other			
Contributions	\$ 9,742	\$ -	\$ 9,742
State Fire Marshal	767	-	767
Fund Raising	-	764	764
Total Other Contributions	10,509	764	11,273
Investment Earnings:			
Interest & Dividends	4,366	-	4,366
Net Increase in the fair value of investments	8,849	-	8,849
Total Investment Earnings	13,215	-	13,215
Less Investment Expense	7,496	-	7,496
Net Investment Earnings	5,719	-0-	5,719
 Total Additions	 16,228	 764	 16,992
DEDUCTIONS			
Distributions	21,768	-	21,768
Fund Raising	-	1,811	1,811
Total Deductions	21,768	1,811	23,579
 Change in Net Position	 (5,540)	 (1,047)	 (6,587)
 Net Position - Beginning	 404,232	 10,527	 414,759
 Net Position - Ending	 \$ 398,692	 \$ 9,480	 \$ 408,172

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

RECEIVED
JAN 22 2015
DEMSTS-CON & RATES



**THIS PAGE
IS
DELIBERATELY LEFT BLANK**

LAKESIDE FIRE DISTRICT
LAKESIDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.

Government -Wide Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) 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 the 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.

The *Special Revenue Fund* is used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

The *Fiduciary Funds* are used to account for resources held for the benefit of parties outside the government. This fund's activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements.

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

RECEIVED
JAN 22 2015
DEMSTS-CON & RATES

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.

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 position. 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.
- 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 passage of 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).

RECEIVED
 JAN 22 2015
 BEMSTS-CON & RATES

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.

RECEIVED
JAN 22 2015
BEMIS-CON & RATES

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.

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.

RECEIVED

JAN 22 2015

BEMSTS-COH & RATES

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

The following is a summary of the Cash and Cash Equivalents held by financial institutions at June 30, 2014:

DEPOSITORY ACCOUNTS:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Fiduciary Fund</u>	<u>Total</u>
Insured Deposits (FDIC)	\$ 181,004	\$ 250,000	\$ 9,480	\$ 440,484
Collateralized Accounts	0	400,808	0	400,808
Uninsured and uncollateralized	<u>882,022</u>	<u>0</u>	<u>398,707</u>	<u>1,280,729</u>
Total Deposits	1,063,026	650,808	408,187	2,122,021
In Transit Items	<u>(64,367)</u>	<u>(0)</u>	<u>(0)</u>	<u>(64,367)</u>
Total Depository Accounts	998,659	650,808	408,187	2,057,654

NON DEPOSITORY
ACCOUNTS

Cash On Hand	<u>200</u>	<u>0</u>	<u>0</u>	<u>200</u>
Total Non Depository Accounts	<u>200</u>	<u>0</u>	<u>0</u>	<u>200</u>
Total Cash & Cash Equivalents	<u>\$ 998,859</u>	<u>\$ 650,808</u>	<u>\$ 408,187</u>	<u>\$ 2,057,854</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	\$899,551
Linesco Mutual Fund	Unrated	Not Applicable	\$1,500
Ameritrade Mutual Fund	Unrated	Not Applicable	\$379,663

RECEIVED

JAN 22 2015

BEMSTS-CON & RATES

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.

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, 2014:

For Pool 5	34 Days
For Pool 7	53 Days
For Pool 500	1.82 Years
For Pool 700	2.02 Years

RECEIVED

JAN 22 2015

BEMSTO-CON & RATES

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. The District also conducts regular drivers license checks on all employees authorized to operate District vehicles.

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 \$247,704 with an allowance for bad debt of \$107,915 at June 30, 2014. This gave a net of \$139,789 which was expected to be collectable, before contractual writeoffs.

Wildland receivables were \$11,863 with an allowance for bad debt of \$0 at June 30, 2014. This gave a net of \$11,863 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 arises.

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended.

	BALANCE <u>06/30/2013</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	BALANCE <u>06/30/2014</u>
<u>Depreciable Assets</u>				
Vehicles	\$1,933,571	\$ 0	\$ 0	\$ 1,933,571
Buildings	2,176,933	0	0	2,176,933
Equipment, Admin	172,532	0	0	172,532
Equipment, Fire	<u>830,400</u>	<u>0</u>	<u>0</u>	<u>830,400</u>
Total Historical Costs	<u>5,113,436</u>	<u>0</u>	<u>0</u>	<u>5,113,436</u>
Less Accum Depreciation				
Vehicles	1,235,180	148,908	0	1,384,088
Buildings	543,365	56,656	0	600,021
Equipment, Admin	160,988	4,198	0	165,186
Equipment, Fire	<u>771,241</u>	<u>22,326</u>	<u>0</u>	<u>793,567</u>
Less: Total Accumulated Depreciation	<u>2,710,774</u>	<u>232,088</u>	<u>0</u>	<u>2,942,862</u>
Depreciable Capital Assets, Net	2,402,662	(232,088)	0	2,170,574
<u>Non-Depreciable Assets</u>				
Land	<u>152,000</u>	<u>0</u>	<u>0</u>	<u>152,000</u>
Capital Assets, Net	<u>\$2,554,662</u>	<u>\$ (232,088)</u>	<u>\$ 0</u>	<u>\$ 2,322,574</u>

NOTE 8 - 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.

RECEIVED
JAN 22 2015
BEMSTS-CON & RATES

NOTE 9 – SHORT-TERM INDEBTEDNESS

The District utilizes a credit line with a limit of \$750,000. As of June 30, 2014, the balance outstanding was approximately \$ 0 and \$750,000 was available. The interest rate, at year end, was approximately .58% of the Wells Fargo Base Rate. The District routinely pays the balance in full when funds are available.

Changes in Short-Term Indebtedness :

	Balance <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2014</u>
Line of Credit	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Totals	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

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 policy on sick leave allows employees to be compensated for a portion of their accrued unused sick time when they retire, based on schedule which varies with length of service and type of employee. At June 30, 2014, the total amount of accumulated sick leave is \$189,256. The vested portion at June 30, 2014 was undetermined.

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.

RECEIVED
JAN 22 2015
DEMSTG-CON & RATES

Capital Leases

Fire Station: The District entered into a lease/purchase agreement for an addition to the main fire station. The lease/purchase was dated December 13th 2006 in the amount of \$1,294,823 with an interest rate of 4.585% with quarterly payments of \$29,964 with a final payment due February 13th 2021.

Changes in Long-Term Indebtedness :

	Balance <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2014</u>
Fire Station	\$ 778,070	\$ 0	\$ 85,640	\$ 692,430
Total Lease Obligations	778,070	0	85,640	692,430
Compensated Absences	302,057	0	59,741	242,316
Totals	\$ 1,080,127	\$ 0	\$ 145,381	\$ 934,746

NOTE 12 - FUTURE MINIMUM LEASE/PURCHASE OBLIGATIONS

The future minimum lease/purchase obligations and the net present value of these minimum lease/purchase payments as of June 30, 2014, were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 89,635	\$ 30,220	\$ 119,855
2016	93,815	26,040	119,855
2017	98,191	21,664	119,855
2018	102,771	17,084	119,855
2019	107,565	12,290	119,855
2020/2021	<u>200,453</u>	<u>9,296</u>	<u>209,749</u>
Total Obligation	692,430	\$ <u>116,594</u>	\$ <u>809,024</u>
Less amount due within 1 year	<u>89,635</u>		
Amount due after 1 year	\$ <u>602,795</u>		

RECEIVED
JAN 22 2015
BIRMINGHAM-COIN & NOTES

NOTE 13 – NET POSITION/FUND BALANCE

The District's General Net Position balance consists of restricted, unrestricted, nonspendable, and net investment in capital assets amounts.

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

Restricted 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.

Nonspendable balances are amounts that are not in a spendable form such as inventories or pre-paid expenses.

Net Position:

Invested in Capital Assets, Net of Related Debt	\$ 1,630,144
Unrestricted	<u>1,406,139</u>
Total Net Position	<u>\$ 3,036,283</u>

Governmental Fund Balances:

Assigned - Apparatus	\$ 650,808
Assigned – Payroll	<u>160,679</u>
Total Assigned Fund Balances	811,487
Unassigned Fund Balances	<u>836,968</u>
Total Fund Balance	<u>\$ 1,648,455</u>

RECEIVED

JAN 22 2015

BEMSTS-CON & RATES

NOTE 14 - 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 15 – DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. This plan, available to all District employees, permits employees to defer a portion of their current salary until future years. Assets held in IRC Section 457 plans are generally subject to claims of creditors.

It is the District's position that it has no liability for investment losses under the plan but has the duty of due care that would be required of an ordinary prudent investor. The District believes it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

RECEIVED

JAN 22 2015

DEMSTG-CON & RATES

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS (SEE ALSO THE REQUIRED SUPPLEMENTAL INFORMATION)

Plan Descriptions

The District contributes to the three 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.

The Public Safety Personnel Retirement System (PSPRS) administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined health insurance premium plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or participating political subdivisions. The PSPRS, acting as a common investment and administration agent, is governed by a five-member board known as The Fund Manager, and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

RECEIVED
JAN 22 2015
DEMSTG-CON & RATES

Normal retirement is on completion of 20 years of service or 15 years of service and attainment of age 62. Retirement benefits after 20 years are 50% of average monthly compensation plus an additional 2% for each year of service from 20 to 25 years. Upon attainment of 25 years of service the additional percentage is increased to 2 ½ % for each year beyond 20. Maximum pension is 80% of average compensation. All participants are fully vested upon 10 years of service with deferred retirement possible at reduced benefits. Disability, survivor's benefits and medical care are also integrated into the plan.

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
Suite 200
PO Box 33910
Phoenix, AZ 85067-3910
(602) 240-2000 or 1-800-621-3778

PSPRS
3010 E. Camelback Road,
Phoenix, AZ 85016-4416
Phone (602) 255-5575

The District maintains a *Volunteer Fire Pension Fund* as allowed by ARS 9-951. This plan is administered by an outside consulting firm who prepares a separate annual report. This report is available through Innes & Associates, 4302 East Ray Road Suite 117, Phoenix, Arizona 85044. The plan is reviewed by the Arizona State Fire Marshal's office.

Benefits vary by number of years of activity and funds available. Benefits are fixed by the local board at the time of retirement. Eligibility is minimum age of 18 years and 12 months of service. Maximum age does not apply. Retirement age is earlier of age 50 or 20 years of service. Entry dates are Jan 01 and July 01 of each year.

The local pension board has the authority to deviate from these guidelines as they feel necessary under an adopted alternative plan. The District has elected under ARS Title 9, Section 4 to establish an alternative plan which differs significantly from the standards referred to above.

NOTE 17 - POST EMPLOYMENT BENEFITS

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

RECEIVED

JAN 22 2015

MEMSIS-CON & RATES

NOTE 18 - SUBSEQUENT EVENTS

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

In the 2013-2014 Fiscal Year, the Lakeside Fire District Governing Board joined with other surrounding Districts to fund a merger study between the District and those other local Fire Districts participating in the merger study. Subsequent to the 2013-2014 Fiscal Year, the Governing Board voted to merge with How Low and Linden Fire Districts. This move resulted in the three Districts merging to form a new District called the Timber Mesa Fire and Medical District.

RECEIVED

JAN 22 2015

BEMSTS-CON & NOTES

**REQUIRED SUPPLEMENTARY
INFORMATION**

RECEIVED
JAN 22 2015
BEMSTS-CON & RATES



**THIS PAGE
IS
DELIBERATELY LEFT BLANK**

**LAKESIDE FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
GENERAL FUND
FOR THE YEAR ENDED
JUNE 30, 2014**

Exhibit I

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Property Taxes	\$ 2,324,435	\$ 2,324,435	\$ 2,332,135	\$ 7,700
Fire District Assistance	166,408	166,408	170,603	4,195
Fees for Service	616,000	616,000	583,812	(32,188)
Grants	10,000	10,000	-	(10,000)
Miscellaneous	5,500	5,500	44,469	38,969
Interest	3,500	3,500	5,631	2,131
Total Revenues	<u>3,125,843</u>	<u>3,125,843</u>	<u>3,136,650</u>	<u>10,807</u>
Expenditures:				
Current:				
Public Safety	3,083,813	3,083,813	2,950,584	133,229
Administration	26,850	26,850	56,666	(29,816)
Capital Outlay	203,040	203,040	150,595	52,445
Total Expenditures	<u>3,313,703</u>	<u>3,313,703</u>	<u>3,157,845</u>	<u>155,858</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(187,860)</u>	<u>(187,860)</u>	<u>(21,195)</u>	<u>166,665</u>
Net Change in Fund Balances	(187,860)	(187,860)	(21,195)	166,665
Transfer	-	-	187,860	187,860
Fund Balances at Beginning of Year	<u>187,860</u>	<u>187,860</u>	<u>830,982</u>	<u>643,122</u>
Fund Balances at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 997,647</u>	<u>\$ 997,647</u>

RECEIVED
JAN 22 2015
REMSIS-CON & RATES

LAKESIDE FIRE DISTRICT

GASB STATEMENT NO. 25 SUPPLEMENTARY PENSION INFORMATION

SCHEDULE OF FUNDING PROGRESS
(EXCLUDING HEALTH INSURANCE SUBSIDY BEGINNING JUNE 30, 2008)

Year Ended June 30	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio (a)/(2)	(4) Unfunded AAL (2)-(1)	(5) Covered Payroll*	(6) UAAL As a % Of Covered Payroll
2003	346,133	333,183	103.9%	(12,950)	479,197	0.0%
2004	458,008	377,602	121.3%	(80,406)	623,094	0.0%
2005	607,807	496,729	122.4%	(111,078)	698,290	0.0%
2006	701,354	591,029	118.7%	(110,325)	733,195	0.0%
2007	813,526	910,582	89.3%	97,056	939,161	10.3%
2008	1,129,462	1,188,520	95.0%	59,058	1,051,816	5.6%
2009	1,689,337	1,798,630	93.9%	109,293	1,363,029	8.0%
2010	2,056,770	2,015,042	102.1%	(41,728)	1,374,937	0.0%
2011	2,401,366	2,766,549	86.8%	365,183	1,494,616	24.4%
2012	3,040,885	3,401,738	89.4%	360,853	1,618,006	22.3%
2013	3,435,002	3,523,910	97.5%	88,908	1,551,102	5.7%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30	Annual Required Contribution
2003	55,556
2004	59,715
2005	59,478
2006	34,516
2007	53,436
2008	68,371
2009	162,655
2010	143,368
2011	(est)158,687
2012	(est)152,269
2013	(est)218,665
2014	(est)245,636
2015	(est)214,102

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date:	June 30, 2013
Actuarial cost method:	Entry Age Normal
Amortization Method:	Level percent-of-pay closed
Remaining amortization period:	23 years for underfunded 20 years for overfunded
Asset valuation method:	7-year smoothed market 80%/120% market
Actuarial Assumptions:	
Investment Rate of Return:	7.85%
Projected Salary increases*	4.5% - 8.5%
Payroll Growth	4.5%
Cost-of-Living Adjustments	None

-See Accountant's Report-

RECEIVED

JAN 22 2015

BEMS FS-CON & RATES

GASB STATEMENT NO. 45 SUPPLEMENTARY INFORMATION

The following information is presented concerning the post-retirement health insurance subsidy. The liabilities and computed contribution for the post-retirement health insurance subsidy were based on the same assumptions and actuarial cost methods as indicated for GASB Statement No. 25. Although segregated assets for the health insurance subsidy have not been available historically, it is our understanding that they will be made available beginning with the June 30, 2014 valuation.

SCHEDULE OF FUNDING PROGRESS

Valuation Date	(1) Valuation Value of Assets	(2) Actuarial Accrued Liability	(3) Percent Funded (1)/(2)	(4) Unfunded AAL (2)-(1)	(5) Annual Covered Payroll*	(6) UAAL As a % Of Covered Payroll
June 30 2006	\$0	\$13,595	0.00%	\$13,595	\$733,195	1.85%
2007	\$0	\$25,432	0.00%	\$25,432	\$939,161	2.71%
2008	\$0	\$30,271	0.00%	\$30,271	\$1,051,816	2.88%
2009	\$0	\$52,419	0.00%	\$52,419	\$1,363,029	3.85%
2010	\$0	\$55,767	0.00%	\$55,767	\$1,374,937	4.06%
2011	\$0	\$89,364	0.00%	\$89,364	\$1,494,616	5.98%
2012	\$0	\$94,809	0.00%	\$94,809	\$1,618,006	5.86%
2013	\$0	\$110,633	0.00%	\$110,633	\$1,551,102	7.13%

ANNUAL REQUIRED CONTRIBUTION

Valuation Date	Fiscal Year Ended June 30	(1) Normal Cost	(2) Actuarial Accrued Liability	(3) Total (1) + (2)	(4) Dollar Amount Based on Covered Payroll*
June 30 2006	2008	0.40%	0.11%	0.51%	\$5,364
2007	2009	0.54%	0.13%	0.67%	\$7,047
2008	2010	0.44%	0.14%	0.58%	\$6,101
2009	2011	0.50%	0.19%	0.69%	\$10,468
2010	2012	0.50%	0.20%	0.70%	\$10,712
2011	2013	0.37%	0.32%	0.69%	\$11,370
2012	2014	0.31%	0.31%	0.62%	\$11,060
2013	2015	0.35%	0.41%	0.76%	\$12,873

Health Insurance Subsidy Payments Reported for FY 2013: \$0

BENEFITS

Normal retirement is the first day of the month following completion of 20 years of service or following the 62nd birthday after 15 years of service. Normal pension after 25 years of credited service is 50% of average monthly compensation for the first 20 years of credited service plus 2½% of average monthly compensation for each year of credited service above 20 years. Retirement at other lengths of service vary according to the plan. The maximum compensation is 80% of the average monthly compensation. Employees are fully vested after 10 years of service.

The plan provides for disability retirement, survivors benefits, temporary disability, child's benefits, health insurance and other post employment benefits.

The plan is a multiple employer defined benefit pension plan operated by the State of Arizona for the benefit of all public safety employees in the state.

The plan issues a separate report for the entire system and annually issues an actuarial study for each participating governmental agency. These reports are available through the Arizona State Retirement System.

The figures and information used in this report were obtained from the actuarial report issued by Gabriel, Roeder, Smith & Company. A complete copy of the actuarial valuation as of June 30, 2013 is available from the Public Safety Personnel Retirement System, 3010 East Camelback Road, Suite 200, Phoenix, Arizona 85016 or from Gabriel Roeder Smith & Company, One Towne Square, Suite 800, Southfield, Michigan 48076-3723.

Date of Information

The information above reflects the most currently available information about this pension plan as of the published actuarial study for June 30, 2013 issued October 11th 2013.

-See Accountant's Report-

RECEIVED

JAN 22 2015

BEMSTS-CON & RATES

LAKESIDE FIRE DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
FISCAL YEAR ENDED JUNE 30, 2014

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.).

2. PUBLIC SAFETY PENSION DISCLOSURE INFORMATION

All Public Safety Pension disclosure information has been furnished by the actuary for the Districts' Public Safety Pension Fund. This information has been excerpted directly from the actuarial report and is the responsibility of the actuary.

RECEIVED

JAN 22 2015

BEMSTS-CON & RATES

OTHER SUPPLEMENTARY INFORMATION

RECEIVED
JAN 22 2015
DEMISTS-CON & RATES



**THIS PAGE
IS
DELIBERATELY LEFT BLANK**

**LAKESIDE FIRE DISTRICT
ANNUAL REPORT INFORMATION
FISCAL YEAR ENDED JUNE 30, 2014**

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.

REGULAR FIRE BOARD MEETINGS:

<u>Date</u>	<u>Time</u>	<u>Location</u>
July 16, 2013	6:30 p.m.	Station #210 - 2922 W White Mountain Blvd, Lakeside, AZ
August 20, 2013	6:30 p.m.	Station #210 - 2922 W White Mountain Blvd, Lakeside, AZ
Sept 17, 2013	6:30 p.m.	Station #210 - 2922 W White Mountain Blvd, Lakeside, AZ
October 15, 2013	6:30 p.m.	Station #210 - 2922 W White Mountain Blvd, Lakeside, AZ
Nov 19, 2013	6:30 p.m.	Station #210 - 2922 W White Mountain Blvd, Lakeside, AZ
Dec 17, 2013	6:30 p.m.	Station #210 - 2922 W White Mountain Blvd, Lakeside, AZ
January 21, 2014	6:30 p.m.	Station #210 - 2922 W White Mountain Blvd, Lakeside, AZ
Feb 18, 2014	3:00 p.m.	Station #210 - 2922 W White Mountain Blvd, Lakeside, AZ
March 18, 2014	3:00 p.m.	Station #210 - 2922 W White Mountain Blvd, Lakeside, AZ
April 15, 2014	3:00 p.m.	Station #210 - 2922 W White Mountain Blvd, Lakeside, AZ
May 20, 2014	3:00 p.m.	Station #210 - 2922 W White Mountain Blvd, Lakeside, AZ
June 11, 2014	3:00 p.m.	Station #210 - 2922 W White Mountain Blvd, Lakeside, AZ

BOARD MEMBERS:

<u>Name</u>	<u>Business Phone Number</u>	<u>Occupation</u>
Dennis Hughes	928-368-6112	Retired
Amy Kay	928-368-6112	Homemaker
Mikel Ortega	928-368-6112	Paramedic
Frank Miller	928-368-6112	Businessman
Dean Gray	928-368-6112	Retired

LOCATION OF POSTING OF MEETING NOTICES (all meetings):

Lakeside Fire Station #210	2922 W White Mountain Blvd	Lakeside, AZ
Lakeside Fire Station #220	5472 Oak Meadow Lane	Lakeside, AZ
Lakeside Fire Station #230	9363 Porter Mountain Road	Lakeside, AZ
District Website		

LEGAL DESCRIPTION OF BOUNDARY CHANGES:

None

RECEIVED
JAN 22 2015
BEMSTS-CON & RATES



**THIS PAGE
IS
DELIBERATELY LEFT BLANK**

**LAKESIDE FIRE DISTRICT
ANNUAL REPORT INFORMATION
VOLUNTEER PENSION DISTRIBUTION
FISCAL YEAR ENDED JUNE 30, 2014**

Arizona Revised Statutes (ARS) requires certain additional information be attached to the audit report to comply with ARS 9-956 as required to meet the requirements of the Arizona Annual "Report of Volunteer Fire Fighters Relief and Pension Fund". This information is included as other supplementary information.

<u>TYPE OF DISTRIBUTION</u>	<u>NAME</u>	<u>AMOUNT</u>
ARTICLE 4	JACKSON, MARTIN	\$ 14,982
ARTICLE 4	PARKINSON, CHARLES	1,844
ARTICLE 4	THOMAS, JASON	1,342
ARTICLE 4	METTIE, JOSEPH	3,600
TOTAL		<u>\$ 21,768</u>

RECEIVED
JAN 22 2015
DEMOS-CON & RATES



**THIS PAGE
IS
DELIBERATELY LEFT BLANK**

LAKESIDE FIRE DISTRICT
GOVERNMENT AUDIT STANDARDS SECTION
June 30, 2014

RECEIVED
JAN 22 2015
BEMSTS-CON & RATES



THIS PAGE
IS
DELIBERATELY LEFT BLANK

LAKESIDE FIRE DISTRICT
LAKESIDE, ARIZONA
TABLE OF CONTENTS
GOVERNMENT AUDIT STANDARDS SECTION
JUNE 30, 2014

	<u>PAGE</u>
GOVERNMENT AUDIT STANDARDS SECTION TABLE OF CONTENTS	61
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>	63

RECEIVED
JAN 22 2015
BEMIS-COUN & RATES



THIS PAGE
IS
DELIBERATELY LEFT BLANK

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

6008 W. CORTEZ ST
GLENDALE, ARIZONA 85304
Tel: (623) 476-8660
Fax: (602) 926-2431
E-Mail: jamesh49@aol.com
Redheadedcutie10@aol.com

Member: American Institute of Certified Public Accountants
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
Lakeside Fire District
Lakeside, 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 Lakeside Fire District, Lakeside, Arizona, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 6, 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*.

RECEIVED

JAN 22 2015

BEMSTS-CON & RATES



**THIS PAGE
IS
DELIBERATELY LEFT BLANK**

Internal Control and Compliance Report
June 30, 2014
Page 2

State of Arizona Required Statutory Compliance Matter

Arizona Revised Statutes section 48-805.02 requires auditors of fire districts in the State of Arizona to test compliance with certain matters. Our audit was not designed to test for all possible areas of non-compliance with this statute. In connection with the tests we performed relating to compliance with laws, regulations or other matters, nothing came to our attention that would indicate the District failed to comply with this statute, as it relates to accounting matters.

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
January 6, 2015

RECEIVED
JAN 22 2015
BEMSI'S-CON & RATES



THIS PAGE
IS
DELIBERATELY LEFT BLANK