

Mormon Lake Fire District Board Meeting

March 19, 2024 @ 10:00 AM at the Mormon Lake Fire Station

Posted at the Post Office, Fire Station, and Website
At Least 24 Hours prior to the Fire Board Meeting

Agenda

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the Fire Board and the general public that the Board will hold a meeting open to the public **Tuesday, March 19, 2024 at 10:00AM** at the Fire Station, 1067 Mormon Lake Road, Mormon Lake, Arizona.

This meeting will also be streaming live via Microsoft Teams

Meeting ID: 226 762 736 644 Passcode: dFgEiQ

With regard to any item listed in this Agenda below, the Board may, by motion, recess into executive session for discussion or consultation for legal advice with the attorney or attorneys of the public body in accordance with A.R.S. §38-431.03(A) (3).

The Board may change the order of the agenda at the time of convening the meeting or at any time during the meeting. The Presiding Officer may call on members of the public to speak on any item posted on the agenda. One or more members of the Board may attend either in person or by telephone, video or internet conferencing.

The Board may discuss, consider, approve, or take action on the following matters:

1. **Call to order**
2. **Roll Call** – Chairperson Lewis, Clerk Haupricht. Member Verdino, Member Nahass, Member Morgenthal; Chief Western
3. **Call to the Public** - *In accordance with A.R.S. 38-431.0 1(H), 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.*
4. **Approval of Minutes**
 - A. February 20, 2024, Meeting Minutes
5. **Finance**
 - A. Financial Report
6. **Reports & Correspondence**
 - A. Department Report and Correspondence
7. **Topics of Discussion and Possible Action**
 - A. Annual Review
 - B. Budget
 - C. Identify potential items for next month's agenda. *Budget*
8. **Fire Board Comments** - *Board member's comments are meant to inform and clarify, and no legal action will be taken. Only Board members may speak.*
9. **Adjournment**

In compliance with the American with Disabilities Act, if you need special assistance to participate in a meeting, please contact Chief Western at (928) 354-2231. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to assure accessibility to the meeting.

Mormon Lake Fire District Board Meeting

February 20, 2024 Regular Meeting Minutes

1. **Call to order By Chairperson Lewis at 10:02am**
2. **Roll Call** – Chairperson Lewis via Teams, Clerk Haupricht via Teams, Member Verdino via Teams, Member Nahass via Teams, Member Morgenthal via Teams, Chief Western present, Community Member Biehl
3. **Call to the Public** - *NO PUBLIC COMMENT*
4. **Approval of Minutes**
 - A. January 16, 2024, Meeting Minutes- *Motion to approve by Chairperson Lewis, Seconded by Member Verdino, All member present voted AYE; Motion Passed;*
5. **Finance**
 - A. Financial Report- *Chairperson Lewis asked about the \$6311.11 listed under General Admin Expenses, Chief Western stated he would look into it. Motion to approve by Clerk Haupricht, Seconded by Member Morgenthal, All members present voted AYE; Motion Passed;*
6. **Reports & Correspondence**
 - A. Department Report and Correspondence- *Presented by Chief Western Highlighting a few things in the report; Motion to approve by Chairperson Lewis, Seconded by Member Nahass; All members present voted AYE; Motion Passed;*
7. **Topics of Discussion and Possible Action**
 - A. Annual Review- *Review was not available by meeting time; Review is due on Sunday, Chief Western will submit to county as soon as received and next month review accountants will provide review to board.*
 - B. Base Station Agreement with YRMC- *Chief Western presented the contract from YRMC for base station privilege; No changes from previous years agreements, but Honor Health now owns YRMC; Member Nahass made a motion to accept agreement; Seconded by Member Morgenthal; All members present voted AYE; Motion Passed.*
 - C. Tax Levy Sheet- *Chief Western provided the Tax Levy Sheet to the board for information purposes only.*
 - D. Identify potential items for next month's agenda. *Audit Review and Budget; Due to Spring break board meeting will be moved from the 12th to the 19th of March via a motion from Chairperson Lewis; Seconded by Member Nahass; All members present voted AYE; Motion Passed.*
8. **Fire Board Comments** – *No further comments.*
9. **Adjournment** *Chairperson Lewis made a motion to adjourn the meeting, Seconded by Member Verdino.*
10. **Meeting Adjourned at 10:29am**

Mormon Lake Fire District Cash Flow Projections

Estimates	Beginning Cash Balance	Projections			Ending Cash Balance
		Revenues	Expenditures	Variance	
Month					
July	\$344,347	794.18	26,661.25	-\$25,867	\$318,479
August	\$318,479	531.52	39,566.59	-\$39,035	\$279,444
September	\$279,444	38,089.93	17,483.89	\$20,606	\$300,050
October	\$300,050	88,096.85	12,251.68	\$75,845	\$375,896
November	\$375,896	75,090.80	12,935.93	\$62,155	\$438,051
December	\$438,051	44,936.60	37,993.96	\$6,943	\$444,993
January	\$444,993	8,223.76	16,617.03	-\$8,393	\$436,600
February	\$436,600	10,184.99	32,089.13	-\$21,904	\$414,696
March	\$414,696	9,394.61	16,755.73	-\$7,361	\$407,335
April	\$407,335	59,680.19	27,350.12	\$32,330	\$439,665
May	\$439,665	13,896.52	22,559.63	-\$8,663	\$431,002
June	\$431,002	9,922.28	18,657.08	-\$8,735	\$422,267

Actual	Beginning Cash Balance	Actual			Ending Cash Balance
		Revenues	Expenditures	Variance	
Month					
July	\$344,346.56	\$803.77	\$20,282.92	-\$19,479.15	\$324,867.41
August	\$324,867.41	\$1,857.77	\$14,479.44	-\$12,621.67	\$312,245.74
September	\$312,245.74	\$6,444.60	\$38,154.22	-\$31,709.62	\$280,536.12
October	\$280,536.12	\$92,277.82	\$29,213.67	\$63,064.15	\$343,600.27
November	\$343,600.27	\$92,542.22	\$23,218.72	\$69,323.50	\$412,923.77
December	\$412,923.77	\$19,990.89	\$62,656.51	-\$42,665.62	\$370,258.15
January	\$370,258.15	\$15,708.94	\$29,106.10	-\$13,397.16	\$356,860.99
February	\$356,860.99	\$8,576.10	\$21,273.37	-\$12,697.27	\$344,163.72
March	\$344,163.72			\$0.00	\$344,163.72
April	\$344,163.72			\$0.00	\$344,163.72
May	\$344,163.72			\$0.00	\$344,163.72
June	\$344,163.72			\$0.00	\$344,163.72

Note: Per ARS § 48-807 (O) This is a report of the combined cash balances of *all* District Funds including the *General Fund and Capital Fund*.

This spreadsheet shows what QuickBooks is showing as a balance including all checks written (and presumably cashed).

Mormon Lake Fund	Budgeted FY 23-24	Mormon Lake Fund Fiscal Year 2023-24												YTD	%	Difference
		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June			
REVENUES																
Unrestricted Fund Balance (GENERAL)	130,000													0.00	0.0%	130,000.00
Restricted Fund Balance (CAPITAL)	214,319													0.00	0.0%	214,319.00
Property Taxes (3.25 MIL)	273,913	571.87	1,578.58	4,918.81	80,421.90	63,009.62	19,052.62	9,465.30	6,786.37					185,805.07	67.8%	88,107.93
Fire District Assistance Tax	54,783	231.90	88.18	545.32	11,428.29	15,586.01	0.00	5,322.51	972.42					34,174.63	62.4%	20,608.37
Interest	2,650		191.01	980.47	427.63	1,021.37	938.27	895.85	552.23					5,006.83	188.9%	-2,356.83
Miscellaneous Income	5,000							25.28	265.08					290.36	5.8%	4,709.64
EMS State Billing	15,000					3,500.00								3,500.00	23.3%	11,500.00
Donations/ Other Income	5,000					9,425.22								9,425.22	188.5%	-4,425.22
State and Other Grants	500													0.00	0.0%	500.00
Total revenue	701,165	803.77	1,857.77	6,444.60	92,277.82	92,542.22	19,990.89	15,708.94	8,576.10	0.00	0.00	0.00	0.00	238,202.11	34.0%	462,962.89
EXPENDITURES																
Salaries and Wages		7,279.18	6,764.01	9,246.88	8,461.84	11,782.40	10,916.68	7,397.83	10,686.38							
Chiefs Salary	73,600	4,403.30	4,403.30	4,403.31	4,403.30	6,604.97	4,403.30	4,663.99	5,662.40					38,947.87	52.9%	34,652.13
Volunteer/Reserve Salary	66,500	2,875.88	2,360.71	4,843.57	4,058.54	5,177.43	6,513.38	2,733.84	5,023.98					33,587.33	50.5%	32,912.67
Health Insurance	12,000			2,500.00			2,500.00							5,000.00	41.7%	7,000.00
Pension and Other Retirement Benefits	5,888	2,944.00						2,944.00						5,888.00	100.0%	0.00
Employee Benefits	34,000	2,400.00	1,200.00	1,200.00	1,200.00	1,200.00		2,898.72	1,200.00					11,298.72	33.2%	22,701.28
Employee Tax Liabilities	16,000	1,186.97	1,130.77	2,821.54	2,816.50	3,971.42	3,213.79	2,015.10	817.50					17,973.59	112.3%	-1,973.59
Personnel Expenses Total	207,988	13,810.15	9,094.78	15,768.42	12,478.34	16,953.82	16,630.47	15,255.65	12,703.88	0.00	0.00	0.00	0.00	112,695.51	54.2%	95,292.49
Fuel and Oils	8,500			918.98		200.90	531.10	227.75	327.75					2,206.48	26.0%	6,293.52
Tools and Minor Equipment	17,500			343.59		768.83	1,601.70							2,714.12	15.5%	14,785.88
Contracted Services	1,100				320.00									320.00	29.1%	780.00
Supplies	15,800			1,434.91		121.94	19.15	24.42	240.42					1,840.84	11.7%	13,959.16
Vehicle Repair	15,000				3,110.00		3,110.00	1,700.87						7,920.87	52.8%	7,079.13
Training and Prevention	13,600			1,387.05	2,283.40		324.00	885.98	2,094.00					6,974.43	51.3%	6,625.57
Maintenance and Repair Operating	9,500		455.00	1,888.81	255.25	186.00	663.28	97.00	1,040.00					4,585.34	48.3%	4,914.66
Communications	1,000			200.00				170.00						370.00	37.0%	630.00
Contingencies and Emergencies	1,000						60.04	693.78						753.82	75.4%	246.18
Operating Expenses Total	83,000	0.00	455.00	6,173.34	5,968.65	1,277.67	6,309.27	3,799.80	3,702.17	0.00	0.00	0.00	0.00	27,685.90	33.4%	55,314.10
Administrative Equipment	1,750			141.37	120.00	220.10		623.00	503.00					1,607.47	91.9%	142.53
Insurance	14,000						18,686.00							18,686.00	133.5%	-4,686.00
Utilities	19,635	176.98	647.77	756.90	1,532.46	181.53	2,507.73	2,091.64	2,373.42					10,268.43	52.3%	9,366.57
Professional Services	22,000		5,244.63		400.00	2,953.15	944.00	7,275.21	1,565.00					18,371.99	83.5%	3,628.01
Subscriptions, dues, fees	1,050													0.00	0.0%	1,050.00
General Administrative Expenses	1,500		234.39	729.85		53.71	526.74	439.90	435.90					2,420.49	161.4%	-920.49
Administrative Total	59,935	176.98	6,126.79	1,628.12	2,052.46	3,408.49	22,664.47	10,429.75	4,867.32	0.00	0.00	0.00	0.00	51,354.38	85.7%	8,580.62
Total Operating Expenditures	350,923	13,987	15,677	23,570	20,499	21,640	45,604	29,485	21,273	0	0	0	0	191,736	54.64%	159,187.21
Total Revenue - Total Expense	350,242	-13,183	-13,819	-17,125	71,778	70,902	-25,613	-13,776	-12,697	0	0	0	0	46,466.32		
Capital Expenditures																
Station Equipment	10,000			4,200.00			4,995.00	1,640.00						10,835.00	108.4%	-835.00
Turnout Gear	30,000			10,151.00	996.26	1,578.76								12,726.02	42.4%	17,273.98
Operations Equipment	45,000				7,609.00		12,057.30							19,666.30	43.7%	25,333.70
Total Capital expenses	85,000	0.00	0.00	14,351.00	8,605.26	1,578.76	17,052.30	1,640.00	0.00	0.00	0.00	0.00	0.00	19,666.30	23.1%	65,333.70
999.300 Transfer from General Fund																0.00
Total Capital Revenue	129,319	0.00	0.00	14,351.00	8,605.26	1,578.76	17,052.30	1,640.00	0.00	0.00	0.00	0.00	0.00	43,227.32	33.4%	86,091.68

ENDING FUND BALANCE →

\$0.00

\$0.00 Ending Balance

Fund Balance Detail Report

Morman Lake Fire District **Fund Range: 301000-301099** **Date Range: 2/1/2024 - 2/29/2024**

Account	Beginning Balance	Debits	Credits	Ending Balance
301000-11000 - Cash with Treasurer	\$164,455.97			\$154,034.25
Cash with Treasurer Totals		\$8,286.85	(\$18,708.57)	
301000-29000 - Fund Balance	(\$288,837.89)			(\$288,837.89)
301000-29050 - Warrants-Outstanding	(\$6,593.49)			(\$6,867.22)
Warrants-Outstanding Totals		\$7,204.69	(\$7,478.42)	
301000-31012 - OLD FDAT SOURCE CODE	-			-
301000-33001 - Deposits-Misc	(\$4,450.00)			(\$4,715.08)
02/28/2024 24-0001 MORMON LAKE FD			(\$265.08)	
Deposits-Misc Totals		\$0.00	(\$265.08)	
301000-33002 - Investment Interest	(\$1,794.63)			(\$2,057.61)
02/01/2024 journal fund interest allocation - 01/01/2024 to 01/31/2024			(\$262.98)	
Investment Interest Totals		\$0.00	(\$262.98)	
301000-33101 - Line of Credit-Advance	-			-
301000-33303 - Property Tax-Current	(\$174,515.51)			(\$179,118.30)
02/02/2024 distribution			(\$1,038.55)	
02/05/2024 distribution			(\$142.67)	
02/07/2024 distribution			(\$114.04)	
02/12/2024 distribution			(\$123.24)	
02/14/2024 distribution			(\$1,187.54)	
02/21/2024 distribution			(\$749.49)	
02/22/2024 distribution			(\$182.73)	
02/23/2024 distribution			(\$192.79)	
02/28/2024 distribution			(\$343.48)	
02/29/2024 distribution			(\$528.26)	
Property Tax-Current Totals		\$0.00	(\$4,602.79)	
301000-33304 - Property Tax-Delinquent	(\$4,503.19)			(\$6,686.77)
02/23/2024 distribution			(\$2,183.58)	
Property Tax-Delinquent Totals		\$0.00	(\$2,183.58)	
301000-33307 - Transwestern Judgement	-			-
301000-33333 - Disbursements-FDAT	(\$33,202.21)			(\$34,174.63)
02/28/2024 fund collection			(\$177.28)	
02/28/2024 fund collection			(\$792.97)	

Fund Balance Detail Report

02/28/2024	fund collection		(\$2.17)
Disbursements-FDAT Totals		\$0.00	(\$972.42)
301000-70000 - Expense Transfer	\$160,000.00		\$160,000.00
301000-70001 - Wire Out	\$78,238.72		\$89,742.60
02/06/2024	JE 27374 / MORMON LAKE FD - PAYROLL / jcota	\$4,243.11	
02/20/2024	JE 27458 / Mormon Lake FD - Payroll Tax / jcota	\$1,066.04	
02/21/2024	JE 27474 / Mormon Lake FD - Payroll / jcota	\$4,932.42	
02/23/2024	JE 27507 / Mormon Lake FD - Payroll Tax / jcota	\$1,262.31	
Wire Out Totals		\$11,503.88	\$0.00
301000-78001 - Warrants-Redeemed	\$105,798.16		\$113,002.85
02/21/2024	Warrant 00824600117	\$3,294.00	
02/22/2024	Warrant 00824600118	\$1,507.07	
02/26/2024	Warrant 00824600115	\$1,363.62	
02/28/2024	Warrant 00824600119	\$320.00	
02/28/2024	Warrant 00824600128	\$720.00	
Warrants-Redeemed Totals		\$7,204.69	\$0.00
301000-78002 - Disbursements-Miscellaneous	-		-
301000-78007 - Tax Abatements	-		-
301000-78100 - Line of Credit-Interest Payment	-		-
301000-78101 - Line of Credit-Principal Payment	-		-
301000-78475 - Trustee Fee	-		-
301000-79999 - Warrant Clearing	\$5,404.07		\$5,677.80
Warrant Clearing Totals		\$7,478.42	(\$7,204.69)
301050-11000 - Cash with Treasurer	\$196,782.16		\$197,071.41
Cash with Treasurer Totals		\$289.25	\$0.00
301050-29000 - Fund Balance	(\$54,319.25)		(\$54,319.25)
301050-29050 - Warrants Outstanding	(\$5,075.27)		(\$5,075.27)
301050-33001 - Deposits/Misc	(\$168,500.50)		(\$168,500.50)
301050-33002 - Investment Interest	(\$2,659.97)		(\$2,949.22)
02/01/2024	journal fund interest allocation - 01/01/2024 to 01/31/2024		(\$289.25)
Investment Interest Totals		\$0.00	(\$289.25)
301050-33307 - Transwestern Judgement	-		-
301050-70000 - Expense Transfer	-		-
301050-70001 - Wire Out	-		-
301050-78001 - Warrants Redeemed	\$28,697.56		\$28,697.56

Fund Balance Detail Report

Morman Lake Fire District Fund Range: 301000-301099 Date Range: 2/1/2024 - 2/29/2024

Account	Beginning Balance	Debits	Credits	Ending Balance
301050-78003 - NSF	-			-
301050-79999 - Warrants Clearing	\$5,075.27			\$5,075.27



Fund Balance Summary Report

Morman Lake Fire District Fund Range: 301000-301099 Date Range: 2/1/2024 - 2/29/2024

Account	Beginning Balance	Debits	Credits	Ending Balance
301000-11000 - Cash with Treasurer	\$164,455.97			\$154,034.25
Cash with Treasurer Totals		\$8,286.85	(\$18,708.57)	
301000-29000 - Fund Balance	(\$288,837.89)			(\$288,837.89)
301000-29050 - Warrants-Outstanding	(\$6,593.49)			(\$6,867.22)
Warrants-Outstanding Totals		\$7,204.69	(\$7,478.42)	
301000-31012 - OLD FDAT SOURCE CODE	-			-
301000-33001 - Deposits-Misc	(\$4,450.00)			(\$4,715.08)
Deposits-Misc Totals		\$0.00	(\$265.08)	
301000-33002 - Investment Interest	(\$1,794.63)			(\$2,057.61)
Investment Interest Totals		\$0.00	(\$262.98)	
301000-33101 - Line of Credit-Advance	-			-
301000-33303 - Property Tax-Current	(\$174,515.51)			(\$179,118.30)
Property Tax-Current Totals		\$0.00	(\$4,602.79)	
301000-33304 - Property Tax-Delinquent	(\$4,503.19)			(\$6,686.77)
Property Tax-Delinquent Totals		\$0.00	(\$2,183.58)	
301000-33307 - Transwestern Judgement	-			-
301000-33333 - Disbursements-FDAT	(\$33,202.21)			(\$34,174.63)
Disbursements-FDAT Totals		\$0.00	(\$972.42)	
301000-70000 - Expense Transfer	\$160,000.00			\$160,000.00
301000-70001 - Wire Out	\$78,238.72			\$89,742.60
Wire Out Totals		\$11,503.88	\$0.00	
301000-78001 - Warrants-Redeemed	\$105,798.16			\$113,002.85
Warrants-Redeemed Totals		\$7,204.69	\$0.00	
301000-78002 - Disbursements-Miscellaneous	-			-
301000-78007 - Tax Abatements	-			-
301000-78100 - Line of Credit-Interest Payment	-			-
301000-78101 - Line of Credit-Principal Payment	-			-
301000-78475 - Trustee Fee	-			-
301000-79999 - Warrant Clearing	\$5,404.07			\$5,677.80
Warrant Clearing Totals		\$7,478.42	(\$7,204.69)	
301050-11000 - Cash with Treasurer	\$196,782.16			\$197,071.41
Cash with Treasurer Totals		\$289.25	\$0.00	
301050-29000 - Fund Balance	(\$54,319.25)			(\$54,319.25)
301050-29050 - Warrants Outstanding	(\$5,075.27)			(\$5,075.27)

Fund Balance Summary Report

Morman Lake Fire District Fund Range: 301000-301099 Date Range: 2/1/2024 - 2/29/2024

Account	Beginning Balance	Debits	Credits	Ending Balance
301050-33001 - Deposits/Misc	(\$168,500.50)			(\$168,500.50)
301050-33002 - Investment Interest	(\$2,659.97)			(\$2,949.22)
Investment Interest Totals		\$0.00	(\$289.25)	
301050-33307 - Transwestern Judgement	-			-
301050-70000 - Expense Transfer	-			-
301050-70001 - Wire Out	-			-
301050-78001 - Warrants Redeemed	\$28,697.56			\$28,697.56
301050-78003 - NSF	-			-
301050-79999 - Warrants Clearing	\$5,075.27			\$5,075.27

Outstanding Warrants by Warrant Range

Outstanding Warrants - Morman Lake FD; Range: 0082_6; Date Range: 7/1/2008 - 2/29/2024

Number	Issued Date	Amount	Payee
00822600234	05/09/2022	\$300.00	Stephens and Company
00823600031	09/23/2022	\$700.00	National Bank of AZ
00824600011	08/14/2023	\$234.39	Safeguard Business Systems
00824600058	12/28/2023	\$234.39	Safeguard Business Sys
00824600071	10/23/2023	\$3,110.00	WW Williams
00824600085	12/15/2023	\$692.64	Golden West Industrial
00824600093	12/15/2023	\$865.65	Yavapai Bottle Gas
00824600099	01/15/2024	\$170.00	GUARDIAN MEDICAL TRANSPORT
00824600100	01/15/2024	\$97.00	JHTG INC DBA ORKIN PEST CONTROL
00824600116	02/19/2024	\$273.73	TDS Telecom
Total Outstanding Warrants		\$6,677.80	

Tax Distribution Report

FD MORMON LAKE -- Date Range: 2/1/2024 - 2/29/2024

11247 - FD MORMON LAKE

	Tax Year	Taxes	Interest	Misc	Net Distribution
	2022	\$2,183.58	\$0.00	\$177.28	\$2,360.86
	2023	\$4,602.79	\$0.00	\$795.14	\$5,397.93
11247 -- Totals		\$6,786.37	\$0.00	\$972.42	\$7,758.79

Voided Warrants by Warrant Range

FD Mormon Lake - Voided Warrants; Range: 0080_6; Date Range: 2/1/2024 - 2/29/2024

Number	Issued Date	Amount	Payee
--------	-------------	--------	-------

Mormon Lake Fire District

Profit and Loss

February 2024

	TOTAL
Income	
4103 Property Taxes	6,786.37
4104 FDAT	972.42
4309 Interest Earned	552.23
4411 Miscellaneous Income	265.08
Total Income	\$8,576.10
GROSS PROFIT	\$8,576.10
Expenses	
5114 Personnel Expenses	
5116 Salaries and Wages	
5116-2 Part-Time Employees	10,686.38
Total 5116 Salaries and Wages	10,686.38
5120 Employee Benefits	1,200.00
5121 Employee Payroll Tax Expense	817.50
Total 5114 Personnel Expenses	12,703.88
5220 Operating Expenses	
5221 Fuel	327.75
5224 Supplies	240.42
5226 Training and Prevention	2,094.00
5227 Maintenance and Repair- Operating	1,040.00
Total 5220 Operating Expenses	3,702.17
5442 Administrative Expenses	
5443 Administrative Equipment	503.00
5445 Utilities	2,373.42
5446 Professional Services	1,555.00
General Administrative Expenses	435.90
Total 5442 Administrative Expenses	4,867.32
Total Expenses	\$21,273.37
NET OPERATING INCOME	\$ (12,697.27)
NET INCOME	\$ (12,697.27)

Mormon Lake Fire District

Capital (Restricted), Period Ending 02/29/2024

RECONCILIATION REPORT

Reconciled on: 03/15/2024

Reconciled by: Natalie Galgano

Any changes made to transactions after this date aren't included in this report.

Summary

USD

Statement beginning balance.....	196,782.16
Checks and payments cleared (0).....	0.00
Deposits and other credits cleared (1).....	289.25
Statement ending balance.....	<u>197,071.41</u>

Uncleared transactions as of 02/29/2024.....	-5,075.27
Register balance as of 02/29/2024.....	191,996.14

Details

Deposits and other credits cleared (1)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
02/01/2024	Journal	Interest		289.25
Total				289.25

Additional Information

Uncleared checks and payments as of 02/29/2024

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
09/15/2023	Check	183480002	MES	-5,075.27
Total				-5,075.27

Mormon Lake Fire District

General (Unrestricted), Period Ending 02/29/2024

RECONCILIATION REPORT

Reconciled on: 03/15/2024

Reconciled by: Natalie Galgano

Any changes made to transactions after this date aren't included in this report.

Summary

USD

Statement beginning balance.....	164,455.97
Checks and payments cleared (22).....	-18,708.57
Deposits and other credits cleared (5).....	8,286.85
Statement ending balance.....	<u>154,034.25</u>
Uncleared transactions as of 02/29/2024.....	-7,103.22
Register balance as of 02/29/2024.....	146,931.03
Cleared transactions after 02/29/2024.....	0.00
Uncleared transactions after 02/29/2024.....	-17,607.33
Register balance as of 03/15/2024.....	129,323.70

Details

Checks and payments cleared (22)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
02/06/2024	Journal	18020		-195.78
02/06/2024	Journal	18019		-434.13
02/06/2024	Journal	18018		-417.68
02/06/2024	Journal	18022		-2,331.99
02/06/2024	Journal	18021		-434.11
02/06/2024	Journal	18017		-429.42
02/17/2024	Journal	ACH		-980.56
02/17/2024	Journal	ACH		-85.48
02/19/2024	Bill Payment	824600119	Donald E. Short	-320.00
02/19/2024	Bill Payment	824600118	NATIONAL BANK OF AZ	-1,507.07
02/19/2024	Bill Payment	824600117	PS WESTERN, SHAWN	-3,294.00
02/19/2024	Bill Payment	824600115	YAVAPAI BOTTLE GAS	-1,363.62
02/22/2024	Journal	18029		-2,331.99
02/22/2024	Journal	18027		-745.06
02/22/2024	Journal	18025		-217.06
02/22/2024	Journal	18026		-365.46
02/22/2024	Journal	18024		-429.42
02/22/2024	Journal	18023		-13.19
02/22/2024	Journal	18028		-830.24
02/26/2024	Bill Payment	824600128	Donald E. Short	-720.00
02/27/2024	Journal	ACH		-1,173.44
02/27/2024	Journal	ACH		-88.87
Total				-18,708.57

Deposits and other credits cleared (5)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
02/01/2024	Journal	Interest		262.98
02/28/2024	Journal	Deposit		265.08
02/29/2024	Journal	Taxes		2,183.58
02/29/2024	Journal	Taxes		972.42
02/29/2024	Journal	Taxes		4,602.79
Total				8,286.85

Additional Information

Uncleared checks and payments as of 02/29/2024

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
08/14/2023	Bill Payment	824600011	Safegard Business Systems	-234.39
10/23/2023	Bill Payment	824600071	W.W. Williams	-3,110.00
12/15/2023	Bill Payment	824600085	GOLDEN WEST INDUSTRIA...	-692.64
12/28/2023	Bill Payment	824600058	Safegard Business Systems	-234.39
01/15/2024	Bill Payment	824600099	GUARDIAN MEDICAL TRAN...	-170.00
01/15/2024	Bill Payment	824600100	JHTG INC. DBA ORKIN PEST...	-97.00
02/19/2024	Bill Payment	824600116	TDS Telcom	-273.73
02/26/2024	Bill Payment	824600121	AT&T Mobility	-86.99
02/26/2024	Bill Payment		Streamline	-480.00
02/26/2024	Bill Payment	824600129	STEPHENS & COMPANY PLLC	-1,075.00
02/26/2024	Bill Payment	824600130	WM CORPORATE SERVICE...	-182.16
02/26/2024	Bill Payment	824600120	APS	-466.92
Total				-7,103.22

Uncleared checks and payments after 02/29/2024

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
03/07/2024	Journal	18032		-213.53
03/07/2024	Journal	18034		-2,332.00
03/07/2024	Journal	18033		-830.24
03/07/2024	Journal	18030		-429.42
03/07/2024	Journal	18031		-434.11
03/08/2024	Journal	ACH		-64.85
03/08/2024	Journal	ACH		-1,020.82
03/10/2024	Bill Payment	824600134	WM CORPORATE SERVICE...	-360.53
03/10/2024	Bill Payment	824600133	Walker & Armstrong, LLP	-5,000.00
03/10/2024	Bill Payment	824600132	United Fire	-1,029.35
03/10/2024	Bill Payment	824600131	PS WESTERN, SHAWN	-1,200.00
03/10/2024	Bill Payment	824600126	Streamline	-480.00
03/10/2024	Bill Payment	824600125	NATIONAL BANK OF AZ	-792.11
03/10/2024	Bill Payment	824600124	Municipal Accounts & Consulti...	-843.64
03/10/2024	Bill Payment		APS	-76.73
03/10/2024	Bill Payment	824600123	Kairos Health Arizona	-2,500.00
Total				-17,607.33

Mormon Lake Fire District

Balance Sheet

As of February 29, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1010 Capital (Restricted)	191,996.14
1020 General (Unrestricted)	146,931.03
Total Bank Accounts	\$338,927.17
Other Current Assets	
Current Bank Balance	(344,346.56)
Total Other Current Assets	\$ (344,346.56)
Total Current Assets	\$ (5,419.39)
TOTAL ASSETS	\$ (5,419.39)
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	0.00
Total Other Current Liabilities	\$0.00
Total Current Liabilities	\$0.00
Total Liabilities	\$0.00
Equity	
Retained Earnings	
Net Income	(5,419.39)
Total Equity	\$ (5,419.39)
TOTAL LIABILITIES AND EQUITY	\$ (5,419.39)



Mormon Lake Fire District

1067 Mormon Lake Rd. Mormon Lake, AZ 86038

Phone: 928-354-2231 mormonlakefire.com

Diane Lewis – Chairperson
Jeff Haupricht– Clerk
Ralph Verdino–Board Member
Patrick Nahass–Board Member
Mike Morgenthal–Board Member
Shawn Western – Fire Chief

DEPARTMENT REPORT MARCH 2024

MEETINGS:

- PFAC Committee Meeting
- Active Shooter Training Meeting
- Phone Meeting with Audit Review Company
- Phone Meeting with Emergency Management Office
- Phone Meeting with FirstNet regarding power outage.
- Phone Meeting with APS

TRAININGS:

-

CALL VOLUME:

- Special Duty: 0
- Cancel: 0
- Fires: 0
- Wildland: 0
- MVA: 1
- EMS: 0
- Year-to-date: 5

VEHICLES:

- Command 61: Front bumper bracket broken
- Rescue 61: In Service No Issues
- Brush 61: Light issues fixed.
- Brush 64:
- Engine 61: No issues
- Tender 61: No issues
- Tender 62: No issues
- Rescue 66: No issues

MISCELLANEOUS:

- CPR/ First Aid Training

PERSONNEL:

- Active Full-Time Residents: 4
- Active Summer Residents: 4
- Active Reserves: 4
- Active Chaplain: 1

GRANT REQUESTS:

- DFFM GRANT- EQUIPMENT- \$20,000 50% Match **AWARDED**
- DFFM GRANT- SB1720- Brush Truck- \$528,000; 20% Match

Coconino County, Arizona
Mormon Lake Fire District
Annual Report
Year Ended June 30, 2023

**Part D—Schedule of revenues, expenditures, and changes in fund balances
(for governmental fund types)**

Basis of accounting:	Modified accrual <input type="checkbox"/>	Cash <input checked="" type="checkbox"/>		
	General Fund	Capital Projects Funds	Debt Service Funds	Funds
Revenues				
Taxes				
Special assessments				
Licenses and permits				
Intergovernmental:				
Federal	SEE PAGE 3 of Attached Financial Statement			
State				
County				
Charges for services				
Fines and forfeits				
Interest on investments				
Rents				
Contributions, gifts, and donations				
Credit card incentives				
Miscellaneous				
Other revenues (itemize)				
<hr/>				
<hr/>				
Total revenues				
Expenditures				
Salaries and wages				
Employee benefits				
Administration				
Professional services				
Utilities and communications				
Insurance				
Repairs and maintenance				
Interest				
Capital outlay:				
Land				
Buildings				
Improvements other than buildings				
Machinery and equipment				
Construction in progress				
Debt service:				
Principal retirement				
Interest and fiscal charges				
Miscellaneous				
Other expenditures (itemize)				
<hr/>				
<hr/>				
Total expenditures				

Coconino County, Arizona
Mormon Lake Fire District
Annual Report
Year Ended June 30, 2023

Part D—(Concl'd)

	General Fund	Capital Projects Funds	Debt Service Funds	Funds
Excess of revenues over (under) expenditures	_____	_____	_____	_____
Other financing sources (uses)				
Transfers-in	_____	_____	_____	_____
Transfers-out	_____	_____	_____	_____
Proceeds from the sale of bonds	_____	_____	_____	_____
Loan proceeds	_____	_____	_____	_____
Lease agreements	_____	_____	_____	_____
Subscription-based information technology arrangements	_____	_____	_____	_____
Total other financing sources (uses)	_____	_____	_____	_____
Excess of revenues and other sources over (under) expenditures and other uses	_____	_____	_____	_____
Beginning fund balance— ___/___/___	_____	_____	_____	_____
Ending fund balance— ___/___/___	=====	=====	=====	=====

**Coconino County, Arizona
Mormon Lake Fire District
Annual Report
Year Ended June 30, 2023**

**Part E—Schedule of revenues, expenses, and changes in fund net position
(for proprietary and similar fund types)**

Basis of accounting: **Accrual** **Cash**

	Enterprise Funds	Pension Trust Funds	Funds
<u>Operating revenues</u>			
Charges for services			
Employer contributions			
Employee contributions			
Investment income			
Miscellaneous			
Total operating revenues			
<u>Operating expenses</u>			
Salaries and wages			
Employee benefits			
Administration			
Professional services			
Utilities and communications			
Insurance			
Repairs and maintenance			
Landfill closure and postclosure care costs			
Depreciation			
Benefits			
Refunds			
Miscellaneous			
Total operating expenses			
Operating income (loss)			
<u>Nonoperating revenues (expenses)</u>			
Intergovernmental			
Interest revenue			
Credit card incentives			
Interest expense			
Gain (loss) on disposal of capital assets			
Total (net) nonoperating revenues (expenses)			
Income (loss) before contributions and transfers			
Capital contributions			
Transfers-in			
Transfers-out			
Net income (loss)			
Beginning fund net position—	_ / _ / _		
Ending fund net position—	_ / _ / _		

Mormon Lake Fire District



Financial Statement

Year ended June 30, 2023

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Statement of Cash Receipts, Disbursements and Change in Cash and Investment Balances – Governmental Fund	3
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CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

Independent Accountant’s Review Report

To the Governing Board
and Management
Mormon Lake Fire District
Mormon Lake, Arizona

We have reviewed the accompanying statement of cash receipts, disbursements and change in cash and investment balances – governmental fund of Mormon Lake Fire District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the District’s basic financial statement as listed in the table of contents. A review includes primarily applying analytical procedures to management’s financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statement as a whole. Accordingly, we do not express such an opinion.

Management’s Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statement 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 financial statement that is free from material misstatement, whether due to fraud or error.

Accountant’s Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA and the standards applicable to financial reviews contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statement for it to be in accordance with the modified cash basis of accounting described in Note 1 to the financial statement. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statement in order for it to be in conformity with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. As described in Note 1, the financial statement is prepared by the District on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Arizona. Our conclusion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2024, on our consideration of the District's internal control over financial reporting and on our review of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters as it came to our attention in the course of our review. The purpose of that report is solely to describe the scope of our procedures on internal control over financial reporting and compliance and the results thereof, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an attestation engagement performed in accordance with *Government Auditing Standards* in considering the 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 the District, Coconino County, Arizona and the State of Arizona and is not intended to be and should not be used by anyone other than these specific parties.

Walker & Armstrong, LLP

Phoenix, Arizona
February 23, 2024

Mormon Lake Fire District
Statement of Cash Receipts, Disbursements and
Change in Cash and Investment Balances - Governmental Fund
Year Ended June 30, 2023

	General Fund
Cash Receipts:	
Taxes:	
Property taxes	\$ 262,222
Fire district assistance tax	47,669
Interest income	5,007
Other	44,337
Total cash receipts	359,235
Cash Disbursements:	
Public safety-fire protection:	
Personnel expenses	142,788
Insurance	13,743
Utilities and communications	15,904
Repairs and maintenance	15,657
Professional services	19,140
Administration expense	6,955
Equipment and supplies	7,181
Fuel	7,256
Training and related	13,794
Miscellaneous	897
Capital outlay	34,829
Debt service - principal	3,374
Debt service - interest	169
Total cash disbursements	281,687
Excess of cash receipts over cash disbursements	77,548
Cash and investments, beginning of year	266,799
Cash and investments, end of year	\$ 344,347

See accompanying notes and
independent accountant's review report.

**Mormon Lake Fire District
Notes to Financial Statement
Year Ended June 30, 2023**

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The District is a local governmental unit formed as a political subdivision of Coconino County which is a political subdivision of the State of Arizona. The District was formed under the provisions of Title 48 of Arizona Revised Statutes. The District operates under the guidance of an elected board, comprised of five members, which is the policy making body of the District. The purpose of the District is to provide protection and emergency related services to the residents and guests of the District and surrounding area. The day-to-day operations are supervised by a chief and the chief's staff or volunteers.

The District has the power to issue bonds, levy taxes, bill for services and raise revenues with the power of the county government. The District has the power to expend public funds for any legitimate purpose required to further its needs. The District operates as an independent governmental agency directly responsible to the local taxpayers and voters.

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 of the general government.

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, 2023, 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 change 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, accrued expenses and long-term liabilities are not reported. Accordingly, the financial statement is not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

Notes to Financial Statement – Continued

Note 1 – Summary of Significant Accounting Policies – Continued

Adoption of New Accounting Principles

For the year ended June 30, 2023, the District implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. As a result, the District's financial statement has been modified to reflect the implementation of this new standard.

Cash and Investments

Cash and investments consist of amounts in demand deposits and cash on deposit with the Coconino County Treasurer. Amounts designated by the board for capital reserves are held in a separate account with the Coconino County Treasurer and require board authorization for transfer or use of the designated funds.

Budgetary Accounting

The District is required, under Arizona Revised Statutes, to adopt a budget each fiscal year and to submit it to Coconino County 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.

Property Taxes

The District levies property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment 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 and becomes delinquent after the first business day of May.

Subscription-Based Information Technology Arrangements

The District uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The District's estimated incremental borrowing rate is 5% based on current credit terms available to the District.

Notes to Financial Statement – Continued

Note 1 – Summary of Significant Accounting Policies – Continued

Estimates

The preparation of the basic financial statement may require management to make estimates and assumptions that affect certain disclosures in the financial statements. 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 a formal investment policy with respect to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for investments. State statute requires collateral for deposits at 102 percent of deposits not federally insured.

Investments

As of June 30, 2023, the District's investments consisted of amounts held with the Coconino County Local Government Investment Pool totaling \$344,347.

The Coconino County Treasurer's investment pool is not required to register (and is not registered) with the Securities and Exchange Commission and there is no regulatory oversight of its operations.

The fair value of each participant's position in the Treasurer's investment pool approximates 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, 2023, all of the District's investments were in the Coconino County Investment Pool which is 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, 2023, all of the District's investments can be withdrawn from the pool at will and therefore, are not subject to a significant amount of interest rate risk.

Notes to Financial Statement – Continued

Note 2 – Cash and Investments – Continued

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 – Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2023, are as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
SBITA*	\$ 3,374	\$ -	\$ (3,374)	\$ -	\$ -

*Subscription-based information technology arrangements

Subscription-Based Information Technology Arrangement (SBITA) - The District entered into a subscription-based information technology arrangement for emergency reporting software through fiscal year 2023. No future payments are required under the arrangement.

Subsequent event

In November 2023, the District entered into a new SBITA arrangement for its emergency reporting software through December 2028. The terms of the arrangement provide for annual payments of \$5,160.

Note 4 – Employment Contract

The District entered into an employment contract with its Fire Chief, effective May 1, 2021, which extends indefinitely until terminated by either party. In exchange for fire chief services, the Fire Chief shall be compensated as follows:

- An annual salary of \$55,000, with annual cost of living increases consistent with the increase in property tax revenue, not to exceed 5% per annum. Additionally, the Fire Chief may, at the discretion of the Board, based on its annual performance review, receive an increase in annual salary of up to 5%.
- \$750 per month, with up to a 3% annual increase, to be used at the discretion of the Fire Chief for medical, dental, vision, and accidental death and dismemberment coverage for a plan or plans not provided by the District.
- Eight percent the annual salary is to be provided as retirement compensation to be used at the discretion of the Fire Chief under a plan not administered by the District and for which the Fire Chief is responsible for any associated expenses.

Notes to Financial Statement – Continued

Note 4 – Employment Contract – Continued

- A cell phone allowance of \$65 per month, with up to a 3% annual increase.

Employment is at-will, but if terminated, the District is obligated to pay one month of compensation and benefits. Accrued vacation and sick time will also be paid by the District upon termination of employment, unless the termination is the result of a criminal act.

Note 5 – 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 the public; and natural or manmade disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 6 – Subsequent Events

Management has evaluated subsequent events through February 23, 2024, the date the financial statement was available to be issued noting the District entered into a new SBITA arrangement as described in Note 3 to the financial statement.

Mormon Lake Fire District
Report on Internal Control and on
Compliance and Other Matters

Year ended June 30, 2023



CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

Independent Accountant’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on a Review of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Governing Board
and Management
Mormon Lake Fire District
Mormon Lake, Arizona

We have reviewed, in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA) and the standards applicable to financial reviews contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statement of the major governmental fund of Mormon Lake Fire District (the “District”), as of and for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the District’s modified cash basis financial statement and have issued our report thereon dated February 23, 2024

Report on Internal Control over Financial Reporting

In planning and performing our review of the financial statement, we considered the District’s internal control over financial reporting (internal control) as it came to our attention during the ordinary course of performing our review procedures. Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA and generally accepted *Government Auditing Standards* applicable to review engagements do not require an understanding or testing of internal control over financial reporting. Accordingly, no testing of internal controls was performed as part of our review engagement and accordingly, we do not express an opinion or any other type of assurance on the effectiveness of the District’s internal control over financial reporting.

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 District’s financial statement 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 review, 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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free from material misstatement, we reviewed 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 statement. However, providing an opinion on compliance with those provisions was not an objective of our review, and accordingly, we do not express such an opinion. The results of our review procedures identified no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Compliance with Title 48, Chapter 5, Article 1 Applicable to Debt and Warrant Issuance Limitations

In connection with our review, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of Title 48, Chapter 5, Article 1 limiting the amount of certain debt and warrants that can be issued by the District and requiring certain certifications, insofar as such compliance relates to accounting matters. However, our review was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with Title 48, Chapter 5, Article 1, insofar as they relate to accounting matters.

The communication related to compliance with the provisions of Title 48, Chapter 5, Article 1 referred to in the preceding paragraph is intended solely for the information and use of members of the Arizona State Legislature, the Board of Directors, management, and other responsible parties within the District 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 District's internal control or on compliance. This report is an integral part of a review performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Walker & Armstrong, LLP

Phoenix, Arizona
February 23, 2024

	Actual fiscal year 2023	Actual (estimated) fiscal year 2024	Budget fiscal year 2025	Estimated fiscal year 2026	Estimated fiscal year 2027
Financial resources available at July 1					
1. Beginning fund balance/(deficit)—unrestricted unencumbered	\$ 197,236	\$ 130,000	\$ 130,000	107,842.08	98,651.48
2. Beginning fund balance—restricted	\$ 69,562	\$ 223,242	\$ 145,000	279,760.94	360,738.46
Revenues					
3. Secondary property tax revenue	243,991.00	\$ 273,913	\$ 292,000	319,545.47	345,167.54
4. Fire district assistance tax	\$ 44,270	\$ 54,783	\$ 58,400	67,262.16	74,586.12
5. Wildland				-	-
6. Operating revenues				-	-
7. Grants	\$ 500	\$ 500	\$ 500	500.00	500.00
8. Bonds				-	-
9. Interest	\$ 2,426	\$ 2,650	\$ 4,800	6,968.77	11,370.06
10. Donations	\$ 44,111	\$ 5,000	\$ 5,000	2,783.38	2,166.41
11. Miscellaneous	\$ 226	\$ 5,000	\$ 5,000	57,809.73	363,101.41
12. Other (specify) <u>EMS Billing (State)</u>	\$ 1,500	\$ 15,000	\$ 7,500	39,375.00	113,203.13
Other (specify) _____				-	-
Other (specify) _____				-	-
Other (specify) _____				-	-
Other (specify) _____				-	-
13. Total financial resources available	\$ 603,822	\$ 710,088	\$ 648,200	\$ 881,848	\$ 1,369,485
Expenses					
14. Personnel:					
15. Estimated number of full-time employees (FTE) in 2025:			1		
16. Salaries & wages	\$ 83,509	\$ 140,100	\$ 165,000	235,569.98	306,880.19
17. Health insurance	\$ 11,790	\$ 12,000	\$ 14,000	15,291.35	17,270.86
18. Pension & other retirement benefits	\$ 4,840	\$ 5,888	\$ 8,040	10,379.71	13,786.84
19. Other (specify) <u>Employee Benefits</u>	\$ 2,448	\$ 34,000	\$ 31,500	233,341.91	972,353.29
Other (specify) <u>FICA/ Medicare</u>	\$ 6,388	\$ 16,000	\$ 17,500	31,486.41	45,544.66
Other (specify) _____				-	-
20. Total personnel expenses	108,975.00	207,988.00	236,040.00	526,069.36	1,355,835.84
Operating:					
21. Fuel	\$ 6,532	\$ 8,500	\$ 9,400	11,313.69	13,064.30
22. Tools & minor equipment	\$ 1,443	\$ 17,500	\$ 14,000	90,492.58	328,658.03
23. Contracted services	\$ 1,050	\$ 1,100	\$ 1,100	1,126.19	1,139.60
24. Supplies	\$ 5,119	\$ 16,500	\$ 15,000	30,992.83	46,106.16
25. Vehicle repair	\$ 6,841	\$ 15,000	\$ 10,000	14,296.64	14,985.25
26. Training & prevention	\$ 12,788	\$ 15,000	\$ 10,000	9,198.21	7,296.42
27. Maintenance & repair—operating	\$ 4,681	\$ 9,500	\$ 9,000	13,395.82	16,314.73
28. Communications	\$ 960	\$ 1,500	\$ 1,260	1,513.58	1,544.79
29. Contingencies & emergencies	\$ 2,714	\$ 3,000	\$ 3,000	3,158.07	3,241.27
30. Other (specify) <u>Reserve Carryover</u>	\$ 130,000	\$ 130,000	\$ 130,000	130,000.00	130,000.00
Other (specify) _____				-	-
Other (specify) _____				-	-
31. Total operating expenses	172,128.00	217,600.00	202,760.00	305,487.61	562,350.53
Capital:					
32. Land, building, & construction				-	-
33. Vehicles	\$ 34,829			-	-
34. Lease payments				-	-
35. Machinery & equipment		\$ 78,000	\$ 15,000	-	-
36. Maintenance & repair—capital				-	-
37. Reserve for future years—carryforward	\$ 223,242	\$ 145,000	\$ 130,000	100,494.62	83,892.27
38. Debt service—principal				-	-
39. Debt service—interest				-	-
40. Other (specify) _____				-	-
Other (specify) _____				-	-
Other (specify) _____				-	-
41. Total capital expenses	258,071.00	223,000.00	145,000.00	100,494.62	83,892.27
Administrative:					
43. Administrative equipment	\$ 5,639	\$ 1,800	\$ 1,200	591.52	342.97
44. Insurance	\$ 13,743	\$ 14,000	\$ 17,000	18,980.38	22,119.54
45. Utilities	\$ 15,546	\$ 19,650	\$ 18,500	20,400.57	20,851.51
46. Professional services	\$ 17,037	\$ 22,000	\$ 24,000	28,586.59	32,617.55
47. Subscriptions, dues, fees	\$ 955	\$ 1,049	\$ 1,200	1,345.43	1,523.78
48. General administrative expenses	\$ 2,685	\$ 3,000	\$ 2,500	2,438.31	2,205.04
49. Other (specify) _____				-	-
Other (specify) _____				-	-
Other (specify) _____				-	-
50. Total administrative expenses	55,605.00	61,499.00	64,400.00	72,342.81	79,660.39
51. Total expenses	\$ 594,779	\$ 710,087	\$ 648,200	\$ 1,004,394	\$ 2,081,739