

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

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

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**Reporting Ambulance Service**

**Report Fiscal Year**

From: 07 / 01 / 2013 To: 06 / 30 / 2014  
Mo. Day Year Mo. Day Year

**CERTIFICATION**

*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: Joseph M. DeWolf Date: 8 Dec 2014

Print Name and Title: Joseph M. DeWolf, Chief

Mail to:

Arizona Department of Health Services  
Bureau of Emergency Medical Services  
Ambulance and Regional Services  
150 North 18<sup>th</sup> Avenue, Suite 540  
Phoenix, AZ 85007  
Telephone: (602) 364-3150  
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## AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: Sonoita - Elgin Ambulance  
 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:	/	/	203	203
02	Number of BLS Billable Transports :	/	/	26	26
03	Number of Loaded Billable Miles :	/	/	7933.20	7933.20
04	Waiting Time (Hr. & Min.):	/	/	0	0
05	Canceled (Non-Billable) Runs:	/	/	108	108

**AMBULANCE SERVICE ROUTINE OPERATING REVENUE**

06	ALS Base Rate Revenue .....	\$ 229,491.50
07	BLS Base Rate Revenue .....	29,393.00
08	Mileage Charge Revenue .....	123,678.59
09	Waiting Charge Revenue .....	0
10	Medical Supplies Charge Revenue .....	0
11	Nurses Charge Revenue .....	0
12	Standby Charge Revenue (Attach Schedule)	
13	<b>TOTAL AMBULANCE SERVICE ROUTINE OPERATING REVENUE .....</b>	<b>\$ 382,563.09</b>

**SALARY AND WAGE EXPENSE DETAIL**

GROSS WAGES:		**No. of F.T.E.s
14	Management .....	\$ 9605.70      0.35
15	Paramedics and IEMTs .....	\$ 8323.16      1.28
16	Emergency Medical Technician (EMT) .....	\$ 3576.90      1.28
17	Other Personnel .....	\$ 0      0
18	Payroll Taxes and Fringe Benefits - All Personnel .....	\$ 4688.96      0.91

\*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.

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## AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: Soudita-Elgin Ambulance  
 FOR THE PERIOD FROM: July 1, 2013 TO: June 30, 2014

### SCHEDULE OF REVENUES AND EXPENSES

Line No.	DESCRIPTION	FROM	
<b>Operating Revenues:</b>			
01	Total Ambulance Service Operating Revenue . . . . .	Page 2, Line 13	\$ <u>382,563.09</u>
Settlement Amounts:			
02	AHCCCS . . . . .		( <u>0</u> )
03	Medicare . . . . .		( <u>123,514.12</u> )
04	Subscription Service . . . . .		( <u>0</u> )
05	Contractual . . . . .		( <u>0</u> )
06	Other . . . . .		( <u>9,307.48</u> )
07	Total (Sum of Lines 02 through 06) . . . . .		( <u>132,821.60</u> )
08	Total Operating Revenue (Line 01 minus Line 07) . . . . .		\$ <u>249,739.49</u>
<b>Operating Expenses:</b>			
09	Bad Debt . . . . .		\$ <u>57,449.60</u>
10	Total Salaries, Wages, and Employee-Related Expenses . . . . .		<u>26,194.72</u>
11	Professional Services . . . . .		<u>14,404.63</u>
12	Travel and Entertainment . . . . .		<u>0</u>
13	Other General Administrative . . . . .		<u>1050.00</u>
14	Depreciation . . . . .		<u>0</u>
15	Rent/Leasing . . . . .		<u>186.22</u>
16	Building/Station . . . . .		<u>2644.10</u>
17	Vehicle Expense . . . . .		<u>451.30</u>
18	Other Operating Expense - Fuel . . . . .		<u>4653.36</u>
19	Cost of Medical Supplies Charged to Patients . . . . .		<u>11,727.66</u>
20	Interest . . . . .		<u>0</u>
21	Subscription Service Sales Expense . . . . .		<u>0</u>
22	Total Operating Expense (Sum of Lines 09 through 21) . . . . .		<u>118,741.59</u>
23	Total Operating Income or Loss (Line 08 minus Line 22) . . . . .		\$ <u>130,977.90</u>
24	Subscription Contract Sales . . . . .		<u>                    </u>
25	Other Operating Revenue . . . . .		<u>                    </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/(LOSS) (Line 23 plus Sum of Lines 24 through 28) . . . . .		\$ <u>130,977.90</u>

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# AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: SONDITA - Elgin Ambulance  
 FOR THE PERIOD FROM: July 1, 2013 TO: June 30, 2014

BALANCE SHEET Current audited financial statements may be submitted in lieu of this page.

### ASSETS

#### CURRENT ASSETS

01	Cash	\$	
02	Accounts Receivable		
03	Less: Allowance for Doubtful Accounts		
04	Inventory		
05	Prepaid Expenses		
06	Other Current Assets		

07 TOTAL CURRENT ASSETS \$ \_\_\_\_\_

#### PROPERTY & EQUIPMENT

08 Less: Accumulated Depreciation \$ \_\_\_\_\_

09 OTHER NONCURRENT ASSETS \$ \_\_\_\_\_

10 TOTAL ASSETS \$ \_\_\_\_\_

### LIABILITIES AND EQUITY

#### CURRENT LIABILITIES

11	Accounts Payable	\$	
12	Current Portion of Notes Payable		
13	Current Portion of Long-Term Debt		
14	Deferred Subscription Income		
15	Accrued Expenses and Other		
16			
17			

18 TOTAL CURRENT LIABILITIES \$ \_\_\_\_\_

19 NOTES PAYABLE \_\_\_\_\_

20 LONG-TERM DEBT OTHER \_\_\_\_\_

21 TOTAL LONG-TERM DEBT \$ \_\_\_\_\_

#### EQUITY AND OTHER CREDITS

##### Paid-in Capital:

22	Common Stock	\$	
23	Paid-in Capital in Excess of Par Value		
24	Contributed Capital		
25	Retained Earnings		
26	Fund Balances		

27 TOTAL EQUITY \$ \_\_\_\_\_

28 TOTAL LIABILITIES & EQUITY \$ \_\_\_\_\_

See Attached Audit

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## AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: Senoita - Elgin Ambulance  
 FOR THE PERIOD FROM: July 1, 2013 TO: June 30, 2014

STATEMENT OF CASH FLOWS Current audited financial statements may be submitted in lieu of this page.

**OPERATING ACTIVITIES:**

01	Net (loss) Income	\$	
	Adjustments to reconcile net income to net cash provided by operating activities:		
02	Depreciation Expense		
03	Deferred Income Tax		
04	Loss (gain) on Disposal of Property Equipment		
	(Increase) Decrease in:		
05	Accounts Receivable		
06	Inventories		
07	Prepaid Expenses		
	(Increase) Decrease in:		
08	Accounts Payable		
09	Accrued Expenses		
10	Deferred Subscription Income		
11	Net Cash Provided (Used) by Operating Activities	\$	

**INVESTING ACTIVITIES:**

12	Purchases of Property and Equipment		
13	Proceeds from Disposal of Property and Equipment		
14	Purchases of Investments		
15	Proceeds from Disposal of Investments		
16	Loans Made		
17	Collections on Loans		
18	Other		
19	Net Cash Provided (Used) by Investing Activities	\$	

**FINANCING ACTIVITIES:**

New Borrowings:			
20	Long-Term		
21	Short-Term		
Debt Reduction:			
22	Long-Term		
23	Short-Term		
24	Capital Contributions		
25	Dividends paid		
26	Net Cash Provided (Used) by Financing Activities	\$	
27	Net Increase (Decrease) in Cash	\$	
28	Cash at Beginning of Year	\$	
29	Cash at End of Year	\$	

**SUPPLEMENTAL DISCLOSURES:**

30	Non-cash Investing and Financing Transactions:		
31	_____		
32	_____		
33	Interest Paid (Net of Amounts Capitalized)		
34	Income Taxes Paid		

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**Sonoita-Elgin Fire District**  
**Statement of Cash Receipts,**  
**Disbursements and Changes in Cash**  
**and Investment Balances –**  
**Governmental Fund**

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**Year ended June 30, 2014**

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**Independent Auditor's Report**

To the Board of Directors and Management  
of the Sonoita-Elgin Fire District  
Sonoita-Elgin, Arizona

We have audited the accompanying statement of cash receipts, disbursements, and changes in cash and investment balances of Sonoita-Elgin Fire District, as of and for the year ended June 30, 2014, and the related notes to the financial statement, which collectively comprise the District's basic financial statement as listed in the table of contents.

**Management's Responsibility for the Financial Statement**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on this financial statement 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts, disbursements and changes in cash and investment balances of Sonoita-Elgin Fire District as of and for the year ended June 30, 2014, in accordance with the modified cash basis of accounting described in Note 1.

## Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## Other Matters

### *Compliance with Title 48, Chapter 5, Article 1 Applicable to Debt and Warrant Issuance Limitations*

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of Title 48, Chapter 5, Article 1 limiting the amount of certain debt and warrants that can be issued by the District, insofar as such compliance relates to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with Title 48, Chapter 5, Article 1, insofar as they relate to accounting matters.

The communication related to compliance with the provisions of Title 48, Chapter 5, Article 1 referred to in the preceding paragraph is intended solely for the information and use of members of the Arizona State Legislature, the Board of Directors, management, and other responsible parties within the District and is not intended to be and should not be used by anyone other than these specified parties.

### *Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2014 on our consideration of Sonoita-Elgin Fire 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 Sonoita-Elgin Fire District's internal control over financial reporting and compliance.

*Walker & Armstrong LLP*

Phoenix, Arizona  
October 22, 2014

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**Sonoita-Elgin Fire District**  
**Statement of Cash Receipts, Disbursements,**  
**and Changes in Cash and Investment Balances - Governmental Fund**  
**Year Ended June 30, 2014**

	<b>General Fund</b>
<b>Cash Receipts:</b>	
Taxes:	
Property taxes	\$ 774,061
Fire district assistance tax	57,443
Charges for services	250,085
Intergovernmental	174,070
Contributions	10,215
Interest income	669
Other	5,583
Total cash receipts	1,272,126
<b>Cash Disbursements:</b>	
<i>Public safety-fire protection and emergency medical services:</i>	
Current:	
Salaries and wages	627,401
Employee benefits	142,741
Fuels treatment	121,125
Repairs and maintenance	75,501
Utilities and communications	40,476
Training and related	37,370
Insurance	24,389
Other	66,465
Professional services	8,380
Capital outlay	1,897
Debt service:	
Principal	32,447
Interest	1,474
Total cash disbursements	1,179,666
Excess of cash receipts over disbursements	92,460
Cash and investments, beginning of year	405,254
Cash and investments, end of year	\$ 497,714

The accompanying notes are an integral  
part of this financial statement.

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**Sonoita-Elgin Fire District**  
**Notes to Financial Statement**  
**Year ended June 30, 2014**

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**Note 1 – Summary of Significant Accounting Policies**

**Reporting Entity**

Sonoita-Elgin Fire District (the “District”), was established in September 2006 pursuant to Arizona Revised Statute Title 48 and is a special-purpose government governed by a separately elected governing body and is legally separate and fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, nor is the District combined with another reporting entity.

**Basis of Presentation**

The accounts of the District are organized on the basis of fund accounting, each of which is considered a separate reporting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent. The *general fund* is the District’s primary operating fund which accounts for all financial resources except those required to be accounted for in another fund. The District reports the general fund as its only major governmental fund.

As required under Arizona Revised Statutes, Title 48 § 251.A(1), the District has prepared this financial statement in a manner sufficient to report beginning and ending fund balance, presented on a modified cash basis.

The financial statement is presented on the modified cash basis of accounting, which is an other comprehensive basis of accounting. Under the modified cash basis, revenues are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred. In addition, all items including the acquisition of capital assets are expensed as paid and receivables, prepaid expenses, payables and accrued expenses are not reported. Accordingly, the financial statement is not intended to present financial position and results of operations in conformity with U.S. generally accepted accounting principles.

Furthermore, this financial statement does not include government-wide financial statements which are required by accounting principles generally accepted in the United States. Additionally, the District has elected not to present management's discussion and analysis or the budgetary comparison schedule of the general fund that accounting principles generally accepted in the United States have determined are necessary to supplement, although not required to be part of, the basic financial statements.

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## Notes to Financial Statement - Continued

### Note 1 – Summary of Significant Accounting Policies - Continued

#### **Cash and Investments**

Cash includes amounts in demand deposits as well as short-term investments with an original maturity date within three months of the acquisition date. Investments are carried at fair value. Changes in fair value and amortization of premiums/discounts relating to investments held by the District are reported as changes in investment balances.

#### **Budgetary accounting**

The District is required, under Arizona Revised Statutes, to adopt a budget each fiscal year and to submit it to the Santa Cruz and Pinal Counties Arizona's Board of Supervisors no later than the first day of August each year. The adopted budget is on the modified cash basis of accounting, which is a legally acceptable basis for budgetary purposes. All annual appropriations lapse at fiscal year end. The District is subject to expenditure limitations under Arizona Revised Statutes which does not permit the District to incur unsecured debt in excess of property taxes levied and to be collected plus available and unencumbered cash.

#### **Estimates**

The preparation of the basic financial statement may require management to make estimates and assumptions that affect the reported amounts of assets and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of cash receipts and disbursements during the year. Actual results may differ from those estimates.

### Note 2 – Cash and Investments

The District's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Arizona Revised Statutes authorize special districts to invest public monies in the Arizona State Treasurer's local government investment pool, interest bearing savings accounts, certificates of deposit and in accounts of any savings and loan associations insured by an agency of the government of the United States, up to the amount of such insurance or pledged collateral. All investments are stated at fair value based on market prices. The District does not have its own formal investment policy with respect to credit risk, custodial credit risk, concentration of credit risk, interest-rate risk, or foreign currency risk for investments.

*Cash on Hand and Deposits* – At June 30, 2014, total cash on hand was \$200. The carrying amount of the total cash in bank was \$481,930 and the bank balance was \$487,642. All of the bank balance was covered by federal depository insurance.

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**Notes to Financial Statement - Continued**

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**Note 2 – Cash and Investments - Continued**

**Investments**

As of June 30, 2014, the District's investments consisted of amounts held with the Santa Cruz County Treasurer's Local Government Investment Pool totaling \$15,026 and amounts held with the Pima County Treasurer's Local Government Investment Pool was \$558.

Santa Cruz and Pima County Treasurers' investment pools are not registered with the Securities and Exchange Commission and there is no regulatory oversight of their operations. The pools' structure does not provide for shares, and the counties have not provided or obtained any legally binding guarantees to support the value of the participants' investments.

*Credit risk* - At June 30, 2014, all of the District's investments were invested in the Santa Cruz and Pima County investment pools which are not rated by rating agencies.

*Custodial credit risk* – For all investments, custodial credit risk is the risk that, in the event of the counterparty's failure, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. External investment pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

*Interest rate risk* – At June 30, 2014, the District's investments can be withdrawn from the pools at will and therefore, are not subject to a significant amount of interest rate risk.

*Foreign currency risk* – The District does not have a formal investment policy with respect to foreign currency risk because State statutes do not allow foreign investments.

**Note 3 – Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all such risks of loss, including workers' compensation and employees' health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Note 4 – Retirement Plans**

The District contributes to two retirement plans as described below. The plans are component units of the State of Arizona and benefits are established by state statute. The plans generally provide retirement, long-term disability, and health insurance premium benefit, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees' average compensation.

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Notes to Financial Statement - Continued

**Note 4 – Retirement Plans - Continued**

Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. The health insurance premium benefit is paid as a fixed dollar amount per month toward 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.

**Retirement Plan – Arizona State Retirement System**

*Plan Description* – The *Arizona State Retirement System (ASRS)* administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health insurance premium benefit plan and a cost sharing multiple-employer defined benefit long-term disability plan that covers general employees of the District. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of ARS Title 38, Chapter 5, Article 2.

*Funding Policy* – For the year ended June 30, 2014, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.54 percent (11.3 percent retirement and 0.24 percent long-term disability) of the members' annual covered payroll. The District's contributions to ASRS for the years ended June 30, 2014, 2013, and 2012 were \$4,790, \$4,819 and \$5,331, respectively, which were equal to the required contributions for the year.

The plan issues a publicly available financial report that includes its financial statements and required supplementary information. A report is available on their website at [www.azasrs.gov](http://www.azasrs.gov) or may be obtained by writing or calling: Arizona State Retirement System, 3300 North Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910, (602) 240-2000 or 1-800-621-3778.

**Retirement Plan – Public Safety Personnel Retirement System (PSPRS)**

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

Benefits are established by state statute and provide retirement, death, long-term disability, survivor and health insurance premium benefits.

The plan issues a publicly available financial report that includes its financial statements and required supplementary information. A report is available on their website at [www.psprs.com](http://www.psprs.com) or may be obtained by writing the plan at 3010 East Camelback Road, Suite 200, Phoenix, AZ 85016-4416 or by calling (602) 255-5575.

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Notes to Financial Statement - Continued

**Note 4 – Retirement Plans - Continued**

**Funding Policy** – The Arizona State Legislature establishes and may amend active plan members’ and the District’s contribution rates.

For the year ended June 30, 2014, active PSPRS members were required by statute to contribute 10.35 percent of the members’ annual covered payroll, and the District was required to contribute 12.88 percent, the aggregate of which is the actuarially required amount. The health insurance premium benefit portion of the contribution rate was actuarially set at .76 percent of covered payroll.

**Actuarial methods and assumptions** – The contribution requirements for the year ended June 30, 2014, were established by the June 30, 2012 actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plans and the annual required contributions are subject to continual revision as actual results are compared to past expectation and new estimates are made. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that show whether the actuarial value of the plans’ assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on 1) the plans as understood by the District and plans’ members and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs between the District and plans’ members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used to establish the fiscal year 2014 contribution requirements are as follows:

Actuarial valuation date	June 30, 2012
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	24 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7 year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	8%
Projected salary increases	5% - 9%
Inflation rate	5%

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**Notes to Financial Statements - Continued**

**Note 4 – Retirement Plans - Continued**

*Annual Pension Cost* – The District’s pension and other post employment benefit (OPEB) cost pursuant to the PSPRS plan for the year ended June 30, 2014, and related information follows:

	<u>Pension/OPEB</u>
Annual pension/ OPEB cost	\$ 64,209
Contributions made	\$ 64,209

The District's actuarial assumptions for the pension fire personnel for the year ended June 30, 2013, the most recent available actuarial valuation, and related information follow.

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percent-of-pay closed
Remaining amortization period	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7 year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.5% - 8.5%
Inflation rate	4.5%

Trend Information – Annual pension and OPEB cost information for the current and two preceding years follows for the agent plan:

<u>Year ended, June 30</u>	<u>Annual Pension/OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net Pension/OPEB Obligation</u>
<b>2014</b>	\$ 64,209	100%	\$ -
<b>2013</b>	\$ 65,763	100%	\$ -
<b>2012</b>	\$ 63,024	100%	\$ -

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**Notes to Financial Statements - Continued**

**Note 4 – Retirement Plans - Continued**

*Funding Status* (excluding health insurance subsidy) - The information for the analysis of funding progress was obtained from the three most recent actuarial valuations.

<u>Valuation date June 30,</u>	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funding Liability (Excess)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Liability as a Percentage of Covered Payroll</u>
2013	\$614,348	\$621,020	\$ 6,672	99%	\$456,294	2%
2012	486,979	519,355	32,376	94%	385,645	8%
2011	325,303	359,769	34,466	90%	485,909	7%

*Funding Status* (post-retirement health insurance subsidy only) - The information for the analysis of funding progress was obtained from the three most recent actuarial valuations.

<u>Valuation date June 30,</u>	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funding Liability (Excess)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Liability as a Percentage of Covered Payroll</u>
2013	\$ -	\$ 25,106	\$ 25,106	- %	\$456,294	6%
2012	-	21,944	21,944	- %	385,645	6%
2011	-	16,566	16,566	- %	485,909	3%

In accordance with GASB 45, assets within the PSPRS plan are not segregated to fund the post-retirement health insurance subsidy. Accordingly, these benefits may not be considered pre-funded. These liabilities are based on the same assumptions and actuarial costs methods as indicated for the plan. The District did not report a health insurance subsidy payment for the fiscal year ending June 30, 2014.

**Note 5 – Subsequent Event**

Management has evaluated subsequent events through October 22, 2014, the date the financial statements were available to be issued. No events or transactions occurred after year-end that require additional disclosure or adjustment to the financial statements.

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