

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

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

**Colorado City Fire District**

Reporting Ambulance Service

Address: 40 South Pioneer Street

City: Colorado City Zip: 86021

**Report Fiscal Year**

From: July 01 2013 To: June 30 2014  
Mo. Day Year Mo. Day Year

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

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

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

Authorized Signature:  Date: January 27, 2015

Print Name and Title: Edwin Barlow, Business Manager

Phone: (928) 875-2400

Mail to:  
Department of Health Services  
Bureau of Emergency Medical Services  
Certificate of Necessity and Rates Section  
150 North 18th Avenue, Suite 540  
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# AMBULANCE REVENUE AND COST REPORT

## FIRE DISTRICT and SMALL RURAL COMPANY

**AMBULANCE SERVICE ENTITY:**

Colorado City Fire District

**FOR THE PERIOD**

**FROM:** July 1, 2013

**TO:** June 30, 2014

**STATISTICAL SUPPORT DATA**

Line No.	<u>DESCRIPTION</u>	(1) SUBSCRIPTION SERVICE  TRANSPORTS	*(2) TRANSPORTS UNDER  CONTRACT	(3) TRANSPORTS NOT UNDER  CONTRACT	(4)   2013-2014 TOTALS
1	Number of ALS Billable Transports:	-		292	292
2	Number of BLS Billable Transports:	-		541	541
3	Number of Loaded Billable Miles:	-		27,182	27,182
4	Waiting Time (Hr. & Min.):	-			-
5	Canceled (Non-Billable) Runs:	-	-	-	-

**AMBULANCE SERVICE ROUTINE OPERATING REVENUE**

6	ALS Base Rate Revenue				\$ 334,016
7	BLS Base Rate Revenue				579,060
8	Mileage Charge Revenue				501,669
9	Waiting Charge Revenue				-
10	Medical Supplies Charge Revenue				19,920
11	Nurses Charge Revenue				-
12	Standby Charge Revenue (Attach Schedule)				-
13	<b>TOTAL AMBULANCE SERVICE ROUTINE OPERATING REVENUE</b>			(Post to Page 3, Line 1)	<b>\$ 1,434,665</b>

**SALARY AND WAGE EXPENSE DETAIL**

**GROSS WAGES:**

		\$	** No. of FTE's
14	Management	73,399	2.0
15	Paramedics and IEMTs	11,881	0.1
16	Emergency Medical Technician (EMT)	12,189	0.2
17	Other Personnel	161,065	3.9
18	Payroll Taxes and Fringe Benefits - All Personnel	76,596	
19	<b>Total Wages, Taxes &amp; Benefits</b> (Sum Lines 14 through 18; Post to Page 3, Line 10)	<b>\$ 335,129</b>	<b>6</b>

\* This column reports only those runs where a contracted discount rate was applied.

\*\* Full-time equivalents (F.T.E.) is the sum of all hours for which employees wages were paid during the year divided by 2080.

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

**AMBULANCE SERVICE ENTITY:**

Colorado City Fire District

**FOR THE PERIOD**

**FROM:** July 1, 2013

**TO:** June 30, 2014

**SCHEDULE OF REVENUES AND EXPENSES**

Line		2013-2014 TOTALS
<u>No.</u>	<u>DESCRIPTION</u>	
<b>Operating Revenues:</b>		
1	Total Ambulance Service Operating Revenue (From: Page 2, Line 13)	\$ 1,434,665
<u>Settlement Amounts:</u>		
2	AHCCCS .....	267,914
3	Medicare .....	47,506
4	Subscription Service .....	-
5	Contractual .....	-
6	Other Utah Medicaid, Private Insurance.....	11,076
7	Total (Sum of Lines 2 through 6)	326,496
8	Total Operating Revenue (Line 1 minus Line 7)	\$ 1,108,169
<b>Operating Expenses:</b>		
9	Bad Debt .....	\$ 450,636
10	Total Salaries, Wages, and Employee-Related Expenses (From: Page 2, Line 19) .....	335,129
11	Professional Services .....	84,235
12	Travel and Entertainment .....	10,150
13	Other General Administrative .....	20,743
14	Depreciation .....	51,428
15	Rent / Leasing .....	91,950
16	Building / Station .....	25,999
17	Vehicle Expense .....	53,472
18	Other Operating Expense .....	172,481
19	Cost of Medical Supplies Charged to Patients .....	6,973
20	Interest .....	13,352
21	Subscription Service Sales Expense .....	-
22	Total Operating Expense (Sum of Lines 9 through 21)	1,316,548
23	Total Operating Income or (Loss) (Line 8 minus Line 22)	\$ (208,379)
24	Subscription Contract Sales .....	-
25	Other Operating Revenue Fire District Levy 25% of \$417,525 .....	104,381
26	Local Supportive Funding .....	-
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)	\$ (103,998)
<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>(103,998)</b>

# AMBULANCE REVENUE AND COST REPORT

## FIRE DISTRICT and SMALL RURAL COMPANY

**AMBULANCE SERVICE ENTITY:** \_\_\_\_\_ Colorado City Fire District

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

**BALANCE SHEET**                                      See Attached Audited Financial Statement

**ASSETS**

CURRENT ASSETS

1	Cash .....	\$ _____	
2	Accounts Receivable .....	_____	
3	Less: Allowance for Doubtful Accounts .....	_____	
4	Inventory .....	_____	
5	Prepaid Exper .....	_____	
6	Other Current Assets .....	_____	
7	<b>TOTAL CURRENT ASSETS</b>		<b>\$ _____</b>
9	<b>PROPERTY &amp; EQUIPMENT</b> .....		_____
10	Less: Accumulated Depreciation .....		_____
11	<b>OTHER NON CURRENT ASSETS</b>		_____
12	<b>TOTAL ASSETS</b>		<b>\$ _____</b>

**LIABILITIES & EQUITY**

CURRENT LIABILITIES

13	Accounts Payable .....	\$ _____	
14	Current Portion of Notes Payable .....	_____	
15	Current Portion of Long-Term Debt .....	_____	
16	Deferred Subscription Income .....	_____	
17	Accrued Expenses and Other .....	_____	
18	_____	_____	
19	_____	_____	
20	<b>TOTAL CURRENT LIABILITIES</b>		<b>\$ _____</b>
21	<b>NOTES PAYABLE</b> .....		_____
22	<b>LONG-TERM DEBT, OTHER</b> .....		_____
23	<b>TOTAL LONG-TERM DEBT</b>		_____

EQUITY & OTHER CREDITS

Paid-In Capital:

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

# AMBULANCE REVENUE AND COST REPORT

**AMBULANCE SERVICE ENTITY:** Colorado City Fire District

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

**STATEMENT OF CASH FLOWS** See Attached Audited Financial Statement

<b>OPERATING ACTIVITIES:</b>		
1	Net (loss) Income .....	\$ _____
	<i>Adjustments to Reconcile Net Income to Net Cash</i>	
	<u>Provided by Operating Activities:</u> Note: a increase in these accounts improves cash flow	
2	Depreciation Expense .....	_____
3	Deferred Income Tax .....	_____
4	Loss (gain) on Disposal of Property & Equipment .....	_____
	<u>(Increase) Decrease in:</u> Note: a decrease in these accounts improves cash flow	
5	Accounts Receivable .....	_____
6	Inventories .....	_____
7	Prepaid Expenses .....	_____
	<u>Increase (Decrease) in:</u> Note: a increase in these accounts improves cash flow	
8	Accounts Payable .....	_____
9	Accrued Expenses .....	_____
10	Deferred Subscription Income .....	_____
11	NET CASH PROVIDED (Used) BY OPERATING ACTIVITIES	\$ _____
<b>INVESTING ACTIVITIES:</b>		
12	Purchases of Property & Equipment .....	_____
13	Proceeds from Disposal of Property & Equipment .....	_____
14	Purchases of Investments .....	_____
15	Proceeds from Disposal of Investments .....	_____
16	Loans Made .....	_____
17	Collections on Loans .....	_____
18	Other .....	_____
19	NET CASH PROVIDED (Used) BY INVESTING ACTIVITIES	_____
<b>FINANCING ACTIVITIES:</b>		
	<u>New Borrowings:</u>	
20	Long-Term .....	_____
21	Short-Term .....	_____
	<u>Debt Reduction:</u>	
22	Long-Term .....	_____
23	Short-Term .....	_____
24	Capital Contributions .....	_____
25	Dividends Paid .....	\$ _____
26	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	_____
<b>SUPPLEMENTAL DISCLOSURES:</b>		
	<u>Non-cash Investing and Financing Transactions:</u>	
30	.....	_____
31	.....	_____
32	.....	_____
33	Interest Paid (Net of Amounts Capitalized)	_____
34	Income Taxes Paid .....	\$ _____

**COLORADO CITY FIRE DISTRICT**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**COLORADO CITY FIRE DISTRICT**

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## Independent Auditor's Report

Members of the Board  
Colorado City Fire District  
Colorado City, Arizona

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Colorado City Fire District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund, and the aggregate remaining fund information of Colorado City Fire District as of June 30, 2014, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3–7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2015, on our consideration of Colorado City 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 Colorado City Fire District's internal control over financial reporting and compliance.

  
HintonBurdick, PLLC  
St. George, Utah  
January 12, 2015

# Colorado City Fire District

P.O. Box 248 \* 40 South Pioneer Street \* Colorado City, AZ 86021

928-875-2400 \* Fax: 928-875-2056

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of Colorado City Fire District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2014. Please read it in conjunction with the accompanying basic financial statements.

### **FINANCIAL HIGHLIGHTS**

- Total assets exceed total liabilities (net position) by \$1,027,805 at the close of the fiscal year.
- Total net position decreased by \$131,942.
- Total revenues from all sources were \$1,461,407 and the total cost of all District programs was \$1,593,349.
- The District received federal and state grant funds of \$72,805.
- Total revenue received in the General Fund was \$961,613 less than the final budget and expenditures were \$1,145,329 less than the final budget.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$168,268, which is a decrease from the prior year of \$22,986.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The three components of the financial statements are: (1) Government-wide financial statements which include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the District as a whole. (2) Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements. (3) Notes to the financial statements.

### **Reporting the District as a Whole**

#### **The Statement of Net Position and the Statement of Activities (Government-wide)**

A frequently asked question regarding the District's financial health is whether the year's activities contributed positively to the overall financial well-being. The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes therein. Net position, the difference between assets and liabilities, is one way to measure the District's financial health, or financial position. Over time, increases or decreases in net position is an indicator of whether the financial health is improving or deteriorating. However, it is important to consider other non-financial factors such as changes in the District's property tax base or jurisdiction, the availability of capital projects, and condition of the District's assets to accurately assess the overall health of the District.

The Statement of Net Position and the Statement of Activities, present information about the following:

- Government activities – All of the District’s basic services are considered to be governmental activities, including public safety and interest on long-term debt. Property taxes, intergovernmental revenues and charges for services finance most of these activities.
- Proprietary activities/Business type activities – The District currently does not maintain any proprietary activities; all activities are accounted for as governmental activities.

## Reporting the District’s Most Significant Funds

### Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the District as a whole. The District’s major fund uses the accounting approaches as explained below.

- Governmental funds – All of the District’s basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District’s general government operations and the basic services it provides. Government fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation included with the Basic Financial Statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District’s financial position. The District’s combined assets exceed liabilities by \$1,027,805 as of June 30, 2014 as shown on the following condensed statement of net position.

### Statement of Net Position

	<u>6/30/2014</u>	<u>6/30/2013</u>
Current and other assets	\$ 402,065	\$ 359,831
Capital assets	913,177	1,018,467
Total assets	<u>1,315,242</u>	<u>1,378,298</u>
Long-term obligations	45,956	88,292
Other liabilities	241,481	130,259
Total liabilities	<u>287,437</u>	<u>218,551</u>
Net position:		
Net investment in capital assets	831,393	896,157
Unrestricted	196,412	263,590
Total net position	<u><u>\$ 1,027,805</u></u>	<u><u>\$ 1,159,747</u></u>

## Governmental Activities

The cost of all governmental activities this year was \$1,593,349. \$834,967 of this cost was paid for by those who benefited from the programs and \$193,564 was subsidized by grants received from other governmental organizations for operating and capital activities. General taxes, interest earnings and other general revenues totaled \$429,564.

The District's only program is public safety. The program's net cost (total cost less revenues generated by the activities) is presented below. The net cost shows the extent to which the District's general taxes support the District's program.

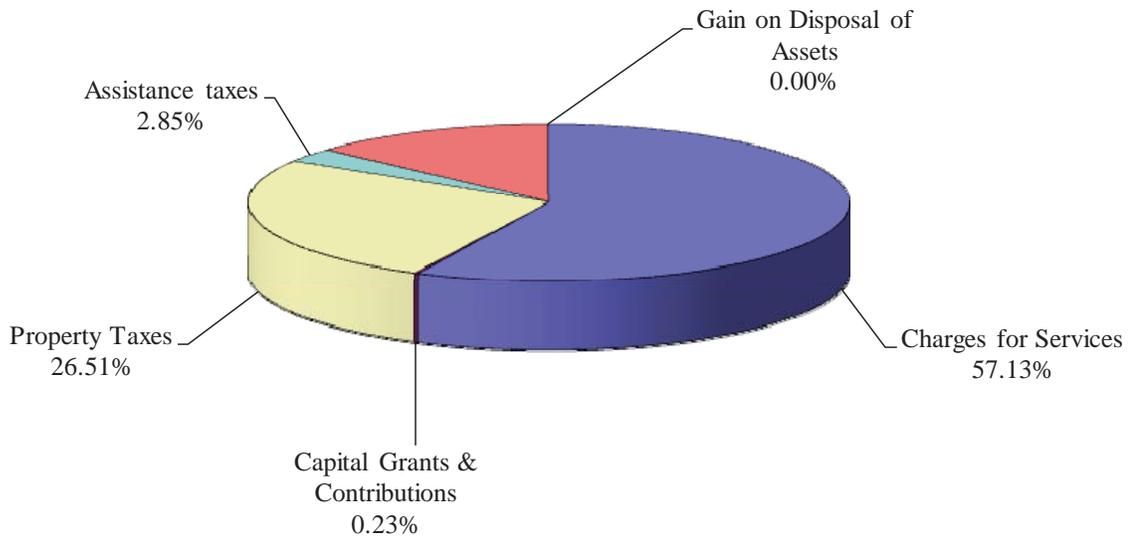
### Changes in Net Position

	<u>6/30/2014</u>	<u>6/30/2013</u>
Revenues:		
Program revenues:		
Charges for services	\$ 834,967	\$ 820,786
Capital grants and contributions	3,312	9,368
Operating grants and contributions	193,564	109,249
General revenues:		
Property taxes	387,441	650,615
Assistance taxes	41,651	45,722
Unrestricted investment earnings	472	197
Total revenues	<u>1,461,407</u>	<u>1,635,937</u>
Expenses:		
Public safety	1,588,660	1,329,544
Interest on long-term debt	4,689	6,929
Total expenses	<u>1,593,349</u>	<u>1,336,473</u>
Change in net position	(131,942)	299,464
Net position, beginning	<u>1,159,747</u>	<u>860,283</u>
Net position, ending	<u><u>\$ 1,027,805</u></u>	<u><u>\$ 1,159,747</u></u>

Total resources available during the year to finance governmental operations were \$2,621,154 consisting of net position at July 1, 2013 of \$1,159,747, program revenues of \$1,031,843 and general revenues of \$429,564. The total cost of governmental activities during the year was \$1,593,349; thus, governmental net position decreased by \$131,942 to \$1,027,805.

The following graph provides a breakdown of revenues by source for all government activities.

Revenue By Source - Governmental Activities



### General Fund Budgetary Highlights

The final appropriations for the General Fund at year-end were \$1,145,329 more than actual expenditures. Actual revenues were less than the final budget by \$961,613. The budget variances are primarily due to certain budgeted grants not being awarded to the District. Budget amendments, adjusting line items, were not made during the year after the adoption of the original budget to prevent budget overruns.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

The capital assets of the District are those assets that are used in performance of district functions. Capital assets include land, buildings, equipment, and emergency vehicles. At the end of fiscal year 2014, net capital assets of the government activities totaled \$913,177. Depreciation on capital assets is recognized in the government-wide financial statements (see Note 5 to the financial statements).

#### Debt

At fiscal year-end the District had \$81,784 in governmental-type debt, part of which is secured by capital assets of the District (see Notes 6 and 7 to the financial statements for further details).

## **NEXT YEAR'S BUDGET AND ECONOMIC FACTORS**

In considering the District's budget for fiscal year 2015, the District board and management estimated the budget for operating revenues and expenditures to be similar to fiscal year 2014.

## **ADDITIONAL CLARIFICATION**

The financial statements and analysis presented reflect the District's interlocal cooperation agreement with Hildale City Fire Department. The agreement promotes the best interest of public safety within the communities that the District serves.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kevin Barlow, Chief of the Colorado City Fire District at P.O. Box 248, Colorado City, AZ 86021 or call 928-875-2400.

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**BASIC FINANCIAL STATEMENTS**

**COLORADO CITY FIRE DISTRICT**  
**Statement of Net Position**  
**June 30, 2014**

---

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 108,816
Receivables	265,325
Prepaid expenses	7,451
Inventory	20,473
Capital assets (net of accumulated depreciation)	
Land	5,000
Buildings and improvements	57,393
Equipment	49,628
Vehicles and transportation	801,156
Total assets	1,315,242
<b>Liabilities</b>	
Accounts payable and other current liabilities	190,873
Accrued interest payable	3,399
Noncurrent liabilities:	
Due within one year	47,209
Due in more than one year	45,956
Total liabilities	287,437
<b>Net Position</b>	
Net investment in capital assets	831,393
Unrestricted	196,412
Total net position	\$ 1,027,805

The accompanying notes are an integral part of the financial statements.

**COLORADO CITY FIRE DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2014**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants &amp;</u>	<u>Grants &amp;</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Total</u>
					<u>Governmental</u>
					<u>Activities</u>
Governmental activities:					
Public safety	\$ 1,588,660	\$ 834,967	\$ 193,564	\$ 3,312	\$ (556,817)
Interest on long-term debt	4,689	-	-	-	(4,689)
Total governmental activities	<u>\$ 1,593,349</u>	<u>\$ 834,967</u>	<u>\$ 193,564</u>	<u>\$ 3,312</u>	<u>(561,506)</u>
General revenues:					
Taxes:					
Property taxes					387,441
Assistance taxes					41,651
Unrestricted interest earnings					472
Total general revenues					<u>429,564</u>
Change in net position					(131,942)
Net position - beginning					<u>1,159,747</u>
Net position - ending					<u>\$ 1,027,805</u>

The accompanying notes are an integral part of the financial statements.

**COLORADO CITY FIRE DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2014**

	<b>General Fund</b>	<b>Total Governmental Funds</b>																								
<b>Assets</b>																										
Cash and cash equivalents	\$ 108,816	\$ 108,816																								
Accounts receivable	203,005	203,005																								
Due from other governments	62,320	62,320																								
Prepaid expenses	7,451	7,451																								
Inventory	20,473	20,473																								
Total assets	\$ 402,065	\$ 402,065																								
<b>Liabilities and Fund Balance</b>																										
<b>Liabilities</b>																										
Accounts payable	\$ 169,721	\$ 169,721																								
Accrued payroll and related liabilities	21,152	21,152																								
Total liabilities	190,873	190,873																								
<b>Fund balance</b>																										
Nonspendable																										
Prepaid expenses	7,451	7,451																								
Inventory	20,473	20,473																								
Committed for capital project reserve	15,000	15,000																								
Unassigned	168,268	168,268																								
Total fund balance	211,192	211,192																								
Total liabilities and fund balance	\$ 402,065																									
<p>Amounts reported for governmental activities in the statement of net position are different because:</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Capital assets</td> <td style="text-align: right;">\$ 2,419,556</td> <td></td> </tr> <tr> <td>Accumulated depreciation</td> <td style="text-align: right;">(1,506,379)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Net adjustment</td> <td></td> <td style="text-align: right;">913,177</td> </tr> </table> <p>Some liabilities, including bonds payable and capital leases, are not due and payable in the current period and therefore are not reported in the funds.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Capital leases</td> <td style="text-align: right;">(81,784)</td> <td></td> </tr> <tr> <td>Compensated absences</td> <td style="text-align: right;">(11,381)</td> <td></td> </tr> <tr> <td>Accrued interest payable</td> <td style="text-align: right;">(3,399)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Net adjustment</td> <td></td> <td style="text-align: right;">(96,564)</td> </tr> </table> <p>Net position of governmental activities</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 1,027,805</td> <td></td> </tr> </table>			Capital assets	\$ 2,419,556		Accumulated depreciation	(1,506,379)		Net adjustment		913,177	Capital leases	(81,784)		Compensated absences	(11,381)		Accrued interest payable	(3,399)		Net adjustment		(96,564)		\$ 1,027,805	
Capital assets	\$ 2,419,556																									
Accumulated depreciation	(1,506,379)																									
Net adjustment		913,177																								
Capital leases	(81,784)																									
Compensated absences	(11,381)																									
Accrued interest payable	(3,399)																									
Net adjustment		(96,564)																								
	\$ 1,027,805																									

The accompanying notes are an integral part of the financial statements.

**COLORADO CITY FIRE DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2014**

	<u>General Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>		
Property taxes	\$ 385,797	\$ 385,797
Assistance taxes	41,651	41,651
Charges and agreements	959,037	959,037
Miscellaneous	1,645	1,645
State and federal grants	72,805	72,805
Interest income	472	472
Total revenues	<u>1,461,407</u>	<u>1,461,407</u>
<b>Expenditures</b>		
Administration		
Salaries and wages	246,017	246,017
Services, supplies and other	112,268	112,268
Total administration	<u>358,285</u>	<u>358,285</u>
Dispatch		
Services, supplies and other	99,108	99,108
Total dispatch	<u>99,108</u>	<u>99,108</u>
Maintenance		
Salaries and wages	102,074	102,074
Services, supplies and other	84,689	84,689
Total maintenance	<u>186,763</u>	<u>186,763</u>
Training and prevention		
Salaries and wages	103,175	103,175
Services, supplies and other	138,775	138,775
Total training and prevention	<u>241,950</u>	<u>241,950</u>
Operations		
Salaries and wages	54,349	54,349
Services, supplies and other	535,767	535,767
Total operations	<u>590,116</u>	<u>590,116</u>
Capital outlay	5,910	5,910
Debt service - principal	40,526	40,526
Debt service - interest	6,263	6,263
Total expenditures	<u>1,528,921</u>	<u>1,528,921</u>
Excess revenues over (under) expenditures	(67,514)	(67,514)
Fund balance, beginning of year	278,706	278,706
<b>Fund balance, end of year</b>	<u><u>\$ 211,192</u></u>	<u><u>\$ 211,192</u></u>

The accompanying notes are an integral part of the financial statements.

**COLORADO CITY FIRE DISTRICT**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balance of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended June 30, 2014**

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

Net change in fund balance - total governmental funds		\$ (67,514)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$ -	
Depreciation expense	<u>(105,290)</u>	
Net adjustment		(105,290)
The issuance of long-term debt (i.e. leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Capital lease principal repayments	<u>40,526</u>	
Net adjustment		40,526
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences	(1,238)	
Accrued interest	<u>1,574</u>	
Net adjustment		336
Change in net position of governmental activities		<u><u>\$ (131,942)</u></u>

The accompanying notes are an integral part of the financial statements.

**COLORADO CITY FIRE DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund – Budget and Actual**  
**For the Year Ended June 30, 2014**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 667,525	\$ 667,525	\$ 385,797	\$ (281,728)
Assistance taxes	44,375	44,375	41,651	(2,724)
Charges and agreements	1,161,620	1,161,620	959,037	(202,583)
Miscellaneous	5,000	5,000	1,645	(3,355)
State and federal grants	544,000	544,000	72,805	(471,195)
Interest income	500	500	472	(28)
Total revenues	<u>2,423,020</u>	<u>2,423,020</u>	<u>1,461,407</u>	<u>(961,613)</u>
<b>Expenditures</b>				
Administration				
Salaries and wages	255,665	255,665	246,017	9,648
Services, supplies and other	164,400	164,400	112,268	52,132
Total administration	<u>420,065</u>	<u>420,065</u>	<u>358,285</u>	<u>61,780</u>
Dispatch				
Services, supplies and other	99,110	99,110	99,108	2
Total dispatch	<u>99,110</u>	<u>99,110</u>	<u>99,108</u>	<u>2</u>
Maintenance				
Salaries and wages	115,520	115,520	102,074	13,446
Services, supplies and other	80,400	80,400	84,689	(4,289)
Total maintenance	<u>195,920</u>	<u>195,920</u>	<u>186,763</u>	<u>9,157</u>
Training and prevention				
Salaries and wages	140,255	140,255	103,175	37,080
Services, supplies and other	68,250	68,250	138,775	(70,525)
Total training and prevention	<u>208,505</u>	<u>208,505</u>	<u>241,950</u>	<u>(33,445)</u>
Operations				
Salaries and wages	28,285	28,285	54,349	(26,064)
Services, supplies and other	1,135,600	1,135,600	535,767	599,833
Total operations	<u>1,163,885</u>	<u>1,163,885</u>	<u>590,116</u>	<u>573,769</u>
Capital outlay	537,170	537,170	5,910	531,260
Debt service - principal	40,575	40,575	40,526	49
Debt service - interest	9,020	9,020	6,263	2,757
Total expenditures	<u>2,674,250</u>	<u>2,674,250</u>	<u>1,528,921</u>	<u>1,145,329</u>
Excess revenue over (under) expenditures	(251,230)	(251,230)	(67,514)	183,716
Fund balance, beginning of year	278,706	278,706	278,706	-
Fund balance, end of year	<u>\$ 27,476</u>	<u>\$ 27,476</u>	<u>\$ 211,192</u>	<u>\$ 183,716</u>

The accompanying notes are an integral part of the financial statements.

**COLORADO CITY FIRE DISTRICT**  
**Statement of Fiduciary Net Position**  
**Pension Trust Fund**  
**June 30, 2014**

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	<b>Volunteer Firefighters' Relief and Pension</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 201,900
Receivables	3,308
Total assets	<u>\$ 205,208</u>
<b>Net Position</b>	
Held in trust for pension benefits and other purposes	<u>\$ 205,208</u>

The accompanying notes are an integral part of the financial statements.

**COLORADO CITY FIRE DISTRICT**  
**Statement of Changes in Fiduciary Net Position**  
**Pension Trust Fund**  
**For the Year Ended June 30, 2014**

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	<b>Volunteer Firefighters' Relief and Pension</b>
<b>Additions</b>	
Contributions	
Premium tax	\$ 5,292
Employer and plan members	42,978
Total contributions	<u>48,270</u>
Investment earnings	
Interest income	1,203
Total interest earnings	<u>1,203</u>
Total additions	<u>49,473</u>
<b>Deductions</b>	
Benefits	<u>18,000</u>
Total deductions	<u>18,000</u>
Net increase	31,473
<b>Net Position Held in Trust for Pension Benefits</b>	
Beginning of year	<u>173,735</u>
End of year	<u><u>\$ 205,208</u></u>

The accompanying notes are an integral part of the financial statements.

**COLORADO CITY FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2014**

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

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**Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

**Reporting Entity**

Colorado City Fire District (the District) was organized as a special service district pursuant to the provisions of Chapter 5 of Title 48 of the Arizona Revised Statutes – Special Taxing Districts, which sets for the legal framework for fire districts. The District provides emergency medical services and fire protection for the communities of Colorado City, Arizona and Hildale City, Utah.

The District is governed by an elected five-member board (board). The accompanying financial statements present the District and its component units, entities for which the District is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the District. There are no separate component units combined to form the reporting entity.

**Basis of Presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**COLORADO CITY FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2014**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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The District reports the following major governmental fund:

The **General Fund** is the District's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

Additionally, the District reports the following fund types:

The **Pension Trust Fund** accounts for the activities of the Public Safety Employees Retirement System, which accumulates resources for pension benefit payments to qualified public safety employees.

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**COLORADO CITY FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2014**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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The governmental fund financial statements are reported using the *current financial resources measurement focus* and *the modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. The District uses 90 days instead of 60 days (beginning in fiscal year 2014) to better coincide with the collection period of ambulance billings. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, fire district assistance taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 90 days of yearend). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 90 days of yearend). All other revenue items are considered to be measurable and available only when cash is received by the District.

The pension fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

***Receivables and Allowance for Uncollectible Receivables***

Due to the nature of the accounts receivable in governmental type activities, management does not consider an allowance for uncollectible accounts receivable necessary or material. Therefore, no allowance for uncollectible accounts receivable is presented.

***Inventories and Prepaid Items***

All inventories are valued at cost using the first-in/first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**COLORADO CITY FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2014**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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***Capital Assets***

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide statement of net position. In accordance with GASB 34, the District has opted not to retroactively report infrastructure assets. Capital assets are defined by the District as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of two years. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation of capital assets is computed by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings and improvements, 7 - 40 years; equipment, 3 - 15 years; vehicles, 5 - 25 years.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District does not currently have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not currently have any items that qualify for reporting in this category.

***Net Position Flow Assumption***

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted debt or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

***Fund Balance Flow Assumptions***

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**COLORADO CITY FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2014**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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***Fund Balance Policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The governing board is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The fire chief is authorized to assign amounts to a specific purpose in accordance with the District's budget policy. The board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**Revenues and Expenditures/Expenses**

***Program Revenues***

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including interlocal cooperation agreements) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

***Property Taxes***

Property taxes are collected by the Mohave County Treasurer and remitted to the District monthly. Taxes are levied each August on the taxable value listed as of the prior January 1st for all real property located within the District. Taxable values are established by the County Assessor at 100% of the fair market value on primary residential property and non-primary residential property. A revaluation of all property is required to be completed no less than every five years. Taxes are due and payable on October 1st and March 1st and become delinquent after November 1st and May 1st of each year. They become liens if not paid within two years from the date of levy. Delinquent taxes payable to the District at fiscal yearend are not measurable and are not included in these financial statements.

**COLORADO CITY FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2014**

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**Note 1.           Summary of Significant Accounting Policies, Continued**

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*Compensated Absences*

It is the District's policy to permit employees to accumulate earned but unused personal leave benefits. The liability for these compensated absences is recorded as a long-term liability in the government-wide statements. A liability for these accounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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**Note 2.           Reconciliation of Government-Wide and Fund Financial Statements**

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The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 12.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 14.

**COLORADO CITY FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2014**

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**Note 3. Stewardship, Compliance and Accountability**

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**Budgets and Budgetary Accounting**

Annual budgets are prepared and adopted by resolution by the Board on or before July 10th for the same fiscal year in accordance with State law. Prior to adoption of the budget, a public hearing is conducted to obtain taxpayer input. The budget includes proposed expenditures and the proposed sources of financing for such expenditures and is adopted on a basis consistent with generally accepted accounting principals using the modified accrual basis of accounting. Budgets are adopted and control of budget appropriations are exercised under State law, at the department level. The fire chief is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the district board. Budget amendments are required to increase expenditure budgets. Expenditures may not legally exceed budgeted appropriations at the total activity level.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

**Expenditures over Appropriations**

Expenditures may not legally exceed budget appropriations at the total activity level. The statement of revenues, expenditures, and changes in fund balance, budget and actual, on page 15, presents the activities of the District in comparison with budget appropriations.

**COLORADO CITY FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2014**

**Note 4. Deposits and Investments**

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 for purposes of this note.

The following is a summary of the cash and temporary cash investment portfolio of the District as of June 30, 2014. The District's policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the county treasurer's pool, and other investments as allowed by state statutes. Eligible Arizona depositories as defined by state statutes are any commercial bank or savings and loan association with its principal place of business in the state of Arizona, which are insured by the federal deposit insurance corporation, or any other insuring instrumentality of the United States. All investments are stated at cost.

Deposits and investments at June 30, 2014 are summarized as follows:

	District Funds	Pension Funds
Deposits with Mohave County Treasurer	\$ 33,246	\$ 201,900
Deposits with US Bank	492	-
Deposits with Wells Fargo	75,078	-
Total cash deposits and investments	\$ 108,816	\$ 201,900
 Cash and cash equivalents	 \$ 108,816	 \$ 201,900
Total cash deposits and investments	\$ 108,816	\$ 201,900

**Deposits**

*Custodial Credit Risk*

For deposits this is the risk that in the event of a bank failure, the District's deposit may not be returned to it. The District does not have a formal policy for custodial credit risk. As of June 30, 2014, none of the District's bank balance of \$329,806 was exposed to custodial credit risk because it was uninsured or uncollateralized.

**COLORADO CITY FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2014**

**Note 5. Capital Assets**

Capital asset activity for the year ended June 30, 2014 is as follows:

<b>Governmental activities</b>	Balance June 30, 2013	Additions	Disposals	Balance June 30, 2014
<b>Capital assets, not being depreciated</b>				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Total capital assets, not being depreciated	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
<b>Capital assets, being depreciated</b>				
Buildings and improvements	256,012	-	-	256,012
Equipment	581,609	-	-	581,609
Vehicles and transportation	1,576,935	-	-	1,576,935
Total capital assets, being depreciated	<u>2,414,556</u>	<u>-</u>	<u>-</u>	<u>2,414,556</u>
<b>Less accumulated depreciation for</b>				
Buildings and improvements	(191,407)	(7,212)	-	(198,619)
Equipment	(515,437)	(16,544)	-	(531,981)
Vehicles and transportation	(694,245)	(81,534)	-	(775,779)
Total accumulated depreciation	<u>(1,401,089)</u>	<u>(105,290)</u>	<u>-</u>	<u>(1,506,379)</u>
Total capital assets, being depreciated, net	<u>1,013,467</u>	<u>(105,290)</u>	<u>-</u>	<u>908,177</u>
Total capital assets, net	<u>\$ 1,018,467</u>	<u>\$(105,290)</u>	<u>\$ -</u>	<u>\$ 913,177</u>

Depreciation expense was charged to the functions/programs of the District as follows:

<b>Governmental activities</b>	
Public safety	<u>\$ 105,290</u>
Total depreciation expense - governmental activities	<u>\$ 105,290</u>

**COLORADO CITY FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2014**

**Note 6. Long-term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

	<u>Balance</u> <u>6/30/2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>6/30/2014</u>	<u>Current</u> <u>Portion</u>
Governmental activities					
Capital leases	\$ 122,310	\$ -	\$ (40,526)	\$ 81,784	\$ 42,657
Compensated absences	10,143	1,238	-	11,381	4,552
<b>Total</b>	<u>\$ 132,453</u>	<u>\$ 1,238</u>	<u>\$ (40,526)</u>	<u>\$ 93,165</u>	<u>\$ 47,209</u>

The following is listing of long-term obligations as of June 30, 2014:

**Capital Leases:**

Lease payable to Oshkosh Capital, payable in annual installments of \$40,552 each August through August 2015, bearing interest at 5.26%. Secured by 2009 International ambulance. \$ 75,126

Lease payable to Stryker Finance, payable in monthly installments of \$520, bearing interest at 4.19%, maturing August 2015. Secured by equipment. 6,658

Total capital leases 81,784

**Compensated Absences** 11,381

Total long-term liabilities 93,165

Less current portion (47,209)

Net long-term liabilities \$ 45,956

**COLORADO CITY FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2014**

**Note 7. Capital Leases**

The District has entered into a number of lease agreements that are considered a capital lease in accordance with accounting standards. The leases are for the acquisition of property and equipment. The following is schedule of future minimum lease payments with the present value of the net minimum lease payments:

	Year Ending June 30,	Capital Leases
	2015	\$ 46,790
	2016	41,158
Total remaining lease payments		87,948
Less: amount representing interest		(6,164)
Present value of net remaining minimum lease payments		\$ 81,784

A summary of assets acquired through capital leases as of June 30, 2014 is as follows:

	Cost	Depreciation Expense	Accumulated Depreciation
Equipment	\$ 17,382	\$ 2,483	\$ 5,621
Vehicles and transportation	244,361	16,291	84,169
Total	\$ 261,743	\$ 18,774	\$ 89,790

**COLORADO CITY FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2014**

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**Note 8. Risk Management**

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The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The District maintains insurance for general liability, auto liability, management errors and omissions and workers' compensation. No significant reduction in insurance coverage occurred during the year and no settlements exceeded insurance coverage during any of the past three fiscal years.

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**Note 9. Firefighters' Relief and Pension Fund**

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The Firefighters' Relief and Pension Fund (FRPF) is a defined contribution pension plan administered by the retirement board of the District for the District's volunteer firefighters. The purpose of the plan is to provide an equitable, consistent and uniform retirement system for volunteer firefighters of the District in recognition of long-term service in regularly assigned hazardous duty.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. According to the plan, a volunteer firefighter who has served for 25 years or more or has reached 55 years of age and has served 10 years or more shall be eligible to receive a monthly retirement not to exceed \$300 per month, as determined by the District. Pension and relief benefits may only be paid from the income of the trust fund. However, a firefighter who leaves the service without being eligible for retirement benefits is entitled to all previous deductions from his salary plus interest at a rate determined by the District. As established by state statute, in lieu of another acceptable pension plan, all volunteer firefighters must participate in the pension plan from the date they enter service.

Each volunteer must contribute 5.0% of covered compensation, which is equally matched by the District. In addition, the State of Arizona is required by statute to contribute a portion of the annual tax received on fire insurance premiums. There was payroll for employees covered by the FRPF for the year ended June 30, 2014. During the fiscal year ended June 30, 2014, the District's and the firefighters' required and actual contributions amounted to a combined \$42,978; the State's contribution was \$5,292.

No pension provision changes occurred during the year that affected the required contributions to be made by the District or its volunteer firefighters. The Firefighters' Relief and Pension Fund held no securities of the District or other related parties during the fiscal years or as the close of the fiscal year.

**COLORADO CITY FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2014**

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**Note 10.      Contingent Liabilities and Commitments**

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Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District does not anticipate any such amounts.

The District has a secured (property taxes) revolving line of credit with Wells Fargo (through Mohave County Treasurer's Office). As of June 30, 2014, the total credit available is \$195,000 with no outstanding balance.

The District has entered into agreements with Hildale City, Utah for the use of two ambulances, a brush truck, and a ladder truck that are owned by Hildale City. Under these agreements, the District is scheduled to pay Hildale City \$5,721 per month through December 2014 and \$4,862 per quarter through September 2016 for the two ambulances, \$11,659 per year through June 2015 for brush truck and \$5,000 per month through October 2019 for the ladder truck. The related lease expenditures for fiscal year 2014 were \$151,423 and are included in these financial statements.

**OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS**

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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***

Members of the Board  
Colorado City Fire District  
Colorado 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 the governmental activities, each major fund, and the aggregate remaining fund information of Colorado City Fire District (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 12, 2015.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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



HintonBurdick, PLLC  
St. George, Utah  
January 12, 2015