

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

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

**Mohave Valley Fire Department and Ambulance Service**  
Reporting Ambulance Service

Address: 1451 Willow Drive  
City: Mohave Valley, AZ Zip: 86440

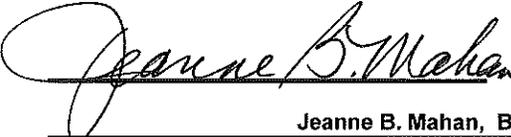
**Report Fiscal Year**

From: July 1, 2012 To: June 30, 2013  
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: 12/19/13  
Print Name and Title: Jeanne B. Mahan, Bookkeeper  
Phone: (928) 768-9113

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

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# AMBULANCE REVENUE AND COST REPORT

## FIRE DISTRICT and SMALL RURAL COMPANY

**AMBULANCE SERVICE ENTITY:** Mohave Valley Fire Department and Ambulance Service

**FOR THE PERIOD** FROM: July 1, 2012 TO: June 30, 2013

**STATISTICAL SUPPORT DATA**

Line No.	DESCRIPTION	(1) SUBSCRIPTION SERVICE TRANSPORTS	*(2) TRANSPORTS UNDER CONTRACT	(3) TRANSPORTS NOT UNDER CONTRACT	(4) TOTALS
1	Number of ALS Billable Transports:	-	-	800	800
2	Number of BLS Billable Transports:	-	-	-	-
3	Number of Loaded Billable Miles:	-	-	8,102	8,102
4	Waiting Time (Hr. & Min.):	-	-	-	-
5	Canceled (Non-Billable) Runs:				317

**AMBULANCE SERVICE ROUTINE OPERATING REVENUE**

6	ALS Base Rate Revenue				\$ 370,787
7	BLS Base Rate Revenue				-
8	Mileage Charge Revenue				84,505
9	Waiting Charge Revenue				-
10	Medical Supplies Charge Revenue				-
11	Nurses Charge Revenue				-
12	Standby Charge Revenue (Attach Schedule)				-
13	<b>TOTAL AMBULANCE SERVICE ROUTINE OPERATING REVENUE</b>			(Post to Page 3, Line 1)	<b>\$ 455,292</b>

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**SALARY AND WAGE EXPENSE DETAIL**

GROSS WAGES:		** No. of FTE's
14	Management	4.0
15	Paramedics and IEMTs	15.6
16	Emergency Medical Technician (EMT)	37.2
17	Other Personnel	6.0
18	Payroll Taxes and Fringe Benefits - All Personnel	
19	<b>Total Wages, Taxes &amp; Benefits</b> (Sum Lines 14 through 18; Post to Page 3, Line 10)	<b>63</b>

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

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

**AMBULANCE SERVICE ENTITY:**

Mohave Valley Fire Department and Ambulance Service

**FOR THE PERIOD**

**FROM:** July 1, 2012

**TO:** June 30, 2013

**SCHEDULE OF REVENUES AND EXPENSES**

Line No.	<u>DESCRIPTION</u>		
<b>Operating Revenues:</b>			
1	Total Ambulance Service Operating Revenue	(From: Page 2, Line 13)	\$ <u>455,292</u>
<u>Settlement Amounts:</u>			
2	AHCCCS .....		<u>73,703</u>
3	Medicare .....		<u>117,105</u>
4	Subscription Service .....		<u>-</u>
5	Contractual .....		<u>-</u>
6	Other .....		<u>127,568</u>
7	Total	(Sum of Lines 2 through 6)	<u>318,376</u>
8	Total Operating Revenue	(Line 1 minus Line 7)	\$ <u>136,916</u>
<b>Operating Expenses:</b>			
9	Bad Debt .....		\$ <u>18,393</u>
10	Total Salaries, Wages, and Employee-Related Expenses	(From: Page 2, Line 19)	<u>2,865,870</u>
11	Professional Services .....		<u>25,650</u>
12	Travel and Entertainment .....		<u>-</u>
13	Other General Administrative .....		<u>32,028</u>
14	Depreciation .....		<u>-</u>
15	Rent / Leasing .....		<u>-</u>
16	Building / Station .....		<u>118,044</u>
17	Vehicle Expense .....		<u>117,595</u>
18	Other Operating Expense .....		<u>52,812</u>
19	Cost of Medical Supplies Charged to Patients .....		<u>-</u>
20	Interest .....		<u>-</u>
21	Subscription Service Sales Expense .....		<u>-</u>
22	Total Operating Expense	(Sum of Lines 9 through 21)	<u>3,230,392</u>
23	Total Operating Income or (Loss)	(Line 8 minus Line 22)	<u>(3,093,476)</u>
24	Subscription Contract Sales .....		<u>-</u>
25	Other Operating Revenue .....		<u>2,898,643</u>
26	Local Supportive Funding .....		<u>-</u>
27	Other Non-Operating Income (Attach Schedule) .....		<u>-</u>
28	Other Non-Operating Expense (Attach Schedule) .....		<u>-</u>
29	NET INCOME or (LOSS) Before Income Taxes	(Sum of Lines 23 through 27, minus Line 28)	\$ <u>(194,833)</u>
<b>Provision for Income Taxes:</b>			
30	Federal Income Tax .....		<u>-</u>
31	State Income Tax .....		<u>-</u>
32	Total Income Tax	(Line 30, plus Line 31)	<u>-</u>
33	<b>Ambulance Service Net Income (Loss)</b>	(Line 29, minus Line 32)	<u><b>(194,833)</b></u>

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**AMBULANCE REVENUE AND COST REPORT**

**FIRE DISTRICT and SMALL RURAL COMPANY**

**AMBULANCE SERVICE ENTITY:** Mohave Valley Fire Department and Ambulance Service

**FOR THE PERIOD** FROM: July 1, 2012 TO: June 30, 2013

**BALANCE SHEET**

See attached Financial Statement

**ASSETS**

**CURRENT ASSETS**

1	Cash .....	\$	_____	
2	Accounts Receivable .....		_____	
3	Less: Allowance for Doubtful Accounts .....		_____	
4	Inventory .....		_____	
5	Prepaid Expense .....		_____	
6	Other Current Assets .....		_____	
7	<b>TOTAL CURRENT ASSETS</b> .....			\$ _____

9	PROPERTY & EQUIPMENT .....		_____	
10	Less: Accumulated Depreciation .....		_____	

11 OTHER NON CURRENT ASSETS .....

12 **TOTAL ASSETS** .....

**LIABILITIES & EQUITY**

**CURRENT LIABILITIES**

13	Accounts Payable .....	\$	_____	
14	Current Portion of Notes Payable .....		_____	
15	Current Portion of Long-Term Debt .....		_____	
16	Deferred Subscription Income .....		_____	
17	Accrued Expenses and Other .....		_____	
18	_____		_____	
19	_____		_____	
20	<b>TOTAL CURRENT LIABILITIES</b> .....			\$ _____

21	NOTES PAYABLE .....		_____	
22	LONG-TERM DEBT, OTHER .....		_____	
23	<b>TOTAL LONG-TERM DEBT</b> .....			_____

**EQUITY & OTHER CREDITS**

**Paid-In Capital:**

24	Common Stock .....		_____	
25	Paid-In Capital in Excess of Par Value .....		_____	
26	Contributed Capital .....		_____	
27	Retained Earnings .....		_____	
28	_____		-	
29	_____		-	
30	Fund Balance .....		-	
31	<b>TOTAL EQUITY</b> .....			_____

32 **TOTAL LIABILITIES & EQUITY** .....

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# AMBULANCE REVENUE AND COST REPORT

**AMBULANCE SERVICE ENTITY:**

Mohave Valley Fire Department and Ambulance Service

**FOR THE PERIOD**

**FROM:** July 1, 2012

**TO:** June 30, 2013

**STATEMENT OF CASH FLOWS**

See attached Financial Statement

**OPERATING ACTIVITIES:**

1	Net (loss) Income .....		\$ _____
	<i>Adjustments to Reconcile Net Income to Net Cash</i>		
	<u>Provided by Operating Activities:</u>	Note: a increase in these accounts improves cash flow	
2	Depreciation Expense .....		_____
3	Deferred Income Tax .....		_____
4	Loss (gain) on Disposal of Property & Equipment .....		_____
	<u>(Increase) Decrease in:</u>	Note: a decrease in these accounts improves cash flow	
5	Accounts Receivable .....		_____
6	Inventories .....		_____
7	Prepaid Expenses .....		_____
	<u>Increase (Decrease) in:</u>	Note: a increase in these accounts improves cash flow	
8	Accounts Payable .....		_____
9	Accrued Expenses .....		_____
10	Deferred Subscription Income .....		_____
11	<b>NET CASH PROVIDED (Used) BY OPERATING ACTIVITIES</b> .....		<b>\$ _____</b>

**INVESTING ACTIVITIES:**

12	Purchases of Property & Equipment .....		_____
13	Proceeds from Disposal of Property & Equipment .....		_____
14	Purchases of Investments .....		_____
15	Proceeds from Disposal of Investments .....		_____
16	Loans Made .....		_____
17	Collections on Loans .....		_____
18	Other .....		_____
19	<b>NET CASH PROVIDED (Used) BY INVESTING ACTIVITIES</b> .....		_____

**FINANCING ACTIVITIES:**

	<u>New Borrowings:</u>		
20	Long-Term .....		_____
21	Short-Term .....		_____
	<u>Debt Reduction:</u>		
22	Long-Term .....		_____
23	Short-Term .....		_____
24	Capital Contributions .....		_____
25	Dividends Paid .....		\$ _____
26	<b>NET CASH PROVIDED (Used) BY FINANCING ACTIVITIES</b> .....		_____
27	<b>NET INCREASE (Decrease) IN CASH</b> .....		_____
28	<b>CASH AT BEGINNING OF YEAR</b> .....		_____
29	<b>CASH AT END OF YEAR</b> .....		_____

**SUPPLEMENTAL DISCLOSURES:**

	<u>Non-cash Investing and Financing Transactions:</u>		
30	.....		_____
31	.....		_____
32	.....		_____
33	Interest Paid (Net of Amounts Capitalized) .....		_____
34	Income Taxes Paid .....		\$ _____

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**MOHAVE COUNTY, ARIZONA  
MOHAVE VALLEY FIRE DISTRICT**

**ANNUAL REPORT**

**YEAR ENDED 2013**

**STREET OR P.O. BOX: 1451 Willow Drive**

**CITY: Mohave Valley, AZ ZIP CODE: 86440**

**BUSINESS TELEPHONE: (928) 768-9113**

**COMPLETED BY: Jeanne B. Mahan**

**TITLE: Bookkeeper**

**Part A - Governing Board Members and Officers of The District**

<b>NAME</b>	<b>Occupation</b>	<b>Business Telephone</b>
Melvin Sorensen	Board Chaiman	(928) 201-3230
Robert Lane	Board Member	(928) 768-9455
Charles G Hopkins	Board Member	(928) 768-3160
Cynthia A. Christy	Board Member	(928) 201-9196
Kenneth R. Kreidel	Board Member	(928) 768-8837
Jack Yeager	Fire Chief	(928) 768-9113

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**MOHAVE COUNTY, ARIZONA  
MOHAVE VALLEY FIRE DISTRICT**

**ANNUAL REPORT**

**YEAR ENDED June 2013**

**Part B - Schedule of District Governing Board Regular Meetings**

<b>Date</b>	<b>Time</b>	<b>Location of Meeting</b>	<b>Location of Public Notices</b>
7/18/2012	3:00 PM	MVFD 1451 Willow, MV,AZ	MVFD, U.S. Post Office, Best Buy Market, Stn.81
8/15/2012	3:00 PM	MVFD 1451 Willow, MV,AZ	MVFD, U.S. Post Office, Best Buy Market, Stn.81
9/12/2012	3:00 PM	MVFD 1451 Willow, MV,AZ	MVFD, U.S. Post Office, Best Buy Market, Stn.81
10/16/2012	3:00 PM	MVFD 1451 Willow, MV,AZ	MVFD, U.S. Post Office, Best Buy Market, Stn.81
11/21/2012	3:00 PM	MVFD 1451 Willow, MV,AZ	MVFD, U.S. Post Office, Best Buy Market, Stn.81
12/19/2012	3:00 PM	MVFD 1451 Willow, MV,AZ	MVFD, U.S. Post Office, Best Buy Market, Stn.81
1/15/2013	3:00 PM	MVFD 1451 Willow, MV,AZ	MVFD, U.S. Post Office, Best Buy Market, Stn.81
2/19/2013	3:00 PM	MVFD 1451 Willow, MV,AZ	MVFD, U.S. Post Office, Best Buy Market, Stn.81
3/19/2013	3:00 PM	MVFD 1451 Willow, MV,AZ	MVFD, U.S. Post Office, Best Buy Market, Stn.81
4/16/2013	3:00 PM	MVFD 1451 Willow, MV,AZ	MVFD, U.S. Post Office, Best Buy Market, Stn.81
5/24/2013	3:00 PM	MVFD 1451 Willow, MV,AZ	MVFD, U.S. Post Office, Best Buy Market, Stn.81
6/17/2013	3:00 PM	MVFD 1451 Willow, MV,AZ	MVFD, U.S. Post Office, Best Buy Market, Stn.81

**Part C - Legal Description of Bounary Changes Occurring During the Fiscal Year**

**No Changes to Boundaries**

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**LEASE PURCHASE / THIRD-PARTY FINANCING CONTRACTS**  
**REPORT MADE TO THE ARIZONA DEPARTMENT OF REVENUE**  
 Office of Economic Research and Analysis / 9th Floor  
 (ARS 35-501, 35-502)

1	2	3	4	5	6	7	8	9	10	11
Name	L or 3P	Purpose	Date of Contract	Interest Rate	Date of Maturity	Original Contract Amount	Principal Retired	Outstanding Principal	Interest Paid in FY13	Interest Paid to Date
NONE										

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 DEPT. OF REVENUE & FINANCE

I, Mes S. Sorensen, Chief Financial Officer of Mohave Valley Fire Dept. & Ambulance Service in Mohave (county)

County do hereby certify that the foregoing statement is a full, true and correct abstract of the lease purchase/third party financing contracts as of June 30, 2013.

 Signature  
7/30/13 Date

Address: 1451 Willow Drive Mohave Valley, AZ 86440 Phone: (928) 768-9113 Fax number: (928) 768-9119

For questions, contact: Jeanne Mahan Phone: (928) 768-9113 E-mail address: bookkeeper1@frontier.com



*Mohave Valley Fire Dept.*

1451 WILLOW DRIVE  
MOHAVE VALLEY, ARIZONA 86440  
TELEPHONE: 928/768-9115  
FAX: 928/768-9119

**MOHAVE VALLEY FIRE DISTRICT**  
**FINANCIAL STATEMENTS**  
**WITH**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2013**

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**EUGENE W NEWMAN, CPA, PLLC**

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Office: 702-252-4525

Federal ID: 20-4157364  
gnewmanlv@cox.net  
www.ewnewmancpa.com

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Mohave Valley Fire District  
Mohave Valley, Arizona

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Mohave Valley Fire District as of and for the year ended June 30, 2013, 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. 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Mohave Valley Fire District, as of June 30, 2013, 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.

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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 on pages 2-4 and 20 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.

A handwritten signature in black ink, appearing to read "Eugene W. Newman" followed by a horizontal line and the letters "CPA".

Eugene W. Newman, CPA, PLLC  
December 12, 2013

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**REQUIRED SUPPLEMENTARY INFORMATION**

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## • Management's Discussion and Analysis

As management of the *Mohave Valley Fire District* we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2013

### Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$3,942,519 (*net position*). Of this amount, \$ 2,180,720 (*unreserved fund balances*) may be used to meet the District's ongoing obligations to citizens and creditors. The District's total net position decreased by \$ 610,516.
- The District's total long-term liabilities (compensated absences payable) decreased by \$64,566 in the current fiscal year.
- The District's revenues totaled \$3,479, 211. These included \$1,589,166 in property taxes (46%), \$1,126,615 in tribal income (33%), \$169,351 in county assistance tax, \$2,644 in grant revenues, \$580,568 in charges for services, and \$10,867 in other revenues.
- The District's total expenditures/expenses were \$4,089,725, including operating expenses totaling \$302,775, depreciation expense of \$411,044, other non-operating expenses totaling \$3,368,076 and capital outlays totaling \$7,830.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of:

- The *statement of net position and governmental funds balance sheet* 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 and governmental fund revenues, expenditures and changes in fund balances* 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.
- The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Management's Discussion and Analysis (Continued)

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Mohave Valley Fire District, assets exceeded liabilities by \$3,942,519 at the close of the most recent fiscal year.

**MOHAVE VALLEY FIRE DISTRICT'S NET POSITION**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Current assets	\$ 2,192,354	\$ 2,344,761	\$ 2,246,246
Restricted assets	202,702	149,216	166,255
Capital assets, net	1,761,798	2,172,843	2,484,965
<b>Total assets</b>	<u>4,156,854</u>	<u>4,666,820</u>	<u>4,897,466</u>
Long-term liabilities outstanding	113,037	177,603	258,199
Other liabilities	101,299	12,701	70,897
<b>Total liabilities</b>	<u>214,336</u>	<u>190,304</u>	<u>329,096</u>
Net position:			
Invested in capital assets, net of related debt	1,761,799	2,172,843	2,484,965
Unrestricted	2,180,720	2,303,673	2,083,405
<b>Total net position</b>	<u>\$ 3,942,519</u>	<u>\$ 4,476,516</u>	<u>\$ 4,568,370</u>

A large portion of the District's net position is its investment in capital assets (e.g., land, buildings, vehicles, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. The District had no debt related to its capital assets at June 30, 2013.

Capital Asset and Debt Administration

**Capital assets.** Mohave Valley Fire District's investment in capital assets as of June 30, 2013, amounted to \$1,761,799 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, furniture and fixtures, and other equipment. Total net capital assets decreased by \$411,044 which consists of depreciation expense recorded in 2013.

Additional information on the District's capital assets can be found in Note 2.

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Management's Discussion and Analysis (Continued)

**MOHAVE VALLEY FIRE DISTRICT  
CHANGES IN NET POSITION**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
PROGRAM REVENUES			
Charges for services	\$ 1,707,183	\$ 1,816,083	\$ 1,932,161
GENERAL REVENUES			
Property taxes	1,758,516	1,935,239	2,133,521
Other general revenues	13,511	190,427	351,678
Total revenues	<u>3,479,210</u>	<u>3,941,749</u>	<u>4,417,360</u>
OPERATING EXPENSES			
Fire operating expenses	302,775	294,606	388,597
Personnel expenses	3,210,358	3,211,272	3,166,764
General and administrative expenses	157,719	297,822	154,348
Total expenses before special items	<u>3,670,852</u>	<u>3,803,700</u>	<u>3,709,709</u>
SPECIAL ITEMS			
Depreciation expense	411,044	403,755	399,868
Capital outlay	7,830	91,633	11,238
Total Special Items	<u>418,874</u>	<u>495,388</u>	<u>411,106</u>
INCREASE/(DECREASE) IN NET POSITION	<u>\$ (610,516)</u>	<u>\$ (357,339)</u>	<u>\$ 296,545</u>

**Economic Factors Affecting Next Year's Operations and Rates**

The management of Mohave Valley Fire District provides the following information as an overview of the District's financial activities for the fiscal year ending June 30, 2014.

The District is focusing on stringent budget controls in view of decreasing assessed valuations, large increases in health insurance costs and other operational costs. Increased ambulance rates are also contemplated.

The District is continuing to develop a long-range capital replacement and improvement plan.

**Requests for Information**

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mohave Valley Fire District, 1451 Willow Drive, Mohave Valley, AZ

**BASIC FINANCIAL STATEMENTS**

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**MOHAVE VALLEY FIRE DISTRICT  
STATEMENT OF NET POSITION  
AND GOVERNMENTAL FUNDS BALANCE SHEET  
June 30, 2013**

	General Fund	Adjustments (Note 7)	Statement of Net Assets
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash - unrestricted	\$ 1,663,287.84	\$ 50,937.67	\$ 1,714,225.51
Investments	-	151,764.00	151,764.00
Accounts receivable-ambulance	495,538.45	-	495,538.45
Accounts receivable-fire services	45.56	-	45.56
Inventory	<u>33,481.96</u>	<u>-</u>	<u>33,481.96</u>
<b>Total Current Assets</b>	<u>2,192,353.81</u>	<u>202,701.67</u>	<u>2,395,055.48</u>
<b>PROPERTY AND EQUIPMENT</b>			
Land	-	321,654.92	321,654.92
Buildings	-	1,675,132.70	1,675,132.70
Equipment Inventory	-	958,168.03	958,168.03
Furniture & Fixtures Inventory	-	4,842.00	4,842.00
Vehicle Inventory	-	1,231,108.44	1,231,108.44
Less: Accumulated Depreciation	<u>-</u>	<u>(2,429,107.17)</u>	<u>(2,429,107.17)</u>
<b>Net Property and Equipment</b>	<u>-</u>	<u>1,761,798.92</u>	<u>1,761,798.92</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,192,353.81</u>	<u>\$ 1,964,500.59</u>	<u>\$ 4,156,854.40</u>

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**MOHAVE VALLEY FIRE DISTRICT  
STATEMENT OF NET POSITION  
AND GOVERNMENTAL FUNDS BALANCE SHEET  
June 30, 2013**

**LIABILITIES AND NET ASSETS**

	General Fund	Adjustments (Note 7)	Statement of Net Assets
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 101,959.41	\$ -	\$ 101,959.41
Other accrued liabilities	<u>(660.62)</u>	<u>-</u>	<u>(660.62)</u>
<b>Total Current Liabilities</b>	<u>101,298.79</u>	<u>-</u>	<u>101,298.79</u>
<b>LONG-TERM LIABILITIES</b>			
Accrued Vacation, Comp, Holiday	<u>-</u>	<u>113,036.87</u>	<u>113,036.87</u>
<b>Total Long-Term Liabilities</b>	<u>-</u>	<u>113,036.87</u>	<u>113,036.87</u>
<b>Total Liabilities</b>	<u>101,298.79</u>	<u>113,036.87</u>	214,335.66
<b>FUND BALANCES/NET POSITION</b>			
Fund balances:			
Unreserved	2,091,055.02		
Unreserved, reported in:			
Debt service fund	(113,036.87)		
Pension equity fund	<u>202,701.67</u>		
<b>Total fund balances</b>	<u>\$ 2,180,719.82</u>		
Net position:			
Invested in capital assets, net of related debt		1,761,798.92	1,761,798.92
Unrestricted		<u>2,180,719.82</u>	<u>2,180,719.82</u>
<b>Total Net Position</b>		<u>\$ 3,942,518.74</u>	<u>\$ 3,942,518.74</u>

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**MOHAVE VALLEY FIRE DISTRICT  
STATEMENT OF ACTIVITIES AND  
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2013**

	General Fund	Adjustments (Note 8)	Statement of Activities
<b>Expenditures/Expenses</b>			
Operating expenses:			
Fuel	\$ 45,455.47	\$ -	\$ 45,455.47
Vehicle repairs & maintenance	72,139.40	-	72,139.40
Small tools not capitalized	25,535.68	-	25,535.68
Communication repairs & maintenance	3,213.78	-	3,213.78
Computer expenses	3,553.91	-	3,553.91
Equipment repairs and maintenance	5,995.11	-	5,995.11
Equipment rentals	617.73	-	617.73
Building maintenance	13,118.78	-	13,118.78
Maintenance contracts	19,112.70	-	19,112.70
Operating supplies	21,451.38	-	21,451.38
Uniforms	13,467.78	-	13,467.78
Utilities	36,169.33	-	36,169.33
Dispatch charges	13,610.42	-	13,610.42
Insurance-apparatus	20,155.00	-	20,155.00
Other operating expenses	9,178.48	-	9,178.48
<b>Total Operating Expenses</b>	<u>302,774.95</u>	<u>-</u>	<u>302,774.95</u>
Non-operating expenses			
Salaries	2,332,651.63	-	2,332,651.63
Payroll tax expense	30,545.86	-	30,545.86
Retirement expense	236,291.78	5,829.42	242,121.20
Insurance - health	515,601.25	-	515,601.25
Insurance - workman's compensation	76,506.95	-	76,506.95
Insurance - other	10,366.00	-	10,366.00
Depreciation expense	-	411,043.96	411,043.96
Training expenses	12,930.60	-	12,930.60
Office and general administrative expenses	80,633.93	-	80,633.93
Bad debt expense	66,718.59	-	66,718.59
<b>Total Non-operating Expenses</b>	<u>3,362,246.59</u>	<u>416,873.38</u>	<u>3,779,119.97</u>
Capital outlay	7,829.65	-	7,829.65
<b>Total Expenditures/Expenses</b>	<u>3,672,851.19</u>	<u>416,873.38</u>	<u>4,089,724.57</u>
<b>Program revenues</b>			
Charges for services	580,568.05	-	580,568.05
<b>Net Program Expense</b>	<u>\$ 3,092,283.14</u>	<u>\$ 416,873.38</u>	<u>\$ 3,509,156.52</u>

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**MOHAVE VALLEY FIRE DISTRICT  
STATEMENT OF ACTIVITIES AND  
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2013**

	General Fund	Adjustments (Note 8)	Statement of Activities
<b>General revenues</b>			
Real estate taxes	\$ 1,568,721.23	\$ -	\$ 1,568,721.23
Personal property taxes	20,444.50	-	20,444.50
County assistance tax	169,351.01	-	169,351.01
Tribal income	1,126,614.90	-	1,126,614.90
Grant revenues	2,944.20	-	2,944.20
Other revenues	2,407.56	-	2,407.56
Interest income	<u>8,159.48</u>	-	<u>8,159.48</u>
Total general revenues and transfers	<u>2,898,642.88</u>	<u>-</u>	<u>2,898,642.88</u>
 Excess of Revenues and Transfers In Over Expenditures and Transfers Out	 (193,640.26)	 193,640.26	 -
 CHANGE IN NET POSITION	 -	 <u>(610,513.64)</u>	 (610,513.64)
 <b>FUND BALANCE/NET POSITION:</b>			
Beginning of the Year	<u>4,476,516.17</u>	<u>(2,172,842.88)</u>	<u>2,303,673.29</u>
Prior period adjustments	(348,186.82)	835,746.99	487,560.17
End of the year	<u>\$ 3,934,689.09</u>	<u>\$ (1,753,969.27)</u>	<u>\$ 2,180,719.82</u>

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**NOTES TO FINANCIAL STATEMENTS**

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**MOHAVE VALLEY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Mohave Valley Fire District was formed August 18, 1969, by the Mohave County Board of Supervisors. The "District" is considered a special-purpose government as discussed in GASB Statement No. 14 and operates under a five member Board of Directors, Fire Chief and Secretary/Treasurer, which are elected by the citizens residing in the District's boundaries. The Board has decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- a. A Management Discussion and Analysis (MD&A) section providing an analysis of the Districts overall financial position and results of operations.
- b. Combined Government-Wide and Fund Financial Statements-Statement of Net Position and Governmental Funds Balance Sheet.
- c. Combined Government-Wide and Fund Financial Statements-Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

**A. - Reporting Entity**

These financial statements present the District which has no component units. As defined by GASB Statement No. 14, component units are legally separate entities that are included in the District's reporting entity because of the significance of their operating or financial relationships with the District.

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**MOHAVE VALLEY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. - Basic Financial Statements - Combined Government-Wide and Fund Financial Statements**

The District engages in a single governmental program and has no business-like activity, therefore the District has elected under GASB Statement No. 34, to combine the government-wide financial statements and the fund financial statements. These financial statements have a column for the general fund, a column for adjustments from the current basis of accounting to the accrual basis of accounting and a final column which is the combination of these statements and would be the same amount that would be reported in the government-wide financial statements. Below is a list of the different governmental fund types:

**Governmental Fund Types:**

Governmental funds are those through which general governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (except those accounted for in Proprietary Funds) are accounted for through Governmental Funds. The following is the District's Governmental Fund Types:

General Fund

The General Fund is the main operating fund for the District. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long term debt paid primarily from taxes levied by the District. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures.

Capital Projects Fund

The Capital Projects fund is used to account for the acquisition and construction of major capital facilities (other than those financed by proprietary funds) being financed from grants, or transfers from other funds.

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**MOHAVE VALLEY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. - Basic Financial Statements - Combined Government - Wide and Fund Financial Statements  
(continued)**

**Fiduciary Fund Types:**

Fiduciary Fund types are used to account for assets held by the District in a trustee capacity or as an agent for individuals, other governments and/or other funds. Expendable Trust Funds are accounted for in essentially the same manner as Governmental Funds using a modified accrual basis of accounting as discussed in Note 3. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The District is presenting in its combined financial statements only one column for the general fund because the District has no debt service fund, special revenue funds, fiduciary funds or proprietary funds. GASB 34, paragraph 67 permits the use of an enterprise fund whenever a fee is charged to external users for goods or services. The District does charge a fee for their ambulatory services, but GASB 34 does not require the use of an enterprise fund unless one of three criteria is met:

- a. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
- b. Laws and regulations require that the activity's costs of providing services, including capital costs be recovered with fees and charges, rather with taxes or similar revenues.
- c. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

The District has elected not to use an enterprise fund and furthermore is not required to use an enterprise fund because it does not have any debt that is secured by the ambulatory service net revenues, there are no laws or regulations that require the District to recover the costs for the ambulatory services with the fees from that service, and the District does not have a policy in place that states the billing for the ambulatory service is designed to recover the costs for that service. The current billing policy in place for the ambulatory services is to bill at the minimum amount allowed by the state regulatory agency, which is the Arizona Department of Health. Any costs not recovered through the billings is recovered with the tax revenues received.

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**MOHAVE VALLEY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. - Basis of Accounting**

The governmental wide financial statements are reported on the accrual basis of accounting which recognizes revenues when earned and expenditures when incurred. The fund financial statements are reported using the modified accrual basis of accounting which recognizes revenues when susceptible to accrual, both measurable and available, and expenditures are recognized when the related liability is incurred or due. The combined statement of government wide and fund financial statements reconciles the two bases of accounting in the adjustments column of the financial statement.

**D. - Financial Statement Amounts**

**1) Cash and Cash Equivalents**

The District has defined cash and cash equivalents as cash on hand as well as any investments with a maturity date of ninety days or less.

**2) Capital Assets**

Capital assets with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions and improvements that significantly extend the useful life of an asset are also capitalized. Expenses incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Buildings	40
Service Vehicles	5
Fire Engines	15
Heavy Equipment	10
Light Duty Equipment	5
Furniture & Fixtures	5
Leasehold Improvements	15

**3) Inventories**

Inventories consist of uniforms, fuel and auto parts stated at cost on a first-in, first-out method of inventory valuation.

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**MOHAVE VALLEY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4) Fund Balances/Net Assets**

Components of fund equity include the following:

- a. Net Assets Invested in Capital Assets Net of Related Debt. Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of debt issued to finance the acquisition, improvement, or construction of those assets.
- b. Unrestricted Net Assets. District fund balances that are not designated or reserved for any specific usage.

**5) Revenue Recognition - Property Taxes**

Property taxes attach as an enforceable lien on property as of November 1. Taxes are levied on November 1 and are due and payable at that time. The taxpayer has the option of paying one-half of the taxes due at November 1 and the second-half at March 1. All unpaid taxes levied become delinquent 15 days after the due date.

Property tax revenues are recognized when they become available. Available includes those property taxes receivable that are expected to be collected within sixty days after year end. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

Other revenue sources include permit fees and billings for ambulatory services. Bum permit fees are paid at the time the permit is issued and therefore recognized when collected. Ambulatory services are billed to the patient as well as the patient's insurance company if applicable. The revenue is recognized when billed on an accrual basis. Uncollectible accounts are written off using the direct write-off method.

**6) Expenditures**

Expenditures are recognized when the related liability is incurred.

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**MOHAVE VALLEY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 2 - CAPITAL ASSETS**

To comply with GASB 34, paragraph 116, requiring governments to present detailed information in the notes to the financial statements about the primary government's capital assets reported in the government-wide financial statements of net assets. The District has reported their capital assets net of accumulated depreciation and is depreciating their capital assets over their estimated useful lives. In determining their estimated useful life the District used the recommended useful life as prescribed by "Capital Assets of Local Governments", in the GASB Implementation Checklist.

Listed below is the capital asset activity for the fiscal year ended June 30, 2013. The beginning balance is the historical cost or estimated historical cost less accumulated depreciation as of the prior fiscal year ending June 30, 2012 as prescribed in the GASB 34, Implementation Guide. The increases are the capital acquisitions or donations for the fiscal year ending June 30, 2013. The decreases are the dispositions and accumulated depreciation for the fiscal year ending June 30, 2013. The ending balance is the sum of the beginning balance, the increases and the decreases for the fiscal year ending June 30, 2013.

Asset	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 321,655	\$ -	\$ -	321,655
Total Assets Not Being Depreciated	321,655			321,655
<b>Capital Assets Being Depreciated</b>				
Buildings and improvements	1,675,133	-0-	-0-	1,675,133
Vehicles	1,231,108	-0-	-0-	1,231,108
Equipment	958,168	-0-	-0-	958,168
Furniture	4,842	-0-	-0-	4,842
Total Assets Being Depreciated	3,869,251	-0-	-0-	3,869,251
<b>Less Accumulated Depreciation For:</b>				
Buildings and improvements	(648,902)		(167,513)	(816,415)
Vehicles	(706,481)		(114,016)	(820,497)
Equipment	(657,839)		(129,515)	(787,354)
Furniture	(4,842)		-0-	(4,842)
Total Accumulated Depreciation	(2,018,064)	-	(411,044)	(2,429,108)
Capital Assets Being Depreciated, Net	1,851,187	-	(411,044)	1,761,798
Total Capital Asset Activity	\$ 2,172,842	\$ -0-	\$(411,044)	\$ 1,761,798

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**MOHAVE VALLEY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 3 – SUBSEQUENT EVENTS**

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through December 12, 2013, the date the financial statements were available to be issued.

**NOTE 4 - PENSION PLANS**

a) Arizona Public Safety Personnel Retirement System (APSPRS)

The Arizona Public Safety Personnel Retirement System is an agent multiple employer public employee defined benefit pension plan.

Firefighters contribute 7.65% of their annual compensation to this plan and the District contributes the remaining amount necessary to finance the coverage of their employees. Covered employees are eligible for a normal pension upon completion of twenty (20) years of service with the Department, or if earlier, upon attainment of age sixty-two (62) and completion of fifteen (15) years of service with the fire department.

The normal pension amount for members with twenty (20) years of service but less than twenty-five (25) years of service is 50% of their average monthly compensation for the first twenty (20) years of service, plus 2% of average monthly compensation for each year of service between twenty (20) and twenty-five (25) years. For members with twenty-five (25) years or more of service, the normal pension is 50% of their average monthly compensation for the first twenty (20) years of service, plus 2-1/2% of average monthly compensation for each year of service above twenty-five (25) years. The maximum amount payable as a normal pension is 80% of the average monthly compensation. If a member has less than twenty (20) years of service at retirement, the 50% normal pension is reduced by 4% of the average monthly compensation for each year of service under twenty (20) years.

**Non-Service-Connected Disability:**

Members who become disabled due to non-service-connected causes, are eligible for a pension that is calculated as a percentage of a normal pension depending on the years of service. For members with less than seven (7) years of service, the pension is 25% of the normal pension amount. For members with seven (7) to thirteen (13) years of service, the pension is 50% of the normal pension amount. For members with fourteen (14) to nineteen (19) years of service, the pension is 75% of the normal pension amount.

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**MOHAVE VALLEY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

NOTE 4 - PENSION PLANS (continued)

a) Arizona Public Safety Personnel Retirement System (APSPRS) (continued)

Service-Connected Disability:

For members who become disabled due to job-related causes, regardless of length of service, receive a pension computed in the same manner as a normal pension based on years of service and average monthly compensation at time of injury. The pension is 50% of the average monthly compensation, or normal pension amount, whichever is greater.

Termination Benefit:

Any member who terminates employment for reasons other than retirement, disability, or death, may elect to receive a lump sum payment equal to their accumulated contributions without interest as of the date of termination.

Actuarial Report June 30, 2012

The pension fund was not reviewed and is not included in these general purpose financial statements. The PSPRS audited annual reports and actuarial reports can be found at the PSPRS website at [www.psprs.com](http://www.psprs.com). According to the actuarial report at June 30, 2012 the following was reported for Mohave Valley Fire District:

Summary of population data:

Number of actives	35
Active payroll	\$ 1,927,927
Number of Retirees	1
Annual Retiree Benefits	37,587
Number of Vested Inactive	5
Annual Vested Benefits	51,774

Summary of liabilities and asset information:

Total AAL	\$ 5,594,725
Total assets	\$ 5,648,449
Reserve for future pension increases	\$ -0-
Net assets	\$ 5,648,449
Funded %	101.00%

Unfunded liability/(Excess funding)	<u>\$ (53,724)</u>
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PSPRS reported \$166,766 in member contributions and \$207,173 in employer contributions for the year ended June 30, 2012.

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**MOHAVE VALLEY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 4 - PENSION PLANS (continued)**

**b) Volunteer Pension Fund Plan Details**

The Fire Fighters' Relief and Pension Fund is a defined contribution plan established under the Arizona Revised Statutes 9-951 through 9-981. The plan is available to all volunteer fire fighters in the district.

In accordance with these statutes, five percent (5%) is deducted from the salaries of volunteer fireman and the District makes an equal contribution matching that amount. The funds are accounted for in the District's Alternate Pension Fund which is administered by the American Funds Group.

Volunteer firemen with twenty-five (25) years of service are eligible to receive a pension not to exceed one hundred fifty dollars (\$150) per month. The pension is paid from the Relief and Pension Fund. The District also has made provisions for surviving spouses of the volunteers.

**Volunteer Pension Fund Investments**

The pension board invests funds in bank savings accounts and bond and equity mutual funds. On June 30, 2013, the fund's total investment in mutual funds with "The American Funds Group" as trustee was as follows:

	Carrying Amount	Market Value
Mutual Funds	\$ 96,010	\$ 151,764

Employer contributions to the plan totaled \$5,829 for the year ended June 30, 2013.

**c) Civilian Retirement Plan**

Arizona Revised Statutes prohibit civilian employees of the District from participating in the Arizona Public Safety Personnel Retirement System. The District's Board of Directors has established a "Simplified Employee Pension Plan" for these employees. Civilian employees are allowed to contribute up to a maximum of 7.65% of their gross wages with the District matching up to a maximum of 7.65%. The contributed compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The pension fund was not reviewed and is not included as a part of these general purpose financial statements.

Employer contributions to the plan totaled \$17,217 for the year ended June 30, 2013.

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**MOHAVE VALLEY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 4 - PENSION PLANS (continued)**

**d) Deferred Compensation Plan**

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

The District funds all amounts of compensation deferred under the Plan, at the direction of the covered employees, through investments administered by Nationwide Retirement Solutions.

The Plan had twenty-three (23) participants with contributions at June 30, 2013.

**NOTE 5 - SOCIAL AND CONTINGENCY FUNDS**

The District maintains two separate funds established by employee contributions and is maintained by a separate board made up of employees who manage and account for the funds. The monies are funded by deductions from reimbursed travel expenses paid to employees and volunteers who respond to incidents off duty. Seventy-five cents (\$0.75) is deducted for each fund for every incident employees respond to. The District's policy is to reimburse expenses bi-annually and the deduction and corresponding contributions are made at that time. The funds in the Social Fund are expended for social events of the employees and the Contingency Fund is used for special emergencies of the employees. Since the funds are not assets of the District, they were not audited or included in these general purpose financial statements.

**NOTE 6 - LONG-TERM LIABILITIES**

It is the District's policy to permit employees to accumulate a limited amount of earned but unused vacation, holiday and compensated pay, which will be paid to employees upon separation from the District's service. In governmental and fiduciary funds, the cost of vacation, holiday and compensated pay is recognized when payments are made to employees. A long-term liability of \$113,037 of accrued vacation, holiday and compensated pay at June 30, 2013, has been recorded in the general fund, representing the District's commitment to fund such costs from future operations. It has been classified as due after one year because the District does not anticipate having to pay any significant portion of the liability until after one year.

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**MOHAVE VALLEY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 7 - EXPLANATION OF THE DIFFERENCES BETWEEN THE GOVERNMENTAL  
FUND BALANCE SHEETS AND THE STATEMENT OF NET ASSETS**

The Districts defined pension plan activity and reserves has been recorded using a pension fund equity account requiring inter-fund transfers between the general fund and the pension fund equity account. These transfers have been eliminated in the Combined Statement of Net Assets and Governmental Funds Balance Sheet and all equity has been reserved in the net assets section as reserved pension equity fund.

Prior to GASB 34 capital assets were treated as expenditures and did not affect the government-wide financial statements. The change affects balance in net assets as GASB 34 requires that the amount of net assets invested in capital assets be separately disclosed in the financial statements.

The Districts long term debt has previously been accounted for through the general long term debt fund and required inter-fund transfers between the general fund and the general long term debt fund to account for principal and interest payments. The District's only recorded item in the long term liability section is a long term accrual that does not have a set payment schedule (see Note 6).

The reconciliation between the government-wide financial statements and the fund financial statements require the elimination of all inter-fund transfers and inter-fund equity accounts into the government-wide statement of net assets.

**NOTE 8 - EXPLANATION OF THE DIFFERENCES BETWEEN THE GOVERNMENTAL  
FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES AND THE STATEMENT OF ACTIVITIES**

The Districts alternative pension activity is recorded in the pension activity fund in the fund financial statements. This action requires a transfer from the general fund to the pension fund. This transfer has been eliminated and the activity recorded in the Combined Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances as an adjustment to the general fund.

The reconciliation between the government-wide financial statements and the fund financial statements require the elimination of all inter-fund transfers and inter-fund equity accounts into the government-wide statement of net position.

**NOTE 9 – ECONOMIC CONCENTRATION**

66% of total charges for services income is derived from tribal services income.

**NOTE 10 – PRIOR PERIOD ADJUSTMENT**

Prior period adjustments consist of re-valuations of compensated absences and pensions payable.

**MOHAVE VALLEY FIRE DISTRICT  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
 YEAR ENDED JUNE 30, 2013**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Real estate taxes	\$ 1,561,394	\$ 1,568,722	\$ 7,328
Personal property taxes	20,000	20,444	444
County assistance tax	167,201	169,351	2,150
Outside District income	50,000	-	50,000
Tribal income	1,124,264	1,126,615	2,351
Grant revenues	-	2,944	2,944
Charges for services	351,200	580,569	229,369
Interest income	20,000	8,159	(11,841)
Reserved carryovers	1,528,372	-	(1,528,372)
Other Revenue	2,100	2,408	308
<b>Total Revenues</b>	<u>4,824,531</u>	<u>3,479,212</u>	<u>(1,345,319)</u>
<b>EXPENDITURES</b>			
Personnel services	3,503,569	3,191,597	(311,972)
Fire operating expenditures	634,864	318,768	(316,096)
Administrative expenditures	677,099	154,658	(522,441)
Capital Improvements	9,000	7,829	(1,171)
<b>Total Expenditures</b>	<u>4,824,532</u>	<u>3,672,852</u>	<u>(1,151,680)</u>
Excess (deficiency) of Revenues Over Expenditures	<u>(0)</u>	<u>(193,640)</u>	<u>(193,640)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	-	-	-
<b>Total Other Financing Sources and     Uses</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(0)	(193,640)	(193,640)
Fund Balances - Beginning	-	2,374,360	2,374,360
Fund Balances - Ending	<u>\$ -0</u>	<u>\$ 2,180,720</u>	<u>\$ 2,180,720</u>

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