

SEFD Board Packet

23 October 2017

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- Minutes - 25 Sept 2017
- Notice of Intention to Speak
- Reconciliation & Review sheet
- Balance Sheet
- P & L
- Approval of Financial Documents
- Reconciliation Signature page
- Chase Bank Reconciliation
- National Bank Reconciliation
- Hughes Reconciliation detail
 - Main Share
 - Checking
 - High-yield
 - Premium Yield

Miscellaneous

- Pima County Monthly Tax Report
- Santa Cruz County Monthly Tax Report
- Cash Flow Forecast
- Representation Letter
- Statement of Cash Receipts (Audit)

Sonoita-Elgin Fire District
Governing Board Meeting Agenda

PURSUANT TO A.R.S. §38.431.02

Notice is hereby given to the general public that the Sonoita-Elgin Fire District (SEFD) Board of Directors (*SEFD is governed by a five member Board pursuant to A.R.S. §48-803.B*) will hold a meeting on Monday, Oct 23. The meeting will be held at the SEFD fire station, located at 3173 N. Highway 83, Sonoita, AZ. The meeting is open to the general public and will begin at 6: pm. local time.

AGENDA:

- A. Call to Order.
- B. Roll Call of Board Members
- C. Pledge of Allegiance.

The following agenda items are scheduled for consideration by the SEFD Board of Directors at the board meeting. Action or decisions may or may not be taken on any or all items. Agenda items may or may not be considered in the order listed:

- 1) Review and approval of the governing board meeting minutes of Sept 25, 2017
- 2) Report from the Fire Chief regarding the provision of fire and EMS to the SEFD; management and supervision of the SEFD; and any related items concerning community safety including but not limited to the following items.
 - a) Firefighter Oath of Office
 - b) Response and service report.
 - c) Status of grants.
 - d) Fire code and inspection items.
 - e) Current community events.
 - f) Rosemont mine.
 - g) Apparatus update.
 - h) Grants update.

Call to the Public.

A public body may make an open call to the public during a public meeting, subject to reasonable time, place and manner restrictions, to allow individuals to address the public body on any issue within the jurisdiction of the public body. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter or may ask that a matter be put on a future agenda. However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action.

- 3) Monthly financial reports and consideration of district financial matters pursuant to A.R.S. §48-807:
 - a) Review and approval of monthly financial reports for Sept , 2017 to include: reconciled balance sheet accounts; updated cash flow projections; month-end fund statements, and month-end reports of financial institutions in which the SEFD maintains an account

Sonoita-Elgin Fire District
Governing Board Meeting Agenda

- 4) Discussion and action on resignation of Kevin Venos from the Board: S. Archibald
 - A) Discussion and possible action on fill vacant Board seat: S. Archibald
- 5) Discussion on update of strategic plan: S. Archibald
 - A) Discussion on Board goals and accomplishments before next election: S. Jenkins
- 6) Discussion on update of volunteer / career professional incentive program : S. Archibald
- 7) Discussion and possible action on audit report from Walker and Armstrong: Chief DeWolf
- 8) Discussion and possible action for and Intergovernmental agreement with Palominas Fire District for Fire Chief Services- Palominas Fire District is in need of an interim Fire Chief as its Fire Chief is on leave. : D. Aversa
 - A) Discussion and possible action on temporary increase to Chief DE Wolf's compensation to reflect additional work as would be required by the IGA, and consideration of increase to be funded by revenue from the IGA.
- 9) Chief's Goals and Objectives: S. Jenkins

NOTICE: The Sonoita-Elgin Fire District Board of Directors may go into executive session for the purpose of obtaining legal advice from the fire district's attorney(s) on any of the above agenda items pursuant to A.R.S. §38-431.03(A)(3).

Governing board members may attend telephonically.

The undersigned hereby attests that a copy of this meeting agenda was duly posted at the following locations:

- a) SEFD fire station - 3173 N. Highway 83, Sonoita, AZ
- b) Sonoita Post Office – 3166 N. Highway 83, Suite 1, Sonoita, AZ
- c) Santa Cruz County Offices – 3147 N Highway 83, Sonoita, AZ

Governing board meeting agenda dated and posted: Oct 20, 2017. At

17:00 p.m. Local Time

By *Kathy L. Goodwin* Kathy L. Goodwin, Admin to the SEFD Fire Chief

Minutes to the regular meeting of the Board of Directors of the Sonoita-Elgin Fire District
Monday, September 25, 2017
6 pm

Call to Order

Roll Call of Board Members - Present: Webber, Archibald. Telephone participation: Jenkins. Absent: Venos & Bahti.

Pledge of Allegiance.

Review and approval of the governing board meeting minutes of Aug 28, 2017 Motion to approve by Webber, seconded by Jenkins, motion carried.

Report from the Fire Chief – Chief De Wolf presented the monthly statistics for the fire district's call load; updated the Board and community on the upcoming memorial service for George Wagoner, long-time friend, supporter and dispatcher for the district. A pot-luck memorial for George Wagoner is being held on Saturday, October 21st from 4-7 pm. Chief De Wolf advised the Board and community of the resignation of Board Chair Kevin Venos. Mr. Venos has been diagnosed with cancer and is currently undergoing treatment. SEFD will be holding a fundraising event for Kevin to be scheduled at a later date. One of the station improvement projects we've been working on is pouring cement under the apron and moving the cleaning facilities; MCI (owned by Ted Walker) donated the cement work to us.

Call to the Public. – Yvette Ruhurek asked that the notice of the Board meeting be placed on the old engine's marquee sign again.

Monthly financial reports and consideration of district financial matters pursuant to A.R.S.§48-807: The monthly reports were presented by V. Rutter; there were no issues. Motion to accept the report as presented was made by Webber, seconded by Jenkins, motion carried.

Review and Consideration of approving the repair or replacement of Battalion 830 1997 F-350: Chief De Wolf gave a brief synopsis of the proposals presented to the Board, Board Clerk Archibald asked for discussion; Board member Jenkins asked Chief that information would be presented to the public and asked that the following information from Chief De Wolf was included in the minutes: (Chief De Wolf)...our goal, as I said when I first started talking, the two new trucks 825 & 826, our objective is to get both of those trucks out on extended stay assignments. As the community can see, with one type-6 going on extended stay we're making about \$128,000. So by adding the second truck to go out on extended stay, we'd like to see this number go up into the \$200,000 range. What this truck we're talking about now, 830, is if we replace that we still have fire suppression capabilities within our district which is our main concern. We don't want to send two vehicles out and only have one type-6 fire truck here in our district and put our district at risk." Archibald had a question as well, what other vehicles do we need. Chief advised that this (830's demise) had not been anticipated and that we do have a replacement schedule for the vehicles, all part of our strategic plan. Motion to approve Option 2 – proposed replacement of the "Battalion 830" made by Webber, seconded by Jenkins, motion carried.

Adjournment – Motion to adjourn by Webber, seconded by Jenkins, motion carried.

Minutes approved on October 23, 2017  Clerk of the Board.


Susan Archibald




Administrative Review of April 2017 Financial Documents
Sonoita-Elgin Fire District Board of Directors Meeting
3173 Hwy 83, Sonoita, AZ
23 Oct 2017
6 p.m.

Approval of Financial Documents as presented to the Administrator of the Sonoita-Elgin Fire District for the month of September 2017.

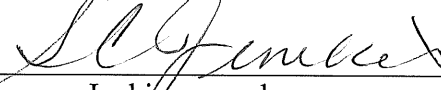
We the undersigned Board members of the Sonoita-Elgin Fire District, hereby acknowledge that we have reviewed and accepted the September 2017 financial reports as presented.



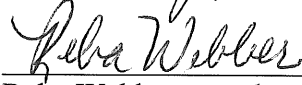
Susan Archibald, Clerk



Kurt Bahti, member



Suzanne Jenkins, member



Reba Webber, member

SEFD
Balance Sheet
As of September 30, 2017

			Sep 30, 17
ASSETS			
Current Assets			
Checking/Savings			
	Chase - Checking		9,184.01
	Chase - Savings		45,905.13
	National Bank Money Market		15,418.81
	Hughes Premium Yield		160,000.00
	Hughes High Yield		2,254.22
	1002 - Hughes Checking		11,122.83
	Hughes Main Share		57.31
	SCC Treasurer		4,345.39
	Pima Co. Treasurer		7,587.99
	Petty Cash		700.00
	Total Checking/Savings		256,575.69
	Total Current Assets		256,575.69
TOTAL ASSETS			256,575.69
LIABILITIES & EQUITY			
Equity			
	30000 - Fund Balance - Unrestricted		422,706.69
	Board Designated - PPE		57,250.00
	Restricted - Life Pac Donation		5,000.00
	32000 - PY Balance		-12,178.08
	Net Income		-216,202.92
	Total Equity		256,575.69
TOTAL LIABILITIES & EQUITY			256,575.69

SEFD
Profit & Loss Budget Performance
September 2017

				Sep 17	Jul - Sep 17	YTD Budget	% of Budget
Ordinary Income/Expense							
Income							
Taxes							
Santa Cruz County				4,345.17	9,603.75	841,649.00	1.14%
Pima County				6,423.07	10,527.89	121,576.00	8.66%
Total Taxes				10,768.24	20,131.64	963,225.00	2.09%
Special Assessments							
FDAT - Santa Cruz				0.00	0.00	42,137.00	0.0%
FDAT - Pima County				1,163.44	1,339.68	24,315.00	5.51%
Total Special Assessments				1,163.44	1,339.68	66,452.00	2.02%
Ambulance Revenue				16,826.29	57,125.89	230,000.00	24.84%
Fire Suppression				0.00	35,000.00	35,000.00	100.0%
Coverage Events				367.20	367.20	2,200.00	16.69%
Donation				25.00	3,296.67	5,200.00	63.4%
Restricted by Donor				6,000.00	11,000.00		
Interest Income							
Money Market/Savings				26.21	336.05		
Santa Cruz				0.22	2.10		
Pima County				1.48	6.67		
Interest Income - Other				0.00	0.00	800.00	0.0%
Total Interest Income				27.91	344.82	800.00	43.1%
Rental Income				80.00	120.00	400.00	30.0%
Prior Year Carryforward				0.00	0.00	32,389.00	0.0%
Total Income				35,258.08	128,725.90	1,335,666.00	9.64%
Expense							
Payroll Expenses							
5101 · Salaries							
5114 Infill W-2				0.00	433.44		
5111 Wildland 1099				0.00	3,430.46		
5113 · Infill 1099				2,880.00	4,560.00		
5102 Community Paramedicine				5,493.40	15,172.70		
5105 Vacation/Holiday W-2				-4,842.72	0.00		
5103 · Wildland labor W-2				7,176.34	14,494.08		
5107 · Event Coverage				880.00	960.00	3,500.00	27.43%
Bookkeeper				1,000.00	3,000.00		
5105 · Vacation/Holiday W-2				8,169.34	8,169.34	50,000.00	16.34%
5101 · Salaries - Other				56,053.67	171,755.75	550,217.00	31.22%
Total 5101 · Salaries				76,810.03	221,975.77	603,717.00	36.77%
Total Payroll Expenses				76,810.03	221,975.77	603,717.00	36.77%
Employee Benefits							
5121 · Payroll Taxes				2,278.20	5,410.97	22,000.00	24.6%
5122 · CopperPoint				0.00	8,998.52	37,000.00	24.32%
5123 · PSPRS				-4,493.34	-12,303.61	75,000.00	-16.41%
5130 PSPRS2				1,291.80	2,480.10		
5124 · ASRS				457.61	1,411.43	5,500.00	25.66%



SONOITA-ELGIN FIRE DISTRICT

Proud Past, Strong Future

SONOITA-ELGIN FIRE DISTRICT

RECONCILIATION & REVIEW

September 2017

Bank Statements (Hughes Federal Credit Union, Chase Bank, & National Bank)

Reconciled by *Ullrich*.

Date of reconciliation Oct. 11th, 2017

12:40 PM

10/11/17

SEFD
Reconciliation Detail
Hughes Main Share, Period Ending 09/30/2017

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Clr</u>	<u>Amount</u>	<u>Balance</u>
Beginning Balance						57.31
Cleared Balance						57.31
Register Balance as of 09/30/2017						57.31
Ending Balance						57.31

ll
10/11/17

Reconciliation Detail

1002 - Hughes Checking, Period Ending 09/30/2017

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						66,896.21
Cleared Transactions						
Checks and Payments - 65 items						
Check	7/31/2017	10777	Laird Emma	X	-357.78	-357.78
Check	8/15/2017	10787	Deforest Jade	X	-662.92	-1,020.70
Check	8/25/2017	1784	Arizona Dept. of Health Services	X	-500.00	-1,520.70
Check	8/31/2017	1787	Brake Max Corporate LLC	X	-5,298.63	-6,819.33
Check	8/31/2017	1789	Vera Earl Ranch, Inc.	X	-3,551.00	-10,370.33
Check	8/31/2017	1798	Kaiser Garage & Gate	X	-2,339.56	-12,709.89
Check	8/31/2017	10792	Joseph W De Wolf	X	-1,454.37	-14,164.26
Check	8/31/2017	10801	Burns Alexander	X	-1,221.25	-15,385.51
Check	8/31/2017	10798	Newham Chase	X	-1,120.00	-16,505.51
Check	8/31/2017	1799	Vicki J. Rutter, CPA	X	-1,000.00	-17,505.51
Check	8/31/2017	1796	Barnett's Propane, LLC	X	-832.05	-18,337.56
Check	8/31/2017	10795	Laird Emma	X	-800.00	-19,137.56
Check	8/31/2017	10800	Wiersma Eleanor	X	-800.00	-19,937.56
Check	8/31/2017	10794	LaGosh Nicole	X	-800.00	-20,737.56
Check	8/31/2017	1797	Arizona State Retirement System	X	-520.28	-21,257.84
Check	8/31/2017	10797	Murphy Kathleen	X	-480.00	-21,737.84
Check	8/31/2017	1788	Arrow International, Inc	X	-479.70	-22,217.54
Check	8/31/2017	1794	Aflac	X	-378.70	-22,596.24
Check	8/31/2017	1795	Verizon Wireless	X	-368.44	-22,964.68
Check	8/31/2017	10802	Deforest Jade	X	-348.26	-23,312.94
Check	8/31/2017	1792	CenturyLink	X	-323.70	-23,636.64
Check	8/31/2017	10790	Ceron Erik	X	-320.00	-23,956.64
Check	8/31/2017	10799	Silverwind Kenneth	X	-320.00	-24,276.64
Check	8/31/2017	10788	Sink Laura	X	-310.22	-24,586.86
Check	8/31/2017	10791	Crain Trevor	X	-273.66	-24,860.52
Check	8/31/2017	1793	B & B Selectcom, Inc.	X	-228.20	-25,088.72
Check	8/31/2017	10789	Atencio Zane	X	-160.00	-25,248.72
Check	8/31/2017	10793	Gregson Jordan	X	-160.00	-25,408.72
Check	8/31/2017	1785	Int. Society of Fire Service Instructors	X	-125.00	-25,533.72
Check	8/31/2017	1800	Quill Corporation	X	-116.07	-25,649.79
Check	8/31/2017	1786	Batteries + Bulbs	X	-74.53	-25,724.32
Check	8/31/2017	1790	Truly Nolen of America, Inc.	X	-42.00	-25,766.32
Check	8/31/2017	1791	Valley Imaging Solutions	X	-29.98	-25,796.30
Check	9/7/2017	1801	Neil Gago	X	-450.00	-26,246.30
Check	9/14/2017		AXA	X	-325.00	-26,571.30
General Journal	9/15/2017			X	-23,153.49	-49,724.79
Check	9/15/2017	1808	Walker & Armstrong LLP	X	-7,000.00	-56,724.79
General Journal	9/15/2017			X	-6,915.31	-63,640.10
Check	9/15/2017	10805	Madden Jamie	X	-2,891.68	-66,531.78
Check	9/15/2017	10804	Joseph W De Wolf	X	-1,871.93	-68,403.71
Check	9/15/2017	1814	United Fire	X	-1,189.15	-69,592.86
Check	9/15/2017	1816	Municipal Emergency Services	X	-1,140.22	-70,733.08
Check	9/15/2017	1807	Sulphur Springs Valley Electric Co-op	X	-1,096.72	-71,829.80
Check	9/15/2017	10806	Burns Alexander	X	-967.51	-72,797.31
Check	9/15/2017	1804	Professional Management Coaching, Inc.	X	-900.00	-73,697.31
Check	9/15/2017	10807	Deforest Jade	X	-726.00	-74,423.31
Check	9/15/2017	1820	Voyager Fleet Systems Inc.	X	-550.51	-74,973.82
Check	9/15/2017	1803	Arizona State Retirement System	X	-472.14	-75,445.96
Check	9/15/2017	1802	Brian Jackson	X	-393.85	-75,839.81
General Journal	9/15/2017			X	-369.41	-76,209.22
Check	9/15/2017	1815	Quill Corporation	X	-288.24	-76,497.46
Check	9/15/2017	10803	Sink Laura	X	-252.98	-76,750.44
Check	9/15/2017	1806	Sidney Lex Felker PC	X	-243.75	-76,994.19
Check	9/15/2017	1821	U.S. Department of Education	X	-226.81	-77,221.00
Check	9/15/2017	1818	GuardianEMS	X	-203.46	-77,424.46
Check	9/15/2017	1813	Merles Automotive Supply	X	-140.64	-77,565.10
Check	9/15/2017	1809	Direct TV	X	-131.98	-77,697.08
Check	9/15/2017	1811	GreatAmerica Financial Svcs.	X	-127.21	-77,824.29
Check	9/15/2017	1805	Trans World Network Corp.	X	-80.69	-77,904.98
Check	9/15/2017	1817	SCC Board of Supervisors	X	-51.61	-77,956.59
Check	9/21/2017	1822	Alexander's Upholstery	X	-463.30	-78,419.89
General Journal	9/29/2017			X	-23,739.66	-102,159.55
General Journal	9/29/2017			X	-6,724.66	-108,884.21

SEFD
Reconciliation Detail
1002 - Hughes Checking, Period Ending 09/30/2017

Type	Date	Num	Name	Clr	Amount	Balance
Check	9/29/2017			X	-325.00	-109,209.21
General Journal	9/29/2017			X	-158.76	-109,367.97
Total Checks and Payments					-109,367.97	-109,367.97
Deposits and Credits - 19 items						
Deposit	9/1/2017			X	0.03	0.03
Deposit	9/1/2017			X	4.89	4.92
Deposit	9/5/2017			X	1,165.16	1,170.08
Deposit	9/7/2017			X	150.33	1,320.41
Deposit	9/7/2017			X	1,207.74	2,528.15
Deposit	9/7/2017			X	1,776.31	4,304.46
Deposit	9/8/2017			X	379.84	4,684.30
Deposit	9/8/2017			X	1,174.65	5,858.95
Deposit	9/11/2017			X	299.66	6,158.61
Transfer	9/13/2017			X	35,000.00	41,158.61
Deposit	9/14/2017			X	188.16	41,346.77
Deposit	9/15/2017			X	1,328.95	42,675.72
Deposit	9/20/2017			X	170.50	42,846.22
Deposit	9/20/2017			X	834.44	43,680.66
Deposit	9/21/2017			X	263.23	43,943.89
Transfer	9/26/2017			X	1,942.79	45,886.68
Deposit	9/27/2017			X	10,722.61	56,609.29
Transfer	9/29/2017			X	2,560.72	59,170.01
Transfer	9/29/2017			X	10,000.00	69,170.01
Total Deposits and Credits					69,170.01	69,170.01
Total Cleared Transactions					-40,197.96	-40,197.96
Cleared Balance					-40,197.96	26,698.25
Uncleared Transactions						
Checks and Payments - 25 items						
Check	7/31/2015	10170	Burns Alexander		-126.17	-126.17
Check	1/15/2016	10271	Cleveland Robert		-162.30	-288.47
Check	2/29/2016	10331	Valdez John		-177.58	-466.05
Check	4/13/2016	1501	AZ Center for Fire Service Excellence		-25.00	-491.05
Check	9/30/2016	1550	Cody Ayon		-35.16	-526.21
Check	3/31/2017	10680	Messmer Ethan		-429.97	-956.18
Check	4/14/2017	10699	Burns Alexander		-978.18	-1,934.36
Check	4/14/2017	10696	Murashka Oleg		-137.52	-2,071.88
Check	8/31/2017	10796	Madden Jamie		-2,088.98	-4,160.86
Check	9/15/2017	1810	AERO Med Claims		-1,609.29	-5,770.15
Check	9/15/2017	1812	Sonoita Valley Water Co., Inc.		-127.80	-5,897.95
Check	9/15/2017	1819	Advantage Medical & Oxygen Sup.		-85.00	-5,982.95
Check	9/29/2017	10813	Joseph W De Wolf		-2,471.93	-8,454.88
Check	9/29/2017	10814	LaGosh Nicole		-1,600.00	-10,054.88
Check	9/29/2017	10816	Newham Chase		-960.00	-11,014.88
Check	9/29/2017	10819	Burns Alexander		-944.44	-11,959.32
Check	9/29/2017	10820	Deforest Jade		-726.00	-12,685.32
Check	9/29/2017	10815	Madden Jamie		-640.00	-13,325.32
Check	9/29/2017	10812	Crain Trevor		-637.11	-13,962.43
Check	9/29/2017	10818	Wiersma Eleanor		-560.00	-14,522.43
Check	9/29/2017	10809	Ceron Erik		-320.00	-14,842.43
Check	9/29/2017	10808	Sink Laura		-252.99	-15,095.42
Check	9/29/2017	10810	Contreras Zarate Luis		-160.00	-15,255.42
Check	9/29/2017	10817	Silverwind Kenneth		-160.00	-15,415.42
Check	9/29/2017	10811	Courson Anna		-160.00	-15,575.42
Total Checks and Payments					-15,575.42	-15,575.42
Total Uncleared Transactions					-15,575.42	-15,575.42
Register Balance as of 09/30/2017					-55,773.38	11,122.83

112
10-11-17

SEFD
Reconciliation Detail
 1002 - Hughes Checking, Period Ending 09/30/2017

Type	Date	Num	Name	Clr	Amount	Balance
New Transactions						
Checks and Payments - 9 items						
Check	10/10/2017	1823	The Reinalt-Thomas Corp.		-707.86	-707.86
Check	10/11/2017	1824	Nationwide Trust Co. FBO NRS		-2,070.86	-2,778.72
Check	10/11/2017	1825	Aflac		-378.70	-3,157.42
General Journal	10/13/2017				-17,422.00	-20,579.42
General Journal	10/13/2017				-3,538.14	-24,117.56
Check	10/13/2017	10822	Burns Alexander		-944.44	-25,062.00
Check	10/13/2017	10823	Deforest Jade		-662.90	-25,724.90
Check	10/13/2017	10821	Sink Laura		-252.98	-25,977.88
General Journal	10/13/2017				-121.72	-26,099.60
Total Checks and Payments					-26,099.60	-26,099.60
Deposits and Credits - 1 item						
Transfer	10/10/2017				35,000.00	35,000.00
Total Deposits and Credits					35,000.00	35,000.00
Total New Transactions					8,900.40	8,900.40
Ending Balance					-46,872.98	20,023.23

12:44 PM

10/11/17

SEFD
Reconciliation Detail
Hughes High Yield, Period Ending 09/30/2017

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						2,254.22
Cleared Balance						2,254.22
Register Balance as of 09/30/2017						2,254.22
Ending Balance						2,254.22

OK
10/11/17

SEFD
Reconciliation Detail
Hughes Premium Yield, Period Ending 09/30/2017

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						120,722.61
Cleared Transactions						
Checks and Payments - 3 items						
Transfer	9/13/2017			X	-35,000.00	-35,000.00
Transfer	9/26/2017			X	-10,722.61	-45,722.61
Transfer	9/29/2017			X	-10,000.00	-55,722.61
Total Checks and Payments					-55,722.61	-55,722.61
Deposits and Credits - 1 item						
Check	9/27/2017	563	Sonoita-Elgin Fire District	X	95,000.00	95,000.00
Total Deposits and Credits					95,000.00	95,000.00
Total Cleared Transactions					39,277.39	39,277.39
Cleared Balance					39,277.39	160,000.00
Register Balance as of 09/30/2017					39,277.39	160,000.00
New Transactions						
Checks and Payments - 1 item						
Transfer	10/10/2017				-35,000.00	-35,000.00
Total Checks and Payments					-35,000.00	-35,000.00
Total New Transactions					-35,000.00	-35,000.00
Ending Balance					4,277.39	125,000.00

UL
10/11/17

SEFD
Reconciliation Detail
National Bank Money Market, Period Ending 09/30/2017

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						98,541.75
Cleared Transactions						
Checks and Payments - 1 item						
Check	9/27/2017	563	Sonoita-Elgin Fire District	X	-95,000.00	-95,000.00
Total Checks and Payments					-95,000.00	-95,000.00
Deposits and Credits - 9 items						
Deposit	9/6/2017			X	321.65	321.65
Deposit	9/6/2017			X	399.20	720.85
Deposit	9/15/2017			X	126.50	847.35
Deposit	9/15/2017			X	4,043.50	4,890.85
Deposit	9/19/2017			X	50.00	4,940.85
Deposit	9/19/2017			X	178.44	5,119.29
Deposit	9/27/2017			X	6,000.00	11,119.29
Deposit	9/29/2017			X	754.00	11,873.29
Deposit	9/30/2017			X	3.77	11,877.06
Total Deposits and Credits					11,877.06	11,877.06
Total Cleared Transactions					-83,122.94	-83,122.94
Cleared Balance					-83,122.94	15,418.81
Register Balance as of 09/30/2017					-83,122.94	15,418.81
New Transactions						
Deposits and Credits - 2 items						
Deposit	10/4/2017				1,508.72	1,508.72
Deposit	10/4/2017				12,899.96	14,408.68
Total Deposits and Credits					14,408.68	14,408.68
Total New Transactions					14,408.68	14,408.68
Ending Balance					-68,714.26	29,827.49

UC
10-11-17

SEFD
Reconciliation Detail
Chase - Checking, Period Ending 09/30/2017

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						9,414.87
Cleared Transactions						
Checks and Payments - 5 items						
Check	8/15/2017	1526	Advantage Medical & Oxygen Sup.	X	-25.00	-25.00
Check	8/29/2017	1527	Health Net of Arizona	X	-6,130.89	-6,155.89
Check	8/29/2017	1528	SecureCare Dental	X	-337.36	-6,493.25
Check	8/31/2017	1499	Burns Alexander	X	-944.44	-7,437.69
Check	9/30/2017			X	-95.46	-7,533.15
Total Checks and Payments					-7,533.15	-7,533.15
Deposits and Credits - 3 items						
Transfer	9/14/2017			X	2,139.78	2,139.78
Transfer	9/15/2017			X	756.80	2,896.58
Transfer	9/29/2017			X	50,000.00	52,896.58
Total Deposits and Credits					52,896.58	52,896.58
Total Cleared Transactions					45,363.43	45,363.43
Cleared Balance					45,363.43	54,778.30
Uncleared Transactions						
Checks and Payments - 27 items						
Check	9/30/2016	1247	Matthew Ogle		-42.92	-42.92
Check	10/14/2016	1260	Sonoita Auto Service Center		-28.00	-70.92
Check	12/30/2016	1362	Matthew Ogle		-116.42	-187.34
Check	9/18/2017		Nationwide SecurePay		-647.13	-834.47
Check	9/18/2017		Nationwide SecurePay		-485.34	-1,319.81
Check	9/27/2017	1529	Health Net of Arizona		-6,130.89	-7,450.70
Check	9/29/2017	1546	National Bank of Arizona		-22,816.29	-30,266.99
Check	9/29/2017	1547	Senergy Petroleum		-5,457.90	-35,724.89
Check	9/29/2017	1535	Brake Max Corporate LLC		-3,117.55	-38,842.44
Check	9/29/2017	1537	Elgin Energy, LLC		-1,400.00	-40,242.44
Check	9/29/2017	1549	HME, Inc.		-1,077.64	-41,320.08
Check	9/29/2017	1533	Vicki J. Rutter, CPA		-1,000.00	-42,320.08
Check	9/29/2017	1532	Truly Nolen of America, Inc.		-460.00	-42,780.08
Check	9/29/2017	1530	Arizona State Retirement System		-443.08	-43,223.16
Check	9/29/2017	1550	ASA LLC		-425.00	-43,648.16
Check	9/29/2017	1541	Verizon Wireless		-368.67	-44,016.83
Check	9/29/2017	1531	SecureCare Dental		-337.36	-44,354.19
Check	9/29/2017	1540	Matthews Metal Works		-325.00	-44,679.19
Check	9/29/2017	1539	CenturyLink		-323.70	-45,002.89
Check	9/29/2017	1536	Costco		-195.48	-45,198.37
Check	9/29/2017	1542	United Fire		-136.00	-45,334.37
Check	9/29/2017	1545	Sonoita-Elgin Chamber of Commerce		-75.00	-45,409.37
Check	9/29/2017	1538	Quill Corporation		-56.30	-45,465.67
Check	9/29/2017	1534	Ellie Wiersma		-53.52	-45,519.19
Check	9/29/2017	1543	Valley Imaging Solutions		-46.59	-45,565.78
Check	9/29/2017	1544	JEMS		-19.99	-45,585.77
Check	9/29/2017	1548	Sonoita Auto Service Center		-8.52	-45,594.29
Total Checks and Payments					-45,594.29	-45,594.29
Total Uncleared Transactions					-45,594.29	-45,594.29
Register Balance as of 09/30/2017					-230.86	9,184.01
Ending Balance					-230.86	9,184.01

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SEFD
Reconciliation Detail
Chase - Savings, Period Ending 09/30/2017

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						101,063.14
Cleared Transactions						
Checks and Payments - 4 items						
Check	9/5/2017		Nationwide SecurePay	X	-598.20	-598.20
Check	9/5/2017		Nationwide SecurePay	X	-448.63	-1,046.83
Check	9/11/2017		Chase Card Services	X	-6,260.36	-7,307.19
Transfer	9/29/2017			X	-50,000.00	-57,307.19
Total Checks and Payments					-57,307.19	-57,307.19
Deposits and Credits - 2 items						
Deposit	9/28/2017			X	2,131.63	2,131.63
Deposit	9/30/2017			X	17.55	2,149.18
Total Deposits and Credits					2,149.18	2,149.18
Total Cleared Transactions					-55,158.01	-55,158.01
Cleared Balance					-55,158.01	45,905.13
Register Balance as of 09/30/2017					-55,158.01	45,905.13
Ending Balance					-55,158.01	45,905.13

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10-11-17

LIZ GUTFAHR
Treasurer
MARIA ACUNA
Chief Deputy

County Treasurer Santa Cruz County

P.O. Box 1150
Nogales, Arizona 85628
Tel. (520) 375-7980
Extension 7967
TDD (520) 761-7816

Sonoita Fire District
P.O Box 322
Sonoita AZ 85637

Monthly Statement

Opening Balance	September-17		\$ 2,139.78
State Pool Investment		0.14 0.08	0.22
Levied Revenue Earned			
	90283	845.58	4,345.17
	90296	61.60	
	90350	193.64	
	90394	155.77	
	90432	772.90	
	90453	202.16	
	90474	1,142.24	
	90481	262.44	
	90508	111.71	
	90519	9.35	
	90533	587.78	
Check#	44489	(2,139.78)	(2,139.78)
Journal Entries	JE-	-	-
Ending Balance	September-17		<u>\$ 4,345.39</u>

Sonoita Fire District T52-2063
Sonoita-Elgin Fire District

Please contact Patty Ibarra Ext 7966
if there are any questions or problems





Pima County Treasurer

Sonoita-Elgin Fire District

ARMS # 507200, TCMS String: 500.50720.10.10000.10000
Remittance of Revenue Collected for the Period: SEP-2017
As of October 13, 2017

RECEIVED of Beth Ford, Pima County Treasurer, check in the amount of

\$ 7,587.99

<u>Real Estate Taxes</u>	<u>Amount</u>
Tax Year 2017	6,423.07
Tax Year 2016	-
Tax Year 2015	-
Tax Year 2014	-
Tax Year 2013	-
Tax Year 2012	-
Tax Year 2011	-
Tax Year 2010	-
Tax Year 2009	-
	<hr/>
Subtotal Real Estate Taxes	<u>6,423.07</u>

<u>Personal Property Taxes Collected</u>	<u>Amount</u>
Tax Year 2017	-
Tax Year 2016	-
Tax Year 2015	-
Tax Year 2014	-
Tax Year 2013	-
Tax Year 2012	-
Tax Year 2011	-
Tax Year 2010	-
Tax Year 2009	-
	<hr/>
Subtotal Personal Property Taxes Collected	<u>-</u>

<u>In-Lieu Taxes Collected</u>	<u>Amount</u>
Tax Year 2014	-
Tax Year 2013	-
Tax Year 2012	-
Tax Year 2011	-
Tax Year 2010	-
Tax Year 2010	-
Tax Year 2009	-
Tax Year 2009	-

Sonoita-Elgin Fire District

ARMS # 507200, TCMS String: 500.50720.10.10000.10000
Remittance of Revenue Collected for the Period: SEP-2017
As of October 13, 2017

RECEIVED of Beth Ford, Pima County Treasurer, check in the amount of

\$ 7,587.99

		<u><u>-</u></u>
Subtotal In-Lieu Taxes Collected		
Fire District Assistance	Amount	
Tax Year 2017	1,144.85	
Tax Year 2016	18.13	
Tax Year 2015	0.13	
Tax Year 2014	0.08	
Tax Year 2013	0.18	
Tax Year 2012	0.01	
Tax Year 2011	0.03	
Tax Year 2010	0.02	
Tax Year 2009	0.01	
Subtotal Fire District Assistance		<u><u>1,163.44</u></u>
Investment Income	Amount	
Interest Allocation	1.48	
Subtotal Investment Income		<u><u>1.48</u></u>
Grand Total		<u><u>7,587.99</u></u>

Sonoita-Elgin Fire District
P.O. Box 322
Sonoita, Arizona 85637

Walker & Armstrong LLP
3838 North Central Avenue, Suite 1700
Phoenix, Arizona 85012-1994

This representation letter is provided in connection with your audit of the financial statement of Sonoita-Elgin Fire District (hereinafter referred to as the "District") as of June 30, 2017, and the respective changes in statement of cash receipts, disbursements, and changes in cash and investment balances – Governmental Fund for the year then ended, and the related notes to the financial statement, for the purpose of expressing an opinion as to whether the financial statement is presented fairly, in all material respects, in accordance with the modified cash basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date below, the following representations made to you during your audit.

Financial Statement

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 21, 2017, including our responsibility for the preparation and fair presentation of the financial statement in accordance with the applicable criteria.
- 2) The financial statement referred to above is fairly presented in conformity with the modified cash basis of accounting and includes all properly classified funds and other financial information of the District required to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including cash receipts, disbursements, loans, transfers, leasing arrangements, guarantees and amounts receivable or payable to related parties have been appropriately accounted for and disclosed in accordance with the modified cash basis of accounting.
- 7) Adjustments or disclosures, if any, have been made for all events, including instances of noncompliance, subsequent to the date of the financial statement through the date of this letter that would require adjustment to or disclosure in the financial statement.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
- 9) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statement, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statement, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the District or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statement.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.

- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statement.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statement communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statement.
- 17) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 18) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

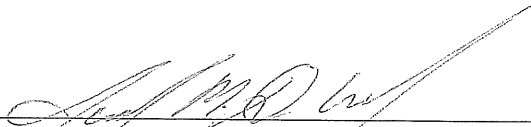
Government—Specific

- 19) We have made available to you all financial records and related documents.
- 20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 22) The District has no plans or intentions that may materially affect the carrying value or classification of cash and investment balances.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that


we believe have a material effect on the financial statement or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

- 25) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statement or other financial data significant to the audit objectives.
- 27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statement, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 28) As part of your audit, you assisted with preparation of the financial statement and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statement and related notes.
- 29) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 30) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 31) The financial statement properly classifies all activities.
- 32) Disbursements have been appropriately classified in or allocated to functions and programs in the statement of cash receipts, disbursement and changes in cash and investment balances, and allocations have been made on a reasonable basis.
- 33) Receipts are appropriately classified in the statement of cash receipts, disbursement and changes in cash and investment balances.

Sonoita-Elgin Fire District



Joseph M. DeWolf, Fire Chief



Katie Goodwin, Administrative Assistant

10-18-2017

Date

Draft Dated 10/17/17 -
For Discussion Purposes Only

Sonoita-Elgin Fire District

**Statement of Cash Receipts,
Disbursements and Changes in Cash
and Investment Balances – Governmental Fund**

Year ended June 30, 2017

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Draft Dated 10/17/17 -
For Discussion Purposes Only

Sonoita-Elgin Fire District
Statement of Cash Receipts, Disbursements
and Changes in Cash and Investment Balances - Governmental Fund
Year Ended June 30, 2017

	General Fund
Cash Receipts:	
Taxes:	
Property taxes	\$ 895,772
Fire district assistance tax	64,603
Charges for services	380,016
Intergovernmental	147,447
Contributions	15,099
Interest income	1,551
Other	1,230
Total cash receipts	1,505,718
Cash Disbursements:	
<i>Public safety-fire protection and emergency medical services:</i>	
Current:	
Salaries and wages	701,427
Repairs and maintenance	228,177
Employee benefits	177,956
Fuels treatment	110,337
Other	97,461
Administration expense	63,356
Training and related	39,996
Utilities and communications	33,021
Insurance	28,540
Professional services	11,437
Capital outlay	709,255
Total cash disbursements	2,200,963
Other Financing Sources:	
Loans from lending institution	683,067
Total other financing sources	683,067
Excess of cash disbursements over receipts	(12,178)
Cash and investments, beginning of year	484,957
Cash and investments, end of year	\$ 472,779

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

Sonoita-Elgin Fire District
Notes to Financial Statement
Year ended June 30, 2017

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

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

Basis of Presentation

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

As required under Arizona Revised Statute, Title 48 § 251.A(1), the District has prepared this financial statement in a manner sufficient to report beginning and ending fund balance and all revenue and expenditures for the year ended June 30, 2017, presented on a modified cash basis. Fund balance is equal to the cash and investment balances as reported on the statement of cash receipts, disbursements and changes in cash and investment balances – Governmental Fund.

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

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

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For Discussion Purposes Only

Note 1 – Summary of Significant Accounting Policies - Continued

Cash and Investments

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

Budgetary Accounting

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

Estimates

The preparation of the basic financial statement may require management to make estimates and assumptions that affect the disclosure and reported amounts of receipts and disbursements during the reporting period. Actual results could differ from those estimates.

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. All investments are stated at fair value based on market prices. The District does not have its own formal investment policy with respect to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for investments.

Cash on Hand and Deposits – At June 30, 2017, total cash on hand was \$700. The carrying amount of the total cash in bank was \$459,342 and the bank balance was \$500,642. In the normal course of business, the District may maintain balances in excess of federally insured limits.

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For Discussion Purposes Only

Note 2 – Cash and Investments - Continued

Investments

As of June 30, 2017, the District's investments consisted of amounts held with the Santa Cruz County Treasurer's Local Government Investment Pool totaling \$8,131 and amounts held with Pima County Treasurer's Local Government Investment Pool totaling \$4,606.

Santa Cruz and Pima County Treasurer's investment pools are not required to register (and are not registered) with the Securities and Exchange Commission and there is no regulatory oversight of their operations. Santa Cruz County is processing property tax receipts and disbursements to the District as an agency transaction.

The fair value of each participants position in the Treasurers' investment pools approximate the value of the participant's share in the pool and the participant's shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

Credit risk - At June 30, 2017, all of the District's investments were invested in the Santa Cruz and Pima County investment pools which are not rated by rating agencies.

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

Interest rate risk – At June 30, 2017, the District's investments can be withdrawn from the pools at will and therefore, are not subject to a significant amount of interest rate risk.

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

Note 3 – Risk Management

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

Draft Dated 10/27/17 -
For Discussion Purposes Only

Note 4 – Retirement Plans

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

Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. The health insurance premium benefit is paid as a fixed dollar amount per month toward the retiree's healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

Retirement Plan – Arizona State Retirement System

Plan Description – The *Arizona State Retirement System* (ASRS) administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health insurance premium benefit plan and a cost sharing multiple-employer defined benefit long-term disability plan that covers general employees of the District. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of ARS Title 38, Chapter 5, Articles 2 and 2.1.

Funding Policy – For the year ended June 30, 2017, statute required active ASRS members to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to ASRS for the years ended June 30, 2017, 2016 and 2015 were \$5,872, \$5,872 and \$6,696, respectively, which were equal to the required contributions for the year.

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

Retirement Plan – Public Safety Personnel Retirement System

Plan Description: The District has entered into a Joinder Agreement with the Arizona State Public Safety Personnel Retirement System (PSPRS), an agent multiple-employer defined benefit pension plan, to cover all full-time personnel engaged in fire suppression activities and/or fire support. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S Title 38, Chapter 5, Article 4.

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Note 4 – Retirement Plans - Continued

The PSPRS issues a publicly available financial report that includes their financial statements and required supplementary information of PSPRS. The reports are available on the PSPRS website at www.psprs.com.

Benefits Provided: The PSPRS 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:

<u>Retirement and Disability</u>	Initial membership date:	
	<u>Before January 1, 2012</u>	<u>On or after January 1, 2012</u>
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 consecutive months of last 20 years
Benefit percent 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 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	
<u>Survivor Benefit</u>		
Retired Members	80% to 100% of retired members 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. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

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Note 4 – Retirement Plans – Continued

Employees covered by benefit terms: At June 30, 2017, the following employees were covered by the agent pension plan’s benefit terms:

Inactive employees or beneficiaries currently receiving benefits	7
Active employees	12
Total	19

Contributions: 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 pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance 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, 2017, active PSPRS members were required to contribute 11.65% of the members’ annual covered payroll. The District is required to contribute at an actuarially determined rate. The rate for the year ended June 30, 2017, was 9.88% for the pension plan, and 0.13% for the health insurance premium benefit.

Annual Pension Cost (APC): The District's annual and required contributions for the year ended June 30, 2017, were \$54,359. The District's most recent actuarial valuation is for the year ended June 30, 2016. Information related to this valuation follows.

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

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal
Investment rate of return	7.50%
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, 2016 valuation were based on the results of an actual 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 7.50 percent 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.

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For Discussion Purposes Only**Note 4 – Retirement Plans – Continued**

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

PSPRS Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Short term investments	2%	0.75%
Absolute return	5%	4.11%
Risk parity	4%	5.13%
Fixed income	7%	2.92%
Real assets	8%	4.77%
GTAA	10%	4.38%
Private equity	11%	9.50%
Real estate	10%	4.48%
Credit opportunities	13%	7.08%
Non-U.S. equity	14%	8.25%
U.S. equity	16%	6.23%
Total	100%	

The projection of cash flows used to determine the PSPRS discount rate 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 plan's 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.

Sensitivity of the District's net pension asset to changes in the discount rate – The following table presents the District's net pension asset calculated using the discount rates noted above, as well as what the District's net pension asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net pension liability (asset)	\$ 98,673	\$ (39,026)	\$ (150,538)

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued PSPRS financial report.

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Note 4 – Retirement Plans – Continued

Agent plan OPEB actuarial assumptions – The health insurance premium benefit contribution requirements for the year ended June 30, 2017 were established by the June 30, 2015 actuarial valuations, and those 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 plan’s 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 plan’s assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on (1) the plan as the District and plan’s 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 plan’s 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 significant actuarial methods and assumptions used are the same for all PSPRS plans and related benefits (unless noted), and the following actuarial methods and assumptions were used to establish the fiscal year 2017 contribution requirements:

PSPRS—OPEB Contribution Requirements

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.0%–8.0%
Wage growth	4.0%

Notes to Financial Statements – Continued

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Note 4 – Retirement Plans – Continued

The health insurance premium benefit plan’s funded status as of the most recent valuation date, June 30, 2016, along with the actuarial assumptions used in those methods follow:

Valuation Ending June 30,	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a)/c)
2016	\$ 37,996	\$ 26,000	\$ (11,996)	146.1%	\$ 530,692	0%
2015	34,459	14,245	(20,214)	241.9%	438,413	0%
2014	29,405	19,951	(9,454)	147.4%	426,782	0%

Deferred Compensation Plan – 457(b)

During August 2016, the District established a deferred compensation plan, which is a defined contribution plan pursuant to Internal Revenue Code Section 457(b), for all eligible employees. Participation in the plan is voluntary and participants may make salary deferrals up to the limits prescribed by the Internal Revenue Code. The District does not make contributions to the plan and administrative fees are withdrawn from individual employee accounts.

Note 5 – Long-Term Liabilities

On August 15, 2016, the District entered into a lease purchase agreement for a new fire engine in the amount of \$518,067. The lease requires annual payments of \$80,973, including interest at 2.3% due annually commencing on August 15, 2017 and continuing through August 2023.

On October 15, 2016, the District entered into a lease purchase agreement for a new ambulance in the amount of \$165,000. The lease requires annual payments of \$22,816, including interest at 2.3% due annually commencing on October 15, 2017 and continuing through October 2024.

Cash from these agreements was received from the lending institution and the District purchased the vehicles directly. Amounts received from the lending institution are reported as other financing sources on the statement of cash receipts, disbursements and changes in cash and investment balances – Governmental Fund.

Note 6 – Subsequent Events

Management has evaluated subsequent events through September 21, 2017 the date the financial statement was available to be issued that may require additional disclosure or adjustment to the financial statements. As a result of the evaluation, the District noted one event consisting of July 2017 refunds of excess contributions made to employees participating in PSPRS totaling \$25,438. The District will reduce future required employer contributions to PSPRS by the amount refunded.