

**PEEPLES VALLEY FIRE DISTRICT
ANNUAL REPORT
YEAR ENDED JUNE 30, 2018**

**Part D—Schedule of Revenues, Expenditures, and Changes in Fund Balances
(for governmental fund types)**

Basis of Accounting:	Modified Accrual <input checked="" type="checkbox"/>	Cash <input type="checkbox"/>		
	GENERAL FUND	CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	FUNDS
Revenues				
Taxes	104,309			
Special assessments				
Licenses and permits				
Intergovernmental:				
Federal				
State				
County				
Charges for services	23,609			
Fines and forfeits				
Interest on investments	2,089			
Rents				
Contributions				
Credit card incentives				
Miscellaneous				
Other revenues (itemize)				
Sale of assets	6,000			
FDAT distributions	17,613			
Total Revenues	153,620			
Expenditures				
Salaries and wages	73,205			
Employee benefits				
Administration				
Professional services	8,884			
Utilities and communications	6,117			
Insurance	10,031			
Repairs and maintenance	8,201			
Interest				
Capital outlay:				
Land				
Buildings				
Improvements other than buildings	2,910			
Machinery and equipment	17,678			
Construction in progress				
Debt service:				
Principal retirement				
Interest and fiscal charges				
Miscellaneous				
Other expenditures (itemize)				
See attached schedule	53,786			
Total Expenditures	180,812			

**PEEPLS VALLEY FIRE DISTRICT
ANNUAL REPORT
YEAR ENDED JUNE 30, 2018**

Part D--(Concl'd)

	GENERAL FUND	CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	FUNDS
Excess of Revenues Over (Under) Expenditures	<u>(27,192)</u>	<u> </u>	<u> </u>	<u> </u>
<u>Other Financing Sources (Uses)</u>				
Transfers-in	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Transfers-out	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Proceeds from the sale of bonds	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Loan proceeds	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital lease agreements	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(27,192)</u>	<u> </u>	<u> </u>	<u> </u>
Beginning Fund Balance 7/ 7/1/2017	<u>343,903</u>	<u> </u>	<u> </u>	<u> </u>
Ending Fund Balance 6/30/2018	<u><u>316,711</u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

**PEEPLES VALLEY FIRE DISTRICT
ANNUAL REPORT
YEAR ENDED JUNE 30, 2018**

**Part E—Schedule of Revenues, Expenses, and Changes in Fund Net Position
(for proprietary and similar fund types)**

Basis of Accounting: **Accrual**

Cash

	ENTERPRISE FUNDS	PENSION TRUST FUNDS	FUNDS
<u>Operating Revenues</u>			
Charges for services			
Employer contributions			
Employee contributions			
Investment income			
Miscellaneous			
Total Operating Revenues			
<u>Operating Expenses</u>			
Salaries and wages			
Employee benefits			
Administration			
Professional services			
Utilities and communications			
Insurance			
Repairs and maintenance			
Landfill closure and postclosure care costs			
Depreciation			
Benefits			
Refunds			
Miscellaneous			
Total Operating Expenses			
Operating Income (Loss)			
<u>Nonoperating Revenues (Expenses)</u>			
Intergovernmental			
Interest revenue			
Credit card incentives			
Interest expense			
Gain (Loss) on disposal of capital assets			
Total (Net) nonoperating revenues (expenses)			
Income (Loss) before contributions and transfers			
Capital contributions			
Transfers-in			
Transfers-out			
Net Income (Loss)			
Beginning Fund Net Position— ___/___/___			
Ending Fund Net Position— ___/___/___			

**PEEPLES VALLEY FIRE DISTRICT
ANNUAL REPORT
YEAR ENDED JUNE 30, 2018**

**Part E—Schedule of Revenues, Expenses, and Changes in Fund Net Position
(for proprietary and similar fund types)**

Basis of Accounting: **Accrual**

Cash

	ENTERPRISE FUNDS	PENSION TRUST FUNDS	FUNDS
<u>Operating Revenues</u>			
Charges for services			
Employer contributions			
Employee contributions			
Investment income			
Miscellaneous			
Total Operating Revenues			
<u>Operating Expenses</u>			
Salaries and wages			
Employee benefits			
Administration			
Professional services			
Utilities and communications			
Insurance			
Repairs and maintenance			
Landfill closure and postclosure care costs			
Depreciation			
Benefits			
Refunds			
Miscellaneous			
Total Operating Expenses			
Operating Income (Loss)			
<u>Nonoperating Revenues (Expenses)</u>			
Intergovernmental			
Interest revenue			
Credit card incentives			
Interest expense			
Gain (Loss) on disposal of capital assets			
Total (Net) nonoperating revenues (expenses)			
Income (Loss) before contributions and transfers			
Capital contributions			
Transfers-in			
Transfers-out			
Net Income (Loss)			
Beginning Fund Net Position— ___/___/___			
Ending Fund Net Position— ___/___/___			

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Other expenses:

Bank charges & checks	65
Community outreach	180
Conferences & Meetings	2,973
Dispatch fees	2,900
Dues & memberships	544
EMS expenses	4,397
Licenses & permits	58
Office expenses	1,354
Out of district services	300
Postage	22
Training	3,588
Uniforms	2,980
Vehicle fuel	3,133
Volunteer expenses	<u>31,292</u>
Total other	<u><u>53,786</u></u>

**PEEPLES VALLEY FIRE DISTRICT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Independent Accountants' Review Report

To the Board of
Peeples Valley Fire District

We have reviewed the accompanying financial statements of Peeples Valley Fire District, which comprise the balance sheet – modified cash basis as of June 30, 2018, and the related statement of revenues, expenditures and changes in fund balance – modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with 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 conclusion is not modified with respect to this matter.



Certified Public Accountants

Phoenix, Arizona
February 22, 2019

**PEEPLS VALLEY FIRE DISTRICT
BALANCE SHEET – MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2018**

ASSETS

	<u>General Fund</u>
Cash and cash equivalents	\$ 183,365
Deposit - workers' compensation	4,253
Land - held for sale	<u>129,353</u>
 Total assets	 <u><u>\$ 316,971</u></u>

LIABILITIES AND FUND BALANCE

Payroll taxes payable	<u>\$ 260</u>
 Total liabilities	 260
 Fund balance:	
Non-spendable	129,353
Unassigned	<u>187,358</u>
Total Fund balance	<u><u>316,711</u></u>
 Total liabilities and fund balance	 <u><u>\$ 316,971</u></u>

The Accompanying Notes are an Integral Part of the Financial Statements

PEEPLES VALLEY FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	<u>General Fund</u>
Revenues	
Taxes	\$ 102,586
Intergovernmental - State	19,336
Sale of vehicles	6,000
Charges for services	23,609
Interest income	<u>2,089</u>
Total revenues	<u>153,620</u>
Expenditures	
Payroll expenses	73,205
Capital outlay	20,588
Insurance	10,031
Utilities and communications	6,117
Repairs and maintenance	8,201
Professional services	8,884
Other expenses (Note 3)	<u>53,786</u>
Total expenditures	<u>180,812</u>
Excess of expenditures over revenues	(27,192)
Fund balance	
Balance, beginning of year	<u>343,903</u>
Balance, end of year	<u><u>\$ 316,711</u></u>

The Accompanying Notes are an Integral Part of the Financial Statements

PEEPLES VALLEY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS

Note 1

Summary of Significant Accounting Policies and Nature of Activities

Nature of Activities

Peoples Valley Fire District (the “District”) is a Fire District formed in fiscal year 2000-2001. The Fire District is intended to provide fire protection, rescue and medical services for the protection of persons and property within the defined boundaries of the Fire District and that of its contracts as approved by the Board of Supervisors of Yavapai County, Arizona.

The Governing Board is organized under Title 48 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenditures/expenses.

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of District property and the establishment, organization and operation of the District.

Basis of Accounting

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 that comprise its assets, liabilities, fund balance, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent. The District has one major governmental fund, the General Fund, which is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

As required under Arizona Revised Statutes, Title 48 § 251.A(1), the District has prepared these financial statements in a manner sufficient to report beginning and ending fund balances and all revenues and expenditures for the year ending June 30, 2018. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance is presented on the modified cash basis of accounting which is a comprehensive basis other than accounting principles generally accepted in the United States. The modified cash basis of accounting generally recognizes revenues when cash is received and expenditures when cash is spent.

The major departure from accounting principles generally accepted in the United States of America is that there are generally no accruals made using the modified cash basis of accounting. Specifically, there were no accruals made for accounts receivable, accounts payable and amounts either due from or due to other governmental entities. However, accruals are made for payroll related assets (i.e. receivables for overpayments to be refunded) and/or liabilities in which the district acts as a fiduciary. Furthermore, these financial statements do not include government-wide financial statements which are required by accounting principles generally accepted in the United States. Additionally, the District has also elected not to present Management's Discussion and Analysis or the Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America have determined are necessary to supplement, although not required to be part of, the basic financial statements.

PEEPLES VALLEY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS

Note 1

Summary of Significant Accounting Policies and Nature of Activities (Continued)

Cash and Cash Equivalents

Arizona Revised Statutes authorize special districts to invest public monies in the County or 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.

Arizona Revised Statutes require all monies levied by the District to be collected and held by the County Treasurer's Office and include the County's Local Government Investment Pool ("LGIP"). The District's cash and cash equivalents are considered to be cash on hand and demand deposits with original maturities of three months or less from the date of acquisition. As of June 30, 2018, the District's carrying amount of deposits with the County's LGIP was \$162,006, and \$4,544 for the fiduciary fund. Demand deposits with local financial institutions totaled \$9,431.

Land – Held for Sale

The District had previously received and accepted donated capital assets (land lots) located in Peeples Valley, Arizona during the year ended June 30, 2017 that are considered held for sale. Since they are considered to be held for sale, they were recorded as an asset on the books of the District, measured at estimated fair value at the time of the acquisition plus ancillary charges, if any. Donated land held for sale, included within the revenues section, was recorded relating to the estimated fair value at the time of the acquisition. These donated land lots had no restrictions associated with them by the donor.

The District had also received two other donated land tracts (Tract A and Tract C) during the year ended June 30, 2017 that had not been appraised with the other donated lots/tract, and with no estimated fair market values on them by the District to date. Each of them has a tax lien on them with past due taxes and interest charges, relating to property taxes for years prior to date the land tracts were received by the District and then became exempt for future property tax assessment. As of the date of the independent accountants' report, the District has not yet decided on what action to take on these land tracts with tax liens on them. Therefore, no asset related estimated fair value and/or any liabilities were recorded on books of the District relating to these land tracts/tax liens as of June 30, 2018.

As of the date of the independent accountants' report, the District has set prices on the land lots and Tract B received by donation and that had been appraised for the year ended June 30, 2018 reporting, and has set prices on them that is below an earlier appraisal-based estimated fair market values as of that appraisal date. This decision was made at the February 20, 2019 regular District board meeting, with a combined listed sales price of \$42,811 for all of these land parcels. The sales prices may change but are currently in place as of the independent accountants' report date. The appraisal report relating to the estimated fair value was dated June 28, 2016, and notes within it that the estimated period for those values is 24 months. Since the board is now considering sale of the lots, as of February 2019, the estimated fair market values from the mid-2016 appraisal may differ from the actual sales prices they may sell for.

Capital Outlay

Capital outlays, including improvements, are expended in the period the equipment is purchased. Therefore, there is no depreciation expense recorded in the Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis.

**PEEPLES VALLEY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

Note 1

Summary of Significant Accounting Policies and Nature of Activities (Continued)

Fund Equity

In the fund financial statements, governmental funds report fund balance as non-spendable, restricted, committed, assigned or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

Non-spendable fund balance - amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

Restricted fund balance - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - amounts that can only be used for specific purposes determined by formal action of the District's decision making authority (the governing Board) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period since the Board establishes, modifies or rescinds fund balance commitments and assignments by passage of a resolution.

Fund Equity (Continued)

Assigned fund balance - amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or an official designated for that purpose.

Unassigned fund balance - the residual classification for the District's General Fund that includes amounts not contained in other classifications.

Budgetary Accounting

The District is required, under Arizona Revised Statutes, to adopt a budget each fiscal year and to submit it to the county board of supervisors no later than the first day of August each year. The adopted budget is on the modified accrual 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. This law does not permit the District to incur unsecured debt in excess of property taxes levied and to be collected plus available and unencumbered cash. The limitation is applied to the total of the combined funds.

Note 2

Compliance and Concentrations

The District's revenue sources are based primarily on property tax revenues subject to the District's compliance with state laws and regulations. Compliance with certain laws and regulations is subject to review by the State of Arizona.

PEEPLES VALLEY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS

Note 3
Other Expenses

Other expenses for the year ended June 30, 2018 consists of the following:

Bank charges & checks	\$ 65
Community outreach	180
Conferences & meetings	2,973
Dispatch fees	2,900
Dues & memberships	544
EMS expenses	4,397
Licenses & permits	58
Office expenses	1,354
Out of district services	300
Postage	22
Training	3,588
Uniforms	2,980
Vehicle fuel	3,133
Volunteer expenses	31,292
	<hr/>
	\$ 53,786

Note 4
Commitments and Contingencies

Inter-Governmental Agreements and Indemnifications

The District is party to a variety of inter-governmental agreements entered into in the ordinary course of business pursuant to which it may be obligated to provide services outside of its geographic boundaries and/or receive assistance from other parties. As part of these agreements, the District is obligated to indemnify other parties for certain liabilities that arise out of, or relate to, the subject matter of the agreements.

Risk Management

The District is contingently liable for claims and judgments resulting from lawsuits incidental to normal operations. In the opinion of the District's management, adverse decisions that might result, to the extent not covered by insurance, would not have a material effect on the financial statements. No provision has been made in the financial statements for possible losses of this nature.

Note 5

**PEEPLES VALLEY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

Subsequent Events

Subsequent events have been evaluated through February 22, 2019 which is the date these financial statements were available to be issued.