



**PEEPLES VALLEY FIRE DISTRICT
ANNUAL REPORT
YEAR ENDED JUNE 30, 2024**

PEEPLES VALLEY FIRE DISTRICT

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INDEPENDENT AUDITOR'S REPORT

Governing Board of Peeples Valley Fire District
Peeples Valley, AZ

Report on Audit of Annual Report

Opinion

We have audited the accompanying Part D – Schedule of cash receipts and disbursements of Peeples Valley Fire District (District) for the year ended June 30, 2024, and the related notes to annual report.

In our opinion, the schedule of cash receipts and disbursements referred to above presents fairly, in all material respects, the cash receipts and disbursements for Peeples Valley Fire District for the year ended June 30, 2024, in accordance with the financial reporting provisions of the State of Arizona described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Peeples Valley Fire District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The schedule of cash receipts and disbursements is prepared by Peeples Valley Fire District, in accordance with the financial reporting provisions of the State of Arizona, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet requirements of the State of Arizona. As a result, the schedule of cash receipts and disbursements may not be suitable for another purpose. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the schedule of cash receipts and disbursements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it

exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule of cash receipts and disbursements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule of cash receipts and disbursements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedule of cash receipts and disbursements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule of cash receipts and disbursements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises Parts A, B, and C of the annual report, as listed in the table of contents, but does not include Part D of the annual report and our auditor's report thereon. Our opinions on the Part D – Schedule of cash receipts and disbursements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the Part D – Schedule of cash receipts and disbursements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the Part D – Schedule of cash receipts and disbursements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued or report dated February 16, 2024, on our consideration of Peebles Valley Fire District's internal controls 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 solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Peebles Valley Fire District's internal controls over financial reporting or on compliance. That report is an integral part of

an audit performed in accordance with *Government Auditing Standards* in considering Peeples Valley Fire District's internal control over financial reporting and compliance.

Restriction on Use

This report is intended solely for the information and use of the governing board and management of Peeples Valley Fire District and the State of Arizona and is not intended to be and should not be used by anyone other than these specified parties.

BDR Richards, CPA's, PLC

Snowflake, AZ

October 18, 2024

**YAVAPAI COUNTY, ARIZONA
PEEPLES VALLEY FIRE DISTRICT
ANNUAL REPORT YEAR ENDED JUNE 30, 2024**

Street or P.O. Box: 17275 W. Burning Bush Drive
City and Zip Code: Peeples Valley, Arizona 86332
Business Telephone: 928-427-9400
Completed by: Dominic Filosa
Title: Finance Director

PART A - Governing Board Members and Officers of the District:

Name	Title	Occupation	Telephone
Neil Rifenbark	Chairperson	Chairperson	928-427-9400
Phil Lobeck	Clerk	Clerk	928-427-9400
Wayne Keller	Treasurer	Treasurer	928-427-9400
Gregg Carr	Member	Member	928-427-9400
Scott Mayor	Member	Member	928-427-9400

**YAVAPAI COUNTY, ARIZONA
PEEPLES VALLEY FIRE DISTRICT
ANNUAL REPORT YEAR ENDED JUNE 30, 2024**

Part B - Schedule of District Governing Board Regular Meetings:

Date	Time	Location	Location of Public Notices
7/20/2023	3:00 PM	Old Peeples Valley School	PVFD Website
8/17/2023	3:00 PM	Old Peeples Valley School	PVFD Website
9/21/2023	3:00 PM	Old Peeples Valley School	PVFD Website
10/18/2023	10:00 AM	Old Peeples Valley School	PVFD Website
11/15/2023	10:00 AM	Old Peeples Valley School	PVFD Website
12/20/2023	10:00 AM	Old Peeples Valley School	PVFD Website
1/17/2024	10:00 AM	Old Peeples Valley School	PVFD Website
2/21/2024	10:00 AM	Old Peeples Valley School	PVFD Website
3/20/2024	10:00 AM	Old Peeples Valley School	PVFD Website
4/17/2024	10:00 AM	Old Peeples Valley School	PVFD Website
5/15/2024	10:00 AM	Old Peeples Valley School	PVFD Website
6/19/2024	10:00 AM	Old Peeples Valley School	PVFD Website

Part C - Legal Description of Boundary Changes Occurring During the Fiscal Year:

None

**YAVAPAI COUNTY, ARIZONA
PEEPLES VALLEY FIRE DISTRICT
ANNUAL REPORT YEAR ENDED JUNE 30, 2024**

Part D - Schedule of cash receipts and disbursements - cash basis

	General Fund	Total
Operating cash receipts:		
Property taxes	\$ 227,020	\$ 227,020
Fire district assistance taxes	46,042	46,042
Grant revenues	129,952	129,952
Charges for services	765,901	765,901
Other	430	430
Total cash receipts	<u>1,169,345</u>	<u>1,169,345</u>
Operating cash disbursements:		
Payroll expenses	661,927	661,927
Administration	23,550	23,550
Professional services	34,825	34,825
Utilities and communications	16,081	16,081
Insurance	29,941	29,941
Repairs and maintenance	52,533	52,533
EMS expenses	65,923	65,923
Fuel	18,257	18,257
Supplies	35,571	35,571
Debt Service:		
Principal	33,364	33,364
Interest	8,114	8,114
Total cash disbursements	<u>980,086</u>	<u>980,086</u>
Change in cash before other financing sources (uses)	<u>189,259</u>	<u>189,259</u>
Other financing sources (uses):	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Change in cash	<u>189,259</u>	<u>189,259</u>
Cash at beginning of year	<u>(138,281)</u>	<u>(138,281)</u>
Cash at end of year	<u>\$ 50,978</u>	<u>\$ 50,978</u>

**PEEPLS VALLEY FIRE DISTRICT
NOTES TO ANNUAL REPORT
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

Peoples Valley Fire District (District) was formed in 2001. The District is intended to provide fire protection, rescue, and medical services for the protection of persons and property within the defined boundaries of the District and that of its contracts as approved by the Board of Supervisors of Yavapai County, Arizona. The District, established pursuant to Arizona Revised Statute Title 48, is a special-purpose local government and derives many of its receipts from property tax levies. The management of the District is independent of other state or local governments. The County treasurer collects taxes for the District but exercises no control over the District's expenditure/expenses.

During the year ended June 30, 2022, the District implemented the provisions of GASB Statement No. 87, Leases. This Statement increases the usefulness of the financial statements by requiring recognition of certain leases that previously were classified as operating leases. The statement establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. The District's analysis of contracts and agreements in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

The more significant of the District's accounting policies are described below.

B. Reporting Entity

Arizona Revised Statutes (A.R.S.) require special districts to prepare Annual Reports on prescribed forms. Pursuant to laws 1992, Chapter 248, A.R.S. §48-253, Part D of the Annual Report must be audited.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity.

C. Basis of Accounting

The schedule of cash receipts and disbursements of the District has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under the cash basis of accounting, revenue is recorded in the period received and expenses are recorded in the period disbursed. Amounts received and held by Yavapai County (the County) for the benefit of the District are reflected as revenue when received by the County.

**PEEPLES VALLEY FIRE DISTRICT
NOTES TO ANNUAL REPORT
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Fund Accounting

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with the activities or objectives specified for the resources.

Each fund is considered a separate accounting entity, and its operations are accounted for in a separate set of self-balancing accounts, as follows:

General Fund – The General Fund accounts for and reports all financial resources used to finance District services except those required to be accounted for and reported in another fund.

E. Cash and Cash equivalents

The District's cash and cash equivalents are cash on hand, demand deposits, cash and investments held by the County Treasurer, and highly liquid investments.

F. Property Tax Receipts

The County Treasurer is responsible for collecting property taxes for all governmental entities within the County. The County levies real and personal property taxes on or before the third Monday in August, which become due and payable in two equal installments. The County also levies a fire district assistance tax on taxable property in the County, which is allocated to the various districts. Each District receives fire district assistance tax equal to 20 percent of the District's adopted property tax levy for the year, limited to \$400,000.

The first installment for taxes is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May. Pursuant to A.R.S., a lien assessed against real and personal property attaches on the first day of January preceding assessment and levy; however, according to case law, an enforceable legal claim to the asset does not arise. Property taxes are reflected as cash receipts in the year they are received.

G. Capital Outlay

Capital outlay represents amounts paid for improvements, equipment, and vehicles.

**PEEPLES VALLEY FIRE DISTRICT
NOTES TO ANNUAL REPORT
JUNE 30, 2024**

NOTE 2 CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. As of June 30, 2024, the carrying amount of the District's deposits with the County's LGIP was \$33,209. Demand deposits with other financial institutions totaled \$17,769.

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The District has no investment policy that would further limit its investment choices. As of year-end, the District's investment in the County Treasurer's investment pool did not receive a credit quality rating from a national rating agency.

Custodial Credit Risk – Investments. The District's investment in the County Treasurer's investment pool represents a proportionate interest in the pool's portfolio; however, the District's portion is not identified with specific investments and is not subject to custodial credit risk.

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 risks of loss, including property and liability, workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 4 – DEBT SERVICE

On July 27, 2022, the District entered into an agreement with KS State Bank to finance the purchase of equipment totaling \$182,341. The future payments associated with this financing agreement are as follows:

Payment Number	Due Date	Contract Payment	Applied to Interest	Applied to Principal	Purchase Option Price
2	7/27/2024	41,478	6,629	34,848	115,896
3	7/27/2025	41,478	5,079	36,399	78,637
4	7/27/2026	41,478	3,459	38,019	40,021
5	7/27/2027	41,478	1,767	39,711	-
Totals:		\$ 207,390	\$ 16,934	\$ 148,977	

**PEEPLES VALLEY FIRE DISTRICT
NOTES TO ANNUAL REPORT
JUNE 30, 2024**

NOTE 5 – COMMITMENTS AND CONTINGENCIES

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

NOTE 6 – CONCENTRATIONS

For the year ending June 30, 2024, approximately 66 percent of the District's cash receipts were received from the Arizona State Forester for charges for services. Changes in contracts for services or fees and changes in land values due to economic downturn or poor economic conditions could have a significant impact on the District.

NOTE 7 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 18, 2024, which is the date the annual report was available to be issued.

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

To the Governing Board of Peeples Valley Fire District
Peeples Valley, AZ

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 Part D – Schedule of cash receipts and disbursements of Peeples Valley Fire District for the year ended June 30, 2024, and the related notes to the annual report, and have issued our report thereon dated October 18, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the schedule of cash receipts and disbursements, we considered Peeples Valley Fire District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the schedule of cash receipts and disbursements, but not for the purpose of expressing an opinion on the effectiveness of Peeples Valley Fire District's internal control. Accordingly, we do not express an opinion on the effectiveness of Peeples Valley Fire 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Peeples Valley Fire District's schedule of cash receipts and disbursements is 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 financial statements. 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*.

Report on Compliance with State of Arizona Regulatory Requirements

In connection with our audit, nothing came to our attention that caused us to believe that Peebles Valley Fire District incurred any debt or liability in excess of taxes levied and to be collected and the monies actually available and unencumbered at the time the District's General Fund except for those liabilities as prescribed in A.R.S. 48-805, subsection B, paragraphs 2 and 3, and A.R.S. 48-806 and A.R.S. 48-807, or that the District failed to comply with A.R.S. 48-805.02, subsection F. However, our audit was not directed primarily towards obtaining knowledge of such noncompliance. This report is supplemental reporting as required by Arizona statutes intended solely for the information and use of management and the members of Arizona State Legislature and is not intended to be and should not be used by anyone other than these specified parties.

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.

BDR Richards, CPA's, PLC

Snowflake, AZ

October 18, 2024