

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

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

**Black Canyon Fire Department  
Reporting Ambulance Service**

Address: 35050 S Old Black Canyon Hwy (PO Box 967)

City: Black Canyon City Zip: 85324

**Report Fiscal Year**

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

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

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

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

Authorized Signature: Thomas A Birch Date: 12-29-2015

Print Name and Title: Thomas A Birch, Chief

Phone: (623)374-5512

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  
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# AMBULANCE REVENUE AND COST REPORT

## FIRE DISTRICT and SMALL RURAL COMPANY

AMBULANCE SERVICE ENTITY:

Black Canyon Fire Department

FOR THE PERIOD

FROM: July 1, 2014

TO: June 30, 2015

**STATISTICAL SUPPORT DATA**

Line No.	DESCRIPTION	(1) SUBSCRIPTION SERVICE TRANSPORTS	*(2) TRANSPORTS UNDER CONTRACT	(3) TRANSPORTS NOT UNDER CONTRACT	(4) TOTALS
1	Number of ALS Billable Transports:			412	412
2	Number of BLS Billable Transports:			45	45
3	Number of Loaded Billable Miles:			13,709	13,709
4	Waiting Time (Hr. & Min.):			-	-
5	Canceled (Non-Billable) Runs:				165

**AMBULANCE SERVICE ROUTINE OPERATING REVENUE**

6	ALS Base Rate Revenue				\$ 429,333
7	BLS Base Rate Revenue				46,893
8	Mileage Charge Revenue				185,209
9	Waiting Charge Revenue				-
10	Medical Supplies Charge Revenue				5,984
11	Nurses Charge Revenue				-
12	Standby Charge Revenue (Attach Schedule)				-
13	TOTAL AMBULANCE SERVICE ROUTINE OPERATING REVENUE			(Post to Page 3, Line 1)	\$ 667,419

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**SALARY AND WAGE EXPENSE DETAIL**

**GROSS WAGES:**

Line No.	DESCRIPTION	Amount	** No. of FTE's
14	Management	\$ 30,000	0.5
15	Paramedics and IEMTs	\$ 143,131	5.0
16	Emergency Medical Technician (EMT)	\$ 126,110	6.1
17	Other Personnel	\$ 24,000	0.5
18	Payroll Taxes and Fringe Benefits - All Personnel	\$ 64,648	-
19	Total Wages, Taxes & Benefits (Sum Lines 14 through 18; Post to Page 3, Line 10)	\$ 387,889	12

\* 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**  
**FIRE DISTRICT and SMALL RURAL COMPANY**

**AMBULANCE SERVICE ENTITY:**

Black Canyon Fire District

**FOR THE PERIOD**

**FROM:**

July 1, 2014

**TO:**

June 30, 2015

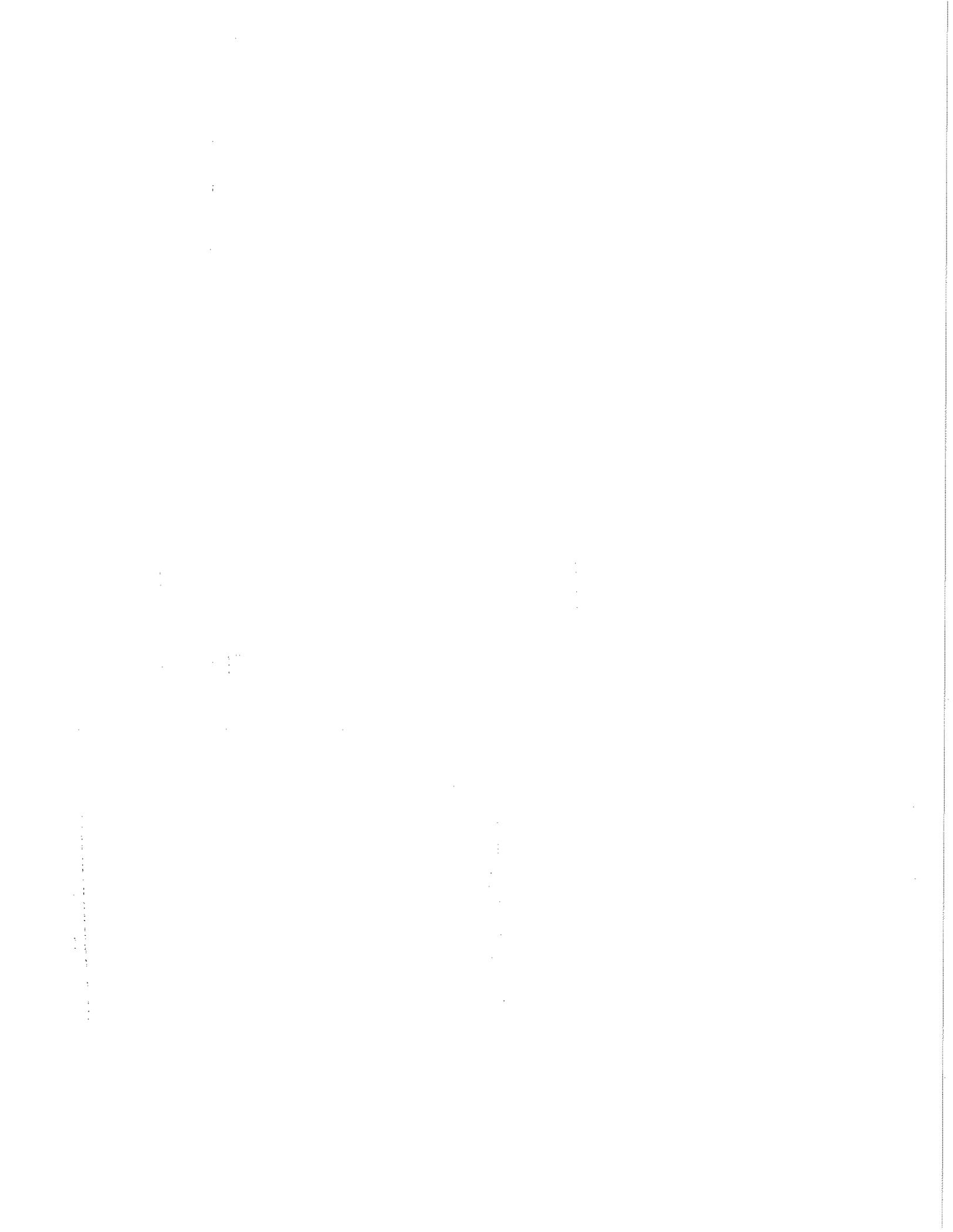
**SCHEDULE OF REVENUES AND EXPENSES**

Line No.	<u>DESCRIPTION</u>		
<b>Operating Revenues:</b>			
1	Total Ambulance Service Operating Revenue	(From: Page 2, Line 13)	\$ 667,419
<u>Settlement Amounts:</u>			
2	AHCCCS .....		60,518
3	Medicare .....		82,093
4	Subscription Service .....		-
5	Contractual .....		-
6	Other ..... VA, District Subsidy, ..... Tricare, Medicare Advantage .....		78,564
7	Total	(Sum of Lines 2 through 6)	221,175
8	Total Operating Revenue	(Line 1 minus Line 7)	\$ 446,244
<b>Operating Expenses:</b>			
9	Bad Debt .....		\$ 61,072
10	Total Salaries, Wages, and Employee-Related Expenses .....	(From: Page 2, Line 19)	387,889
11	Professional Services .....		40,377
12	Travel and Entertainment .....		-
13	Other General Administrative .....		21,330
14	Depreciation .....		-
15	Rent / Leasing .....		-
16	Building / Station .....		23,572
17	Vehicle Expense .....		19,904
18	Other Operating Expense .....		52,001
19	Cost of Medical Supplies Charged to Patients .....		7,871
20	Interest .....		-
21	Subscription Service Sales Expense .....		-
22	Total Operating Expense	(Sum of Lines 9 through 21)	614,016
23	Total Operating Income or (Loss)	(Line 8 minus Line 22)	\$ (167,772)
24	Subscription Contract Sales .....		-
25	Other Operating Revenue .....		-
26	Local Supportive Funding .....	Fire District	167,772
27	Other Non-Operating Income (Attach Schedule) .....		-
28	Other Non-Operating Expense (Attach Schedule) .....		-
29	NET INCOME or (LOSS) Before Income Taxes	(Sum of Lines 23 through 27, minus Line 28)	\$ -
<b>Provision for Income Taxes:</b>			
30	Federal Income Tax .....		-
31	State Income Tax .....		-
32	Total Income Tax	(Line 30, plus Line 31)	-
33	<b>Ambulance Service Net Income (Loss)</b>	(Line 29, minus Line 32)	<b>(167,772)</b>

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**Black Canyon Fire District  
Financial Statements  
June 30, 2015**

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**Black Canyon Fire District**  
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**June 30, 2015**

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ACCOUNTING PROFESSIONALS, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT**

To the Governing Board of the  
Black Canyon Fire District  
Black Canyon City, Arizona

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards* the financial statements of Black Canyon Fire District (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, as listed in the table of contents, which collectively comprise the District's basic financial statements and have issued our report dated December 28, 2015, wherein we noted that the District uses a special purpose framework other than generally accepted accounting principles.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Arizona Revised Statutes, Title 48 § 251.A(1), as described in Note 1, to meet the requirements of the state of Arizona. 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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Phone: (602) 903-3720 | Fax: (602) 535-3905 | [www.apcpa.net](http://www.apcpa.net)

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash-basis balance sheet of the general and capital projects funds of the District as of June 30, 2015, and the respective revenues collected, expenditures paid and changes in fund balances of the District as of June 30, 2015, in accordance with the financial reporting provisions of Arizona Revised Statutes Title 48 § 251.A(1) described in Note 1.

## Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1 to the financial statements are prepared by Black Canyon Fire District on the basis of the financial reporting provisions of Arizona Revised Statutes, Title 48 § 251.A(1), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Arizona. Our opinions are not modified with respect to this matter.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

## Restriction on Use

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

*Accounting Professional, LLC*

Phoenix, Arizona  
December 28, 2015

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**Black Canyon Fire District**  
**BALANCE SHEET - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**June 30, 2015**

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 347,726	\$ 668,893	\$ 83	\$ 1,016,702
Total assets	<u>\$ 347,726</u>	<u>\$ 668,893</u>	<u>\$ 83</u>	<u>\$ 1,016,702</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Payroll withheld in trust	\$ 403	\$ -	\$ -	\$ 403
Total liabilities	<u>403</u>	<u>-</u>	<u>-</u>	<u>403</u>
Fund balances:				
Restricted	-	-	83	83
Committed	-	668,893	-	668,893
Unassigned	<u>347,323</u>	<u>-</u>	<u>-</u>	<u>347,323</u>
Total fund balances	<u>347,323</u>	<u>668,893</u>	<u>83</u>	<u>1,016,299</u>
Total liabilities and fund balances	<u>\$ 347,726</u>	<u>\$ 668,893</u>	<u>\$ 83</u>	<u>\$ 1,016,702</u>

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

**Black Canyon Fire District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2015**

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	General Fund	Capital Projects Fund	Debt Service Fund	Total Government al Funds
<b>REVENUES</b>				
Property taxes	\$ 374,218	\$ -	\$ 51,092	\$ 425,310
Fire district assistance taxes	68,623	-	-	68,623
Intergovernmental	130,226	-	-	130,226
Charges for services	433,205	-	-	433,205
Contributions	2,462	-	-	2,462
Interest income	921	2,576	25	3,522
<b>Total revenues</b>	<b>1,009,655</b>	<b>2,576</b>	<b>51,117</b>	<b>1,063,348</b>
<b>EXPENDITURES</b>				
Current:				
Public safety, fire protection:				
Emergency services	612,138	-	-	612,138
Administrative and support services	239,810	-	-	239,810
Debt service:				
Principal	-	-	19,015	19,015
Interest	-	-	32,163	32,163
Capital outlay	145,378	-	-	145,378
<b>Total expenditures</b>	<b>997,326</b>	<b>-</b>	<b>51,178</b>	<b>1,048,504</b>
Excess (deficiency) of revenues over (under) expenditures	12,329	2,576	(61)	14,844
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfers out	(144)	(59,891)	-	(60,035)
Transfers in	59,891	-	144	60,035
Sale of capital assets	4,000	-	-	4,000
<b>Total other financing sources and uses</b>	<b>63,747</b>	<b>(59,891)</b>	<b>144</b>	<b>4,000</b>
<b>Net changes in fund balances</b>	<b>76,076</b>	<b>(57,315)</b>	<b>83</b>	<b>18,844</b>
Fund balances – beginning	271,247	726,208	-	997,455
Fund balances – ending	<u>\$ 347,323</u>	<u>\$ 668,893</u>	<u>\$ 83</u>	<u>\$ 1,016,299</u>

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

**Black Canyon Fire District**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2015**

	<u>Firefighters' Relief and Pension Fund</u>
<b>ASSETS</b>	
Cash	\$ 28,051
Total Assets	<u>\$ 28,051</u>
<b>NET POSITION</b>	
Net position held in trust for pension benefits	<u>28,051</u>
Total Liabilities and Net Position	<u>\$ 28,051</u>

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

**Black Canyon Fire District**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**Year Ended June 30, 2015**

	<u>Firefighters' Relief and Pension Fund</u>
<b>ADDITIONS</b>	
Premium tax	\$ 76
Investment earnings	<u>105</u>
Total additions	<u>181</u>
Change in net position	181
Net position - beginning	<u>27,870</u>
Net position - ending	<u>\$ 28,051</u>

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

**Black Canyon Fire District  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

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

**A. Nature of Operations and Financial Reporting Entity**

The District, established pursuant to Arizona Revised Statute Title 48, is a special purpose local government that is governed by an elected governing body, a legally separate entity, and is fiscally independent of other state and local governments. The District has no discrete or blended component units.

**B. Fund 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 reports the following major governmental funds:

*General Fund* – This fund 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.

*Capital Projects Fund* – This fund is used to account for funds received and expended for the construction of buildings and improvements as well as for the acquisition of apparatus and major equipment for use by the District.

*Debt Service Fund* – This fund is used to account for the legally restricted tax levies of the district, which are used to meet the ongoing payments of the principle and interest on the District's debt.

The District also reports a Fiduciary Fund for the *Firefighters' Relief and Pension Fund*.

**C. Modified Cash Basis of Accounting**

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, 2015. The Balance Sheet and Statement of Revenues, Expenses 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 recognizes revenues when cash is received and expenditures when cash is spent.

The major departure from accounting principles generally accepted in the United States 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 were made for payroll related 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 have determined are necessary to supplement, although not required to be part of, the basic financial statements.

Black Canyon Fire District  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

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**D. Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be 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 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. All investments are stated at fair value based on market prices. For additional information regarding cash and cash equivalents see Financial Note 2 Cash and Investments.

**E. Payroll withholdings held in trust**

Liabilities are reported for amounts withheld from employees salaries and wages, held in trust by the District. As the District has expensed all amounts related to salaries and wages payable, the District holds these monies as a fiduciary until they are remitted to the appropriate third parties.

**F. Fund Equity**

In the fund financial statements, governmental funds report fund balance as nonspendable, 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.

***Nonspendable 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.

***Assigned fund balance*** - amounts that are constrained by the District' *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.

Black Canyon Fire District  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

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**G. 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 – CASH AND INVESTMENTS**

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. The District has no investment policy that would further limit its investment choices.

**A. District's Cash and Cash Equivalents Deposits**

Arizona Revised Statutes (ARS) require all monies levied by the District to be collected and held by the County Treasurer's Office and included in the County's Local Government Investment Pool (LGIP). Monies received by the District as part of services, contributions or proceeds from the issuance of long-term debt can be deposited with the LGIP or with local financial institutions.

**Deposits.** As of June 30, 2015, the District's carrying amount of deposits with the County Treasurer's LGIP was \$930,720, and \$28,051 for the fiduciary fund. Demand and time deposits with local financial institutions totaled \$85,982. The Federal Deposit Insurance Corporation (FDIC) protects the District against loss on the first \$250,000 of demand deposits and \$250,000 of time deposits located within the state. Any remaining balance is to be covered by collateral held by the pledging financial institution's trust department in the District's name. As of June 30, 2015, none of the District's bank balance was exposed to custodial credit risk as the entire bank balance was covered by the FDIC.

**Interest Rate Risk.** *Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.*

**Credit Risk.** State law limits deposits and investments to the Arizona State Treasurer's Local Government Investment Pool (LGIP); interest bearing savings accounts, and certificates of deposit which have a maturity date of not more than one year 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.

**Custodial Credit Risk.** *Deposits.* In the case of demand and time deposits, there is the risk that in the event of a bank failure, the District's deposits may not be returned. Statutes require collateral for demand deposits, certificates of deposit, and repurchase agreements at 101 percent of all deposits not covered by federal depository insurance.

**Black Canyon Fire District  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

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**NOTE 3 – TRANSFERS AND COMMITMENTS OF FUND BALANCE**

The District has adopted a policy whereby it will transfer budgeted and/or unused appropriations to the capital projects fund to provide for planned future acquisitions of apparatus, vehicles, buildings and improvements. Such transfers are not restricted by statute and can be transferred back to the general fund upon board approved changes to the District's policies. The District transferred \$59,891 from the capital projects fund to the general fund and \$144 from the general fund to the debt service fund for the year ended June 30, 2015.

**NOTE 4 – EMPLOYEE RETIREMENT SYSTEMS AND POST EMPLOYMENT PLANS**

The District contributes to multiple plans as described below. Benefits for non-public safety personnel and for public safety personnel are established by state statutes which regulate retirement, death, long-term disability, and survivor insurance premium benefits.

**A. Volunteer Firefighter's Relief and Pension Fund**

The District is in the process of restructuring its pension fund for volunteer firefighters, which is a single employer fund that administered the District's and employees' defined contributions. There were no employee or employer contributions for the year ended June 30, 2015. As of June 30, 2015 the pension fund's only investment was cash held by the Yavapai County Treasurer's office.

**B. Arizona State Retirement System**

Plan Description: Eligible employees of the District not covered by the other pension plans described below participate in The *Arizona State Retirement System (ASRS)*. The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long term disability (OPEB) plan. The Arizona State Retirement Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at [www.azasrs.gov](http://www.azasrs.gov).

Benefits Provided: The ASRS provides retirement, health insurance premium supplement, long-term disability and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	<b>Initial Membership Date:</b>	
	<b>Before July 1, 2011</b>	<b>On or After July 1, 2011</b>
<b>Retirement and Disability</b>		
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* any years age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

\*With actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic

**Black Canyon Fire District  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013 are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions: In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2015, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.6 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.6 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the members' annual covered payroll.

The District's contributions to ASRS for the years ended June 30, 2015, 2014 and 2013 were \$9,780, \$6,847, and \$9,634, respectively, which were equal to the required contributions for the years then ended. During fiscal year 2015 100% of all contributions were paid from the General Fund.

Actuarial assumptions: The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 30, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3% - 6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

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Pension liability: At June 30, 2015 the District reported a liability of \$97,218 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014 was 0.000657%.

**C. Public Safety Personnel Retirement System**

Plan Description: The *Public Safety Personnel Retirement System* (PSPRS) is an agent multiple-employer defined benefit pension plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or one of its 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 govern the PSPRS, according to the provisions of ARS Title 38, Chapter 5, Article 4. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for PSPRS. The reports are available on the PSPRS website at [www.psprs.com](http://www.psprs.com).

**Black Canyon Fire District  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

Contributions from Other Entities: Proceeds from the annual tax collected by the State of Arizona on fire insurance premiums are contributed to PSPRS and reallocated to participants based on actuarial estimates. For the year ended June 30, 2015, the amount credited to the District's plan and included in the pension cost as described below, totaled \$3,771.

Benefits Provided: The *Public Safety Personnel Retirement System* also provides retirement, health insurance premium supplement, disability and survivor benefits. State statute establishes benefit terms. Retirement, disability and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows.

<b>Retirement and Disability</b>	<b>Initial Membership Date:</b>	
	<b>Before January 1, 2012</b>	<b>On or After January 1, 2012</b>
Years of service and age required to receive benefit	20 years any age 15 years age 62	25 years age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 months of last 20 years.
<b>Benefit percent</b>		
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	2.5 % per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months, then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with of actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
<b>Survivor Benefit</b>		
Retired Members	80% to 100% of retired member's pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earnings. PSPRS also provides temporary disability benefits of fifty percent (50%) of the member's compensation up to twelve (12) months.

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**Black Canyon Fire District**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

Employees covered by benefit terms: At June 30, 2015, the following employees were covered by the agent pension plans' benefit terms:

Active employees	7	<div style="font-size: 2em; font-weight: bold; margin-bottom: 5px;">RECEIVED</div> <div style="font-size: 1.2em; margin-bottom: 5px;">DEC 31 2015</div> <div style="font-weight: bold;">BEMSTS-CON &amp; RATES</div>
Retirees & Beneficiaries	0	
DROP	0	
Terminated	3	
Total	10	

Contributions and annual OPEB cost: State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS and health insurance premium benefits. The combined active member and employee contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2015 are indicated below. Rates are a percentage of active members' annual covered payroll:

**Contribution Rates**

Active members - Pension	11.05 %
District - Pension	10.38 %
District - Health insurance premium benefit	00.25 %

For this agent plan, the District's contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2015 were:

**Pension**

Contributions made	\$	30,544
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**Health Insurance Premium Benefit**

Annual OPEB cost Contributions made	\$	-
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During the year ended June 30, 2015 the District paid all PSPRS pension and OPEB contributions from the General Fund.

Pension asset: At June 30, 2015, the District had a net pension asset of \$118,691. The net pension asset was measured as of June 30, 2014, and the formula used to calculate the net pension asset was determined by an actuarial valuation as of that date. The total pension asset as of June 30, 2014, reflects the following changes of benefit terms and actuarial assumptions:

- In February 2014, the Arizona Supreme Court affirmed a Superior Court ruling that a 2011 law that changed the mechanism for funding permanent benefit increases was unconstitutional. As a result, the plans changed benefit terms to reflect the prior mechanism for funding permanent benefit increases and revised actuarial assumptions to explicitly value future permanent benefit increases.
- The wage growth actuarial assumption was decreased from 4.5 percent to 4.0 percent.

**Black Canyon Fire District  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**Pension actuarial assumptions** — The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Discount rate	7.85%
Projected salary increases	4.0% - 8.0%
Inflation	4.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table (Adjusted by 105% for both males and females)

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.85% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

Pension discount rate: The District's PSPRS plan utilized a discount rate of 7.85%

The projection of cash flows used to determine the PSPRS discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension plan fiduciary net position: Detailed information about the pension plans' fiduciary net position is available in the separately issued PSPRS financial reports.

Pension expense: For the year ended June 30, 2015, the District's PSPRS pension expense was \$30,544.

Pension three year trend information: The information for the agent plan was obtained from the three most recent actuarial valuations.

Year ended June 30,	ARC	Percentage of ARC Contributed	Net pension Obligation
2015	\$ 37,813	100%	\$ -
2014	46,036	100%	-
2013	48,428	100%	-

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Pension funding status: The information for the analysis of funding progress was obtained from the three most recent actuarial valuations.

Valuation date June 30,	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (Excess)	Funded Ratio	Annual Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
2015	\$ 836,476	\$ 672,822	\$ (163,654)	124 %	\$ 318,336	- %
2014	777,349	647,879	(129,470)	120 %	320,166	- %
2013	730,939	607,262	(123,677)	120 %	356,606	- %

**Agent plan OPEB actuarial assumptions** — The health insurance premium benefit contribution requirements for the year ended June 30, 2015, were established by the June 30, 2013, actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the reported amounts' value and assumptions about the probability of events in the future. Amounts determined regarding the plans' funded status and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress for the health insurance premium benefit presented as required supplementary information provides multiyear trend information that shows 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 the District and plans' members understand them 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 designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The following actuarial methods and assumptions were used to establish the fiscal year 2015 contribution requirements:

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Agent plan OPEB contribution requirements:

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 20% corridor
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.85% - 8.5%
Wage growth	4.5%

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Agent plan OPEB trend information: Annual OPEB cost information for the health insurance premium benefit for the current and 2 preceding years follows for each of the agent plans:

Year ended June 30,	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
2015	\$ 3,583	100%	\$ -
2014	3,584	100%	-
2013	3,528	100%	-

Agent plan OPEB funded status: The health insurance premium benefit plans' funded status as of the most recent valuation date, June 30, 2015, are as follows:

Valuation date June 30,	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (AL)	Funded Ratio	Annual Covered Payroll	AL as % of Covered Payroll
2015	\$ 38,670	\$ 29,645	\$ (9,025)	130 %	\$ 318,336	(3) %
2014	34,132	26,596	\$ (7,536)	128 %	320,166	(2) %
2013	-	26,501	26,501	- %	356,606	7 %

Agent plan OPEB assumptions used in funded status calculation:

The actuarial methods and assumptions used for the PSPRS health insurance premium benefit plans, based on the most recent valuation date, are as follows:

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfounded actuarial accrued liability, open for excess
Remaining amortization period	23 years for unfounded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 20% corridor
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.85% - 8.5%
Wage growth	4.5%

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**Black Canyon Fire District**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

**A. 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.

**B. 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 6 – SUBSEQUENT EVENTS**

The District has evaluated subsequent events through the date of issuance, December 28, 2015.

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**Black Canyon Fire District**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS***

**June 30, 2015**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Governing Board of the  
Black Canyon Fire District  
Black Canyon City, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Black Canyon Fire District (the District), which comprise the Balance Sheet as of June 30, 2015, and the related Statement of Revenues, Expenditures and Changes in Fund Balances for the year then ended, and the related notes to financial statements, and have issued our report thereon dated December 28, 2015, wherein we noted that the District uses a special purpose framework other than generally accepted accounting principles.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements, will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention to those charged with governance.

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

#### **COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether Black Canyon Fire District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **PURPOSE OF THIS REPORT**

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

*Accounting Professional, LLC*

Phoenix, Arizona  
December 28, 2015

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**Black Canyon Fire District**

**INDEPENDENT AUDITOR'S COMMUNICATION TO  
THOSE CHARGED WITH GOVERNANCE**

**June 30, 2015**

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**INDEPENDENT AUDITOR'S COMMUNICATION TO  
THOSE CHARGED WITH GOVERNANCE**

To the Governing Board of the  
Black Canyon Fire District  
Black Canyon City, Arizona

We have audited the basic financial statements of Black Canyon Fire District (the District) as of and for the year ended June 30, 2015, and have issued our report thereon dated December 28, 2015, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. Professional standards require that we advise you of the following matters relating to our audit.

**OUR RESPONSIBILITIES UNDER GENERALLY ACCEPTED AUDITING STANDARDS**

As communicated in our engagement letter dated May 21, 2015, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with the reporting requirements as prescribed by the State of Arizona, and when applicable, *Government Auditing Standards*. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you. Any communication of significant matters is included in the report described in the following paragraph.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2015 on our consideration of the District's internal control over financial reporting and on our tests of compliance and other matters.

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## **OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS**

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the District's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, as we are not aware of any other documents containing the District's audited financial statements, we have not performed any additional procedures in accordance with such standards.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

## **PLANNED SCOPE AND TIMING OF THE AUDIT**

We conducted our audit consistent with the planned scope and timing we previously communicated to you in our engagement letter.

## **COMPLIANCE WITH ALL ETHICS REQUIREMENTS REGARDING INDEPENDENCE**

The engagement team, others in our firm, as appropriate, our firm and any related firms have completed with all relevant ethical requirements regarding independence. As part of our nonattest services related to preparing the financial statements, management was responsible for validating the completeness and accuracy of the financial statements, and all entries to present the financial statements using a special purpose framework other than generally accepted accounting principles. Management performed their responsibility accordingly and approved the financial statements on December 28, 2015.

## **QUALITATIVE ASPECTS OF THE ENTITY'S SIGNIFICANT ACCOUNTING PRACTICES**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no changes in significant accounting policies or their application during the year ended June 30, 2015. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments. However, as the financial statements were prepared on the modified cash basis, which is sufficient to meet the reporting requirement of the State of Arizona, no such estimates were needed.

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*Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

- Cash and Investments, and
- Post Employment Retirement Plans

*Significant Difficulties Encountered during the Audit*

We encountered no significant difficulties in dealing with management relating to the performance of the audit. However, while the District is a governmental entity, which utilizes fund accounting for external financial reporting, internal accounting records are not maintained by individual funds. The District currently has three major governmental funds, the General Fund, the Capital Projects Fund, and the Debt Service Fund. The governmental funds are maintained in three general ledger systems independent of each other.

**Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. However, we did not identify any uncorrected misstatements.

**Disagreement with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

**Representations Requested from Management**

We have requested certain written representations from management, which were included in the letter from management on or before December 28, 2015.

**Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing, accounting and financial reporting matters. Based on management's representations, and consistent with our understanding of the District's activities, there were consultations with H & S Accounting, LLC regarding auditing, accounting and financial reporting matters.

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**Other Significant Findings or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the District, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

**Restriction on Use**

This report is intended solely for the information and use of the Board of Directors, Management, Yavapai County and the State of Arizona and is and is not intended to be, and should not be, used by anyone other than these specified parties.

*Accounting Professionals, LLC*

Phoenix, Arizona  
December 28, 2015

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**INDEPENDENT ACCOUNTANTS' REPORT  
ON COMPLIANCE WITH SPECIFIED REQUIREMENTS  
APPLICABLE TO ARIZONA FIRE DISTRICTS AS REQUIRED  
UNDER ARIZONA REVISED STATUTE TITLE 48 § 805.02(G)**

To the Governing Board of the  
Black Canyon Fire District  
Black Canyon City, Arizona

Arizona Revised Statute, Title 48 § 805.02 relates to the budgetary and financial requirements for fire districts. This statute concerns the specific compliance requirements regarding budget adoption, issuance of warrants, expenditure limitation, line of credit, and debt and liability limits. The governing board and management are responsible for the District's compliance with such requirements.

Our responsibility, under A.R.S. § 805.02(G), is to attest to the District's compliance based on our examination. Accordingly, we have examined management's assertions included in its representation letter dated December 28, 2015, that Black Canyon Fire District (the District) complied with those requirements. The following is our opinion, based on the relevant attestation standards, as to the Districts' compliance.

**Opinion, Compliance and Other Matters**

Our examination was made in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States of America, attestation standards established by the American Institute of Certified Public Accountants, and Arizona Revised Statute, Title 48 § 805.02(G). Such standards require the examination of evidence concerning the District's compliance with the aforementioned requirements, on a test basis. Additionally, our examination and performing such other procedures as we considered necessary in the circumstances, so that our examination provides a reasonable basis for our opinion.

Our opinion does not provide a legal determination of the District's compliance with the specified requirements.

It is our opinion that Black Canyon Fire District complied, in all material aspects, with the aforementioned requirements for the year ended June 30, 2015.

**Purpose of this Report**

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

*Accounting Professionals, LLC*

Phoenix, Arizona  
December 28, 2015

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