

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**  
**WITH REPORT OF**  
**CERTIFIED PUBLIC ACCOUNTANTS**

# BEAVER DAM/LITTLEFIELD FIRE DISTRICT

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## Independent Auditor's Report

Members of the Board  
Beaver Dam/Littlefield Fire District  
Beaver Dam, Arizona

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities and each major fund, of Beaver Dam/Littlefield Fire District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Beaver Dam/Littlefield Fire District, as of June 30, 2024, and the respective changes in financial position, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 the 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.

#### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether 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 one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 GAAS 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 financial statements.
- 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 financial statements.
- 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.

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

Accounting principles generally accepted in the United States of America require that the management's discussion, the budget to actual comparison schedule, and analysis and pension/ other post-employment benefits (OPEB) related schedules, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial

statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*HintonBurdick, PLLC*

Mesquite, Nevada

February 17, 2025

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

As management of the Beaver Dam/Littlefield Fire District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. Please read it in conjunction with the accompanying basic financial statements.

### **FINANCIAL HIGHLIGHTS**

- Total assets and deferred outflows exceed total liabilities and deferred inflows (i.e. net position) by \$2,346,949 at the end of the fiscal year.
- Total net position decreased by \$33,400.
- Total revenue from all sources was \$1,643,549 and the total cost of all district programs was \$1,676,949.
- Total long-term debt (excluding compensated absences and net pension/OPEB liability) decreased by \$89,149.
- The net pension/OPEB liabilities were \$211,574 at the end of the fiscal year.
- Total revenue and other financing sources in the general fund were \$154,613 less than the final budget and expenditures were \$338,827 less than the final budget.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,150,377 or 64% of total general fund expenditures.

### **USING THIS ANNUAL REPORT**

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

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

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

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

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

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

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

## Reporting the District’s Most Significant Funds

### Fund Financial Statements

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

- Governmental funds – All of the District’s basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District’s general government operations and the basic services it provides. Government fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation included with the Basic Financial Statements and in Note 2.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District’s financial position. The District’s combined assets exceed liabilities by \$2,346,949 as of June 30, 2024, as shown on the following condensed statement of net position.

	Governmental Activities	
	June 30, 2024	June 30, 2023
Current and other assets	\$ 1,671,138	\$ 1,767,760
Capital assets	1,187,224	1,080,769
Total assets	<u>2,858,362</u>	<u>2,848,529</u>
Deferred outflows of resources	<u>132,932</u>	<u>197,987</u>
Long-term obligations	555,378	601,401
Other liabilities	86,443	51,238
Total liabilities	<u>641,821</u>	<u>652,639</u>
Deferred inflows of resources	<u>2,524</u>	<u>13,528</u>
Net position:		
Net investment in capital assets	897,285	701,681
Unrestricted	<u>1,449,664</u>	<u>1,678,668</u>
Total net position	<u>\$ 2,346,949</u>	<u>\$ 2,380,349</u>



## Governmental Activities

The cost of all governmental activities this year was \$1,676,949. Those who directly benefited from the programs paid for \$746,098 of this cost. Overall governmental program revenues, including intergovernmental aid and fees for services, were \$761,012. General taxes, investment earnings and other general revenues totaled \$882,537.

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

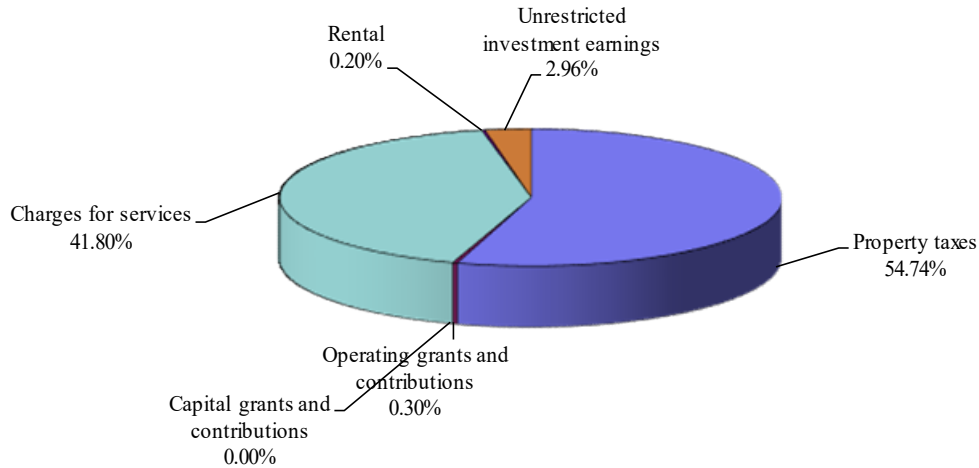
### Change in Net position

	Governmental Activities	
	June 30, 2024	June 30, 2023
Revenues:		
Program revenues:		
Charges for services	\$ 746,098	\$ 573,938
Operating grants and contributions	14,914	4,107
General revenues:		
Property taxes	812,564	751,631
Rental	2,635	2,735
Unrestricted investment earnings	66,338	40,601
Gain on sale of capital assets	1,000	-
Total revenues	<u>1,643,549</u>	<u>1,373,012</u>
Expenses:		
Public safety	1,669,189	1,454,317
Interest on long-term debt	7,760	8,162
Total expenses	<u>1,676,949</u>	<u>1,462,479</u>
Change in net position	(33,400)	(89,467)
Net position, beginning	<u>2,380,349</u>	<u>2,469,816</u>
Net position, ending	<u>\$ 2,346,949</u>	<u>\$ 2,380,349</u>

Total resources available during the year to finance governmental operations were \$4,023,898 consisting of net position at July 1, 2023 of \$2,380,349, program revenues of \$761,012, and general revenues of \$882,537. The total cost of governmental activities during the year was \$1,676,949; thus governmental net position decreased by \$33,400 to an ending net position of \$2,346,949.

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

**Revenue By Source - Governmental Activities**



### **General Fund Budgetary Highlights**

The final budget appropriations for the general fund were \$338,827 more than actual expenditures. Actual revenues were less than the final budget by \$154,613. Budget amendments and supplemental appropriations were not made during the year after the adoption of the original budget.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

The capital assets of the District are those assets that are used in performance of District functions. Capital assets include land, buildings, equipment, and emergency vehicles. At the end of fiscal year 2024, net capital assets of the government activities totaled \$1,187,224. Depreciation on capital assets is recognized in the government-wide financial statements. See Note 4 to the financial statements.

#### **Debt**

The long-term debt (excluding compensated absences and net pension/OPEB liabilities) of the District was \$289,939 as of the end of fiscal year 2024, which is a decrease of \$89,149 from the prior fiscal year.

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

In considering the District's budget for fiscal year 2024/2025, the District board and management estimated the budget for operating revenues and expenditures to be relatively consistent with fiscal year 2023/2024.

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

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Michelle Arnett, Finance Director of the Beaver Dam/Littlefield Fire District at P.O. Box 579, Littlefield, AZ 86932 or call 928-347-5114.

**BASIC FINANCIAL STATEMENTS**

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Statement of Net Position**  
**June 30, 2024**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,491,408
Receivables, net of allowance	170,354
Prepays	9,376
Capital assets, net of accumulated depreciation	
Land	29,839
Buildings and improvements	180,979
Machinery and equipment	178,807
Vehicles	788,119
Right-of-use equipment	9,480
Total assets	2,858,362
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to pensions/OPEB	132,932
<b>Liabilities</b>	
Accounts payable and other current liabilities	80,324
Accrued interest payable	6,119
Noncurrent liabilities:	
Due within one year	130,109
Due in more than one year	213,695
Net pension/OPEB liabilities	211,574
Total liabilities	641,821
<b>Deferred Inflows of Resources</b>	
Deferred inflows related to pensions/OPEB	2,524
<b>Net Position</b>	
Net investment in capital assets	897,285
Unrestricted	1,449,664
Total net position (deficit)	\$ 2,346,949

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

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants &amp; Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
Governmental activities:					
Public safety	\$ 1,669,189	\$ 746,098	\$ 14,914	\$ (908,177)	\$ (908,177)
Interest on long-term debt	7,760	-	-	(7,760)	(7,760)
Total governmental activities	<u>\$ 1,676,949</u>	<u>\$ 746,098</u>	<u>\$ 14,914</u>	<u>(915,937)</u>	<u>(915,937)</u>
General revenues:					
Property and other taxes				812,564	812,564
Rental				2,635	2,635
Unrestricted investment earnings				66,338	66,338
Gain on sale of capital assets				1,000	1,000
Total general revenues				<u>882,537</u>	<u>882,537</u>
Change in net position				(33,400)	(33,400)
Net position - beginning				<u>2,380,349</u>	<u>2,380,349</u>
Net position - ending				<u>\$ 2,346,949</u>	<u>\$ 2,346,949</u>

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

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

	<u>General Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,491,408	\$ 1,491,408
Accounts receivable, net of allowance of \$163,382	83,933	83,933
Property taxes receivable	33,391	33,391
Due from other governments	53,030	53,030
Prepaid items	9,376	9,376
Total assets	<u>\$ 1,671,138</u>	<u>\$ 1,671,138</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>		
Liabilities:		
Accounts payable	\$ 37,786	\$ 37,786
Accrued liabilities	42,538	42,538
Total liabilities	<u>80,324</u>	<u>80,324</u>
Deferred inflows of resources:		
Deferred inflows related to property taxes	19,654	19,654
Deferred inflows related to unavailable revenue	1,260	1,260
Total deferred inflows of resources	<u>20,914</u>	<u>20,914</u>
Fund balances:		
Nonspendable:		
Prepaid items	9,376	9,376
Assigned:		
Subsequent year	407,000	407,000
Capital outlay	3,147	3,147
Unassigned	1,150,377	1,150,377
Total fund balances	<u>1,569,900</u>	<u>1,569,900</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,671,138</u>	<u>\$ 1,671,138</u>

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

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2024**

<b>Total governmental fund balance</b>		<b>\$ 1,569,900</b>
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Capital assets	\$ 3,757,282	
Accumulated depreciation	<u>(2,570,058)</u>	1,187,224
<p>Unavailable revenues associated with charges for services and taxes are recorded as revenue in the government-wide statements.</p>		
		20,914
<p>Some liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds.</p>		
Notes payable	(280,193)	
Leases payable	(9,746)	
Compensated absences	(53,865)	
Net pension/OPEB liability	(211,574)	
Accrued interest payable	<u>(6,119)</u>	(561,497)
<p>Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.</p>		
Deferred outflows	132,932	
Deferred inflows	<u>(2,524)</u>	<u>130,408</u>
<b>Total net position of governmental activities</b>		<b><u>\$ 2,346,949</u></b>

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



**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

	<b>General Fund</b>
<b>Revenues:</b>	
Property and other taxes	\$ 817,572
Charges for services, including ambulance	478,547
Intergovernmental	0
Grants and contributions	14,914
Rental income	2,635
Other revenues, including wildland fires	267,131
Interest revenue	66,338
Total revenues	1,647,137
<b>Expenditures:</b>	
Public safety	
Personnel costs	965,964
Services, supplies and other	98,289
Repairs and maintenance	45,618
Fuel	36,947
Insurance	41,750
Communications	53,331
Utilities	16,476
Administrative costs	104,146
Grant expense	19,459
Total public safety	1,381,980
Debt service	110,973
Capital outlay - public safety	296,487
Total expenditures	1,789,440
Excess (deficiency) of revenues over expenditures	(142,303)
<b>Other financing sources (uses)</b>	
Lease proceeds	11,850
Sale of capital assets	1,000
Total other financing sources (uses)	12,850
Net change in fund balance	(129,453)
Fund balance - beginning of year	1,699,353
<b>Fund balance - end of year</b>	<b>\$ 1,569,900</b>

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

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Reconciliation of the Governmental Funds Statement of Revenues,**  
**Expenditures, and Changes in Fund Balance to the**  
**Government-Wide Statement of Activities**  
**For the Year Ended June 30, 2024**

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

Net change in fund balance - total governmental funds	\$	(129,453)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay	\$	291,798
Depreciation expense	(185,343)	106,455
<hr style="width: 100%;"/>		
<p>Revenues that were not collected in the current period are not reported as revenue in the current period while they are recorded in the statement of activities. This is the change in the unavailable revenue balance for the fiscal year.</p>		
Deferred property taxes	(5,008)	
Unavailable revenue	420	(4,588)
<hr style="width: 100%;"/>		
<p>Debt proceeds provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Lease proceeds	(11,850)	
Notes payable principal repayment	100,999	89,149
<hr style="width: 100%;"/>		
<p>Pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension liability/OPEB adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the statement of activities.</p>		
Pension/OPEB contributions	64,456	
Pension/OPEB expense	(157,683)	(93,227)
<hr style="width: 100%;"/>		
<p>Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses are reported regardless of when the financial resources are available.</p>		
Change in compensated absences	(3,950)	
Change in accrued interest	2,214	(1,736)
<hr style="width: 100%;"/>		
Change in net position of governmental activities	\$	<u>(33,400)</u>

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

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1. Significant Accounting Policies**

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**Description of Government-Wide Financial Statements**

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

**Reporting Entity**

The District was organized as a Special Service District pursuant to the provisions of Chapter 5 of Title 48 of the Arizona Revised Statutes – Special Taxing Districts, which sets forth the legal framework for a fire district. The District provides fire protection for the communities of Beaver Dam, Littlefield, Desert Springs, Scenic, and Jones Flat. The accompanying financial statements include all activities of the District. There are no other agencies, or component units, that should be associated with these financial statements.

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

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

**Basis of Presentation – Fund Financial Statements**

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

The **General Fund** is used to account for all financial resources applicable to the general operations of the District. The District has no other funds.

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

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1. Significant Accounting Policies, Continued**

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

**Measurement Focus and Basis of Accounting**

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

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

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

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

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1. Significant Accounting Policies, Continued**

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**Budgets and Budgetary Accounting**

Annual budgets are prepared and adopted by resolution by the Board on or before July 15th for the fiscal year in accordance with State law. Prior to adoption of the budget, a public hearing is conducted to obtain taxpayer input. The budget includes proposed expenditures and the proposed sources of financing for such expenditures and is adopted on a basis consistent with generally accepted accounting principles using the modified accrual basis of accounting. Budgets are adopted and control of budget appropriations are exercised under State law, at the department level. Budget amendments are required to increase expenditure budgets. During the current fiscal year, there were amendments to the budget. Procedures for amending the budgets are completed in accordance with State laws. Refer to the budget and actual schedule for any excess expenditures over appropriations, if any.

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

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

Receivables consist primarily of ambulance billings, grants and property taxes. An allowance for uncollectible accounts receivable on receivables relating to ambulance charges for services is considered necessary and is presented.

***Inventories and Prepaid Items***

All inventories are valued at cost using the first-in/first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. The District's inventory of materials and supplies is deemed to be immaterial; thus, no provision for inventory has been made in these financial statements.

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

***Capital Assets***

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statement of net position. The District defines capital assets as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings and improvements, 7 – 40 years; machinery and equipment, 5 – 7 years; vehicles, 5 – 10 years.

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1. Significant Accounting Policies, Continued**

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The District has one type of item that qualifies for reporting in this category. Accordingly, *pension/OPEB* type items are reported in the government-wide financial statements (see Note 6).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category. Accordingly, *pension/OPEB* type items are reported on the government-wide financial statements (see Note 6). Another type of item, which arises only under a modified accrual basis of accounting, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: ambulance revenues and property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

***Postemployment Benefits***

For purposes of measuring the net pension and other postemployment benefits (OPEB) liabilities, deferred outflows of resources and deferred outflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plan's fiduciary net position of the Arizona Public Safety Personnel Retirement System (PSPRS), and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by PSPRS. For this purpose, benefit payments (including refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Net Position Flow Assumptions***

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

***Leases and Subscription-Based Information Technology Arrangements***

Lessee-. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1. Significant Accounting Policies, Continued**

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At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Subscription-based information technology arrangements: The District recognizes subscription liabilities with an initial, individual value of \$5,000 or more. The District uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement.

***Fund Balance Flow Assumptions***

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

Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1. Significant Accounting Policies, Continued**

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***Fund Balance Policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The governing board is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

**Revenues and Expenditures/Expenses**

***Program Revenues***

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

***Property Taxes***

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



**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1. Significant Accounting Policies, Continued**

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*Compensated Absences*

For governmental funds, amounts of vested or accumulated paid time off (PTO) that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide financial statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the governmental fund financial statements. Accumulated unpaid PTO is accrued based on the District's expected legal obligation as of the statement date.

**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 maintains insurance for general liability, auto liability, employee dishonesty, and worker's compensation.

**Tax Abatements**

The District has not entered into any tax abatement agreements and the District is not aware of any tax abatement agreements that have been entered into by other governments that would reduce the District's tax revenues.

**Use of Estimates**

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

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

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The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 13.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 15.

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 3. Deposits and Investments**

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The District's cash and cash equivalents are considered to be cash-on-hand, demand deposits and short-term investments with original maturities of three months or less from the date of the acquisition for purposes of this note.

Deposits and investments of the District at June 30, 2024 consist of the following:

Deposits:

Cash on deposit with Mohave County Treasurer	\$ 1,467,578
Financial institutions	<u>23,830</u>
Total deposits	<u>\$ 1,491,408</u>

**Deposits**

*Custodial Credit Risk*

For deposits, this is the risk that in the event of a bank failure, the District's deposit may not be returned to it. The District does not have a formal policy for custodial credit risk. As of June 30, 2024, none of the District's bank balance of \$1,515,155 was exposed to custodial credit risk, because it was uninsured or uncollateralized.

**Investments**

The District's policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the county treasurer's pool, and other investments as allowed by state statutes. Eligible Arizona depositories as defined by state statutes are any commercial bank or savings and loan association with its principal place of business in the state of Arizona, which are insured by the federal deposit insurance corporation, or any other insuring instrumentality of the United States. The District had no investments as of June 30, 2024.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District had no assets measured at fair value as of June 30, 2024.

**Interest rate risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the state statutes which define allowable investments.

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 3. Deposits and Investments, Continued**

**Credit risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing exposure to credit risk is to comply with the state statutes which define allowable investments.

**NOTE 4. Capital Assets**

The following table summarizes changes to capital assets for the year ended June 30, 2024.

	<b>Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance</b>
	<b>6/30/2023</b>			<b>6/30/2024</b>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 29,839	\$ -	\$ -	\$ 29,839
Total capital assets, not being depreciated	<u>29,839</u>	<u>-</u>	<u>-</u>	<u>29,839</u>
Capital assets, being depreciated:				
Buildings and improvements	506,245	-	-	506,245
Machinery and equipment	605,418	-	(11,999)	593,419
Vehicles	2,353,849	279,948	(17,868)	2,615,929
Right-of-use equipment	-	11,850	-	11,850
Total capital assets, being depreciated	<u>3,465,512</u>	<u>291,798</u>	<u>(29,867)</u>	<u>3,727,443</u>
Less accumulated depreciation for:				
Buildings and improvements	(313,249)	(12,017)	-	(325,266)
Machinery and equipment	(396,604)	(30,007)	11,999	(414,612)
Vehicles	(1,704,729)	(140,949)	17,868	(1,827,810)
Right-of-use equipment	-	(2,370)	-	(2,370)
Total accumulated depreciation	<u>(2,414,582)</u>	<u>(185,343)</u>	<u>29,867</u>	<u>(2,570,058)</u>
Total capital assets, being depreciated, net	<u>1,050,930</u>	<u>106,455</u>	<u>-</u>	<u>1,157,385</u>
Governmental activities capital assets, net	<u>\$ 1,080,769</u>	<u>\$ 106,455</u>	<u>\$ -</u>	<u>\$ 1,187,224</u>

The entire amount of depreciation was charged to the governmental activity, public safety.

<b>Governmental Activities:</b>	
Public safety	<u>\$ 185,343</u>
Total depreciation expense - governmental activities	<u>\$ 185,343</u>

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 5. Long-term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

	<u>Balance</u> <u>6/30/2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>6/30/2024</u>	<u>Current</u> <u>Portion</u>
<b>Governmental activities</b>					
Notes payable	\$ 379,088	\$ -	\$ (98,895)	\$ 280,193	\$ 100,947
Leases payable	-	11,850	(2,104)	9,746	2,229
Accrued compensated absences	49,915	31,157	(27,207)	53,865	26,933
Net pension/OPEB liabilities	172,398	39,176	-	211,574	-
Total governmental activities	<u>601,401</u>	<u>82,183</u>	<u>(128,206)</u>	<u>555,378</u>	<u>130,109</u>
Total long-term liabilities	<u>\$ 601,401</u>	<u>\$ 82,183</u>	<u>\$ (128,206)</u>	<u>\$ 555,378</u>	<u>\$ 130,109</u>

The following is a list of long-term liabilities outstanding as of June 30, 2024:

**Notes payable:**

2.42% note payable to Zions Bank in annual installments of \$14,271 through July 2023 and one payment of \$14,148 in July 2024, secured by a interfacility van. \$ 13,809

2.47% note payable to Zions Bank in annual installments of \$93,756 through August 2026, secured by a fire truck. 266,384

    Total notes payable 280,193

**Leases payable:**

Lease payable in monthly installments of \$228 through June 9, 2028, including interest of 5.799%. 9,746

**Compensated absences** 53,865

**Net pension/OPEB liabilities** 211,574

Total long-term liabilities 555,378

    Less current portion: (130,109)

        Net long-term liabilities \$ 425,269

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 5. Long-term Liabilities, Continued**

The following is a schedule of annual required debt payments for the notes payable:

Year Ending June 30,	Principal	Interest
2025	\$ 100,947	\$ 6,957
2026	89,291	6,957
2027	89,955	4,465
	\$ 280,193	\$ 18,379

The District has obtained the right to use a copier under the provisions of a lease agreement with the terms noted above. The cost of the right-of-use lease asset and related amortization are listed in the table included in Note 5.

The following schedule details the minimum lease payments to maturity for the District's lease payable at June 30, 2024:

Year Ending June 30,	Principal	Interest
2025	\$ 2,229	\$ 507
2026	2,362	374
2027	2,503	233
2028	2,652	84
	\$ 9,746	\$ 1,198

**NOTE 6. Pensions and Other Postemployment Benefits**

The District contributes to the plan described below. The plan is a component unit of the State of Arizona. At June 30, 2024, the District reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities
Net pension and OPEB liability	\$ 211,574
Deferred outflows of resources	132,932
Deferred inflows of resources	2,524

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 6. Pensions and Other Postemployment Benefits, Continued**

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The District's accrued payroll and employee benefits includes \$1,999 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2024. Also the District reported \$73,017 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

**Public Safety Personnel Retirement System (PSPRS)**

**Plan description** – The District's employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). ) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. 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, Chapter5, Article 4. : Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool.

The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for PSPRS plans. The report is available on the PSPRS web site at [www.psprs.com](http://www.psprs.com).

**Benefits provided** - The PSPRS provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute established benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and series credit as follows (see next page):

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**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6. Pension and Other Postemployment Benefits, Continued**

<b>PSPRS</b>	<b><u>Initial membership date:</u></b>	
	<b>Before January 1, 2012</b>	<b>On or After January 1, 2012 and before July 1, 2017</b>
<b>Retirement and Disability</b>		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, 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	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%	1.5% to 2.5% per year of credited service, not to exceed 80%
Normal Retirement	50% or normal retirement, whichever is greater	
Accidental Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Catastrophic 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	
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	
<b>Survivor Benefit</b>		
Retired Members	80% to 100% of retired member's pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50% of the member's compensation for up to 12 months.

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6. Pension and Other Postemployment Benefits, Continued**

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents.

**Employees covered by benefit terms** – At June 30, 2024, the following employees were covered by the agent plan’s benefit terms:

	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	-	-
Inactive employees entitled to but not yet receiving benefits	1	-
Active employees	2	2
Total	3	2

**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 the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2024, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	Active member - Pension	District - Pension	District - Health insurance premium
PSPRS	7.65%	8.92%	1.08%

The District’s contributions to the plans for the year ended June 30, 2024, were:

	Pension	Health insurance premium benefit
PSPRS	\$ 62,015	\$ 2,441

During fiscal year 2024, the District paid for PSPRS pension and OPEB contributions 100% from the General Fund.

**Liability** – At June 30, 2024, the District reported the following assets and liabilities.

	Net pension (asset) liability	Net OPEB (asset) liability
PSPRS	\$ 199,014	\$ 12,560



**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6. Pension and Other Postemployment Benefits, Continued**

The net assets and net liabilities were measured as of June 30, 2023, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

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

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry Age Normal
Investment rate of return	7.20%
Wage inflation	3.0-6.25% for pensions/not applicable for OPEB
Price inflation	2.50% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.85% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.2% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
U.S. public equity	24.00%	3.98%
International public equity	16.00%	4.49%
Global private equity	20.00%	7.28%
Other assets (capital appreciation)	7.00%	4.49%
Core bonds	6.00%	1.90%
Private credit	20.00%	6.19%
Diversifying strategies	5.00%	3.68%
Cash – Mellon	2.00%	0.69%
<b>Total</b>	<u>100.00%</u>	

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6. Pension and Other Postemployment Benefits, Continued**

**Discount Rate**—At June 30, 2023, the discount rate used to measure the PSPRS total pension/OPEB liability was 7.2 percent. The projection of cash flows used to determine this 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 actuarially determined contribution rates and the member rate. Based on these assumptions, the plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

**Changes in the net pension/OPEB liability**

	Pension			Health insurance premium benefit		
	Increase (decrease)			Increase (decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2023	\$ 736,943	\$ 582,022	\$ 154,921	\$ 30,724	\$ 13,247	\$ 17,477
Changes for the year:						
Service cost	26,742	-	26,742	1,175	-	1,175
Interest on total pension/OPEB liability	54,985	-	54,985	2,297	-	2,297
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience in the measurement of the pension/OPEB liability	72,422	-	72,422	(3,862)	-	(3,862)
Changes of assumptions	-	-	-	-	-	-
Contributions - employer	-	72,554	(72,554)	-	3,534	(3,534)
Contributions - employee	-	17,247	(17,247)	-	-	-
Net investment income	-	47,900	(47,900)	-	1,004	(1,004)
Benefit payments, including refunds of employee contributions	-	-	-	-	-	-
Plan administrative expenses	-	(499)	499	-	(11)	11
Tiers 1 & 2 Adjustment	-	(27,146)	27,146	-	-	-
Other changes	-	-	-	-	-	-
Net changes	154,149	110,056	44,093	(390)	4,527	(4,917)
Balances at June 30, 2024	<u>\$ 891,092</u>	<u>\$ 692,078</u>	<u>\$ 199,014</u>	<u>\$ 30,334</u>	<u>\$ 17,774</u>	<u>\$ 12,560</u>

**Sensitivity of the District’s net pension/OPEB (asset) liability to changes in the discount rate** – The following table presents the District's net pension/OPEB (assets) liabilities calculated using the discount rate of 7.2%, as well as what the District's net pension/OPEB (assets) liability 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:

PSPRS	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Net pension (asset) / liability	\$ 313,986	\$ 199,014	\$ 103,478
Net OPEB (asset)/ liability	15,492	12,560	10,051

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6. Pension and Other Postemployment Benefits, Continued**

**Plan fiduciary net position** – Detailed information about the plans’ fiduciary net position is available in the separately issued PSPRS financial report.

**Expense** – For the year ended June 30, 2024, the District recognized the following pension and OPEB expense:

	Pension expense	OPEB expense
PSPRS	\$ 151,052	\$ 925

**Deferred outflows/inflows of resources** – At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

PSPRS	Pension		Health Insurance Premium Benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	Differences between expected and actual experience	\$ 58,570	\$ -	\$ 555
Changes in assumptions	864	-	-	7
Net difference between projected and actual earnings on pension/OPEB plan investments	7,972	-	515	-
Contributions subsequent to the measurement date	62,015	-	2,441	-
Total	\$ 129,421	\$ -	\$ 3,511	\$ 2,524

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year Ended June 30,	PSPRS	
	Pension	Health Insurance Premium Benefit
2025	\$ 59,270	\$ (1,831)
2026	(3,379)	84
2027	12,071	278
2028	(556)	15
2029	-	-

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6. Pension and Other Postemployment Benefits, Continued**

**Tier 3 plan** – PSPRS administers a defined contribution pension plan as part of their Tier 3. The PSPRS Board of Trustees governs the PSPDCRP according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Benefit terms, including contribution requirements, are established by State statute.

For the year ended June 30, 2024, active Tier 3 members were required by statute to contribute at the actuarially determined rate indicated below of annual covered payroll.

	Active member - Pension	District - Pension	District - Health insurance premium
PSPRS Tier 3	8.69%	14.74%	0.12%

Employees are immediately vested in their own contributions and the earnings on those contributions. Employees vest in a portion of the District’s contributions each year as set forth in statute. The plan retains nonvested District contributions when forfeited because of employment terminations. For the year ended June 30, 2024, the District recognized pension expense of \$8,561.

**NOTE 7. Commitments and Contingencies**

The District is involved in various matters of litigation from year to year. It is the District’s opinion that these cases will either be handled by the district’s insurance coverage or that they will not have a material effect on the District’s financial condition.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Required Supplementary Information**  
**GENERAL FUND**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property and other taxes	\$ 767,800	\$ 767,800	\$ 817,572	\$ 49,772
Charges for services, including ambulance	341,000	341,000	478,547	137,547
Grants and contributions	-	-	14,914	14,914
Rental income	2,600	2,600	2,635	35
Other revenues, including wildland fires	420,600	420,600	267,131	(153,469)
Interest earnings	7,600	7,600	66,338	58,738
Total revenues	<u>1,539,600</u>	<u>1,539,600</u>	<u>1,647,137</u>	<u>107,537</u>
<b>Expenditures:</b>				
Public safety				
Personnel costs	1,178,500	1,178,500	965,964	212,536
Services, supplies and other	122,400	122,400	98,289	24,111
Repairs and maintenance	62,400	62,400	45,618	16,782
Fuel	56,900	56,900	36,947	19,953
Insurance	40,900	40,900	41,750	(850)
Communications	58,800	58,800	53,331	5,469
Utilities	20,600	20,600	16,476	4,124
Administrative costs	124,467	124,467	104,146	20,321
Grant expense	1,600	1,600	19,459	(17,859)
Contingency	10,000	10,000	-	10,000
Total public safety	<u>1,676,567</u>	<u>1,676,567</u>	<u>1,381,980</u>	<u>294,587</u>
Debt service	110,700	110,700	110,973	(273)
Capital outlay - public safety	341,000	341,000	296,487	44,513
Total expenditures	<u>2,128,267</u>	<u>2,128,267</u>	<u>1,789,440</u>	<u>338,827</u>
Excess (deficiency) of revenues over expenditures	(588,667)	(588,667)	(142,303)	446,364
<b>Other financing sources (uses):</b>				
Lease proceeds	275,000	275,000	11,850	(263,150)
Sale of capital assets	-	-	1,000	1,000
Total financing sources (uses)	<u>275,000</u>	<u>275,000</u>	<u>12,850</u>	<u>(262,150)</u>
Net change in fund balance	(313,667)	(313,667)	(129,453)	184,214
Fund balance - beginning of year	1,699,353	1,699,353	1,699,353	-
<b>Fund balance - end of year</b>	<u><u>\$ 1,385,686</u></u>	<u><u>\$ 1,385,686</u></u>	<u><u>\$ 1,569,900</u></u>	<u><u>\$ 184,214</u></u>

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Required Supplementary Information**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**Agent Plans**  
**June 30, 2024**

**PSPRS - Pension**

**Reporting Fiscal Year**  
**(Measurement Date)**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>(2023)</b>	<b>(2022)</b>	<b>(2021)</b>	<b>(2020)</b>	<b>(2019)</b>	<b>(2018)</b>	<b>(2017)</b>
<b>Total pension liability</b>							
Service cost	\$ 26,742	\$ 27,270	\$ 33,989	\$ 30,061	\$ 47,911	\$ 44,345	\$ -
Interest on total pension liability	54,985	50,692	45,220	30,346	38,634	27,855	-
Changes of benefit terms	-	-	-	-	-	-	(113,625)
Difference between expected and actual experience of the total pension liability	72,422	(21,506)	2,465	139,425	(180,840)	47,713	445,068
Changes of assumptions	-	13,349	-	-	5,762	-	22,809
Benefit payments, including refunds of employee contributions	-	-	-	-	-	-	-
<b>Net change in total pension liability</b>	<u>154,149</u>	<u>69,805</u>	<u>81,674</u>	<u>199,832</u>	<u>(88,533)</u>	<u>119,913</u>	<u>354,252</u>
<b>Total pension liability - beginning</b>	<u>736,943</u>	<u>667,138</u>	<u>585,464</u>	<u>385,632</u>	<u>474,165</u>	<u>354,252</u>	<u>-</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 891,092</u>	<u>\$ 736,943</u>	<u>\$ 667,138</u>	<u>\$ 585,464</u>	<u>\$ 385,632</u>	<u>\$ 474,165</u>	<u>\$ 354,252</u>
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 72,554	\$ 72,418	\$ 70,125	\$ 53,920	\$ 48,796	\$ 62,665	\$ 36,550
Contributions - employee	17,247	24,764	24,347	24,547	20,291	26,320	17,933
Net investment income	47,900	(22,533)	103,341	3,480	10,005	5,948	2,450
Benefit payments, including refunds of employee contributions	-	-	-	-	-	-	-
Pension plan administrative expenses	(499)	(406)	(469)	(284)	(1,174)	(591)	(422)
Tiers 1 & 2 Adjustment	(27,146)	-	-	-	-	-	-
Other (net transfer)	-	-	-	-	-	1	-
<b>Net change in plan fiduciary net position</b>	<u>110,056</u>	<u>74,243</u>	<u>197,344</u>	<u>81,663</u>	<u>77,918</u>	<u>94,343</u>	<u>56,511</u>
<b>Plan fiduciary net position - beginning</b>	<u>582,022</u>	<u>507,779</u>	<u>310,435</u>	<u>228,772</u>	<u>150,854</u>	<u>56,511</u>	<u>-</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 692,078</u>	<u>\$ 582,022</u>	<u>\$ 507,779</u>	<u>\$ 310,435</u>	<u>\$ 228,772</u>	<u>\$ 150,854</u>	<u>\$ 56,511</u>
<b>Net pension liability - ending (a) - (b)</b>	<u>\$ 199,014</u>	<u>\$ 154,921</u>	<u>\$ 159,359</u>	<u>\$ 275,029</u>	<u>\$ 156,860</u>	<u>\$ 323,311</u>	<u>\$ 297,741</u>
Plan fiduciary net position as a percentage of the total pension liability	77.67%	78.98%	76.11%	53.02%	59.32%	31.81%	15.95%
Covered payroll	\$ 225,457	\$ 212,568	\$ 208,990	\$ 210,700	\$ 154,928	\$ 224,189	\$ 210,642
Net pension liability as a percentage of covered payroll	88.27%	72.88%	76.25%	130.53%	101.25%	144.21%	141.35%

Note: In accordance with GASB 68, the District will need to disclose a 10-year history for the pension schedule above. Additional information will be displayed as it becomes available.



**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Required Supplementary Information**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**Agent Plans**  
**June 30, 2024**

PSPRS - Health Insurance Premium Benefit	Reporting Fiscal Year (Measurement Date)						
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
<b>Total OPEB liability</b>							
Service cost	\$ 1,175	\$ 1,069	\$ 1,467	\$ 1,509	\$ 919	\$ 1,480	\$ -
Interest on total OPEB liability	2,297	2,203	1,969	1,713	1,599	1,727	-
Changes of benefit terms	-	-	-	-	-	-	8,121
Difference between expected and actual experience of the total net OPEB liability	(3,862)	(2,123)	166	648	(1,764)	(5,104)	14,576
Changes of assumptions or other inputs	-	463	-	-	191	-	(105)
Benefit payments	-	-	-	-	-	-	-
<b>Net change in total OPEB liability</b>	(390)	1,612	3,602	3,870	945	(1,897)	22,592
<b>Total OPEB liability - beginning</b>	30,724	29,112	25,510	21,640	20,695	22,592	-
<b>Total OPEB liability - ending (a)</b>	<u>\$ 30,334</u>	<u>\$ 30,724</u>	<u>\$ 29,112</u>	<u>\$ 25,510</u>	<u>\$ 21,640</u>	<u>\$ 20,695</u>	<u>\$ 22,592</u>
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 3,534	\$ 2,967	\$ 3,826	\$ 2,249	\$ 3,023	\$ -	\$ -
Net investment income	-	-	-	-	84	-	-
Benefit payments	1,004	(426)	1,502	40	-	-	-
Administrative expense	(11)	(8)	(6)	(3)	(1)	-	-
Other changes	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	4,527	2,533	5,322	2,286	3,106	-	-
<b>Plan fiduciary net position - beginning</b>	13,247	10,714	5,392	3,106	-	-	-
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 17,774</u>	<u>\$ 13,247</u>	<u>\$ 10,714</u>	<u>\$ 5,392</u>	<u>\$ 3,106</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net OPEB (asset) liability - ending (a) - (b)</b>	<u>\$ 12,560</u>	<u>\$ 17,477</u>	<u>\$ 18,398</u>	<u>\$ 20,118</u>	<u>\$ 18,534</u>	<u>\$ 20,695</u>	<u>\$ 22,592</u>
Plan fiduciary net position as a percentage of the total OPEB liability	58.59%	43.12%	36.80%	21.14%	14.35%	0.00%	0.00%
Covered payroll	\$ 225,457	\$ 212,568	\$ 208,990	\$ 210,700	\$ 154,928	\$ 224,189	\$ 210,642
Net OPEB liability as a percentage of covered payroll	5.57%	8.22%	8.80%	9.55%	11.96%	9.23%	10.73%

Note: In accordance with GASB 75, the District will need to disclose a 10-year history for the OPEB schedule above. Additional information will be displayed as it becomes available.

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Required Supplementary Information**  
**Schedule of Pension/OPEB Contributions**  
**Agent Plans**  
**June 30, 2024**

PSPRS - Pension	Reporting Fiscal Year							
	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially required contribution	\$ 37,015	\$ 47,554	\$ 47,240	\$ 45,125	\$ 53,920	\$ 48,796	\$ 62,665	\$ 36,550
Contributions in relation to the actuarially required contribution	\$ (62,015)	\$ (72,554)	\$ (72,418)	\$ (70,125)	\$ (53,920)	\$ (48,796)	\$ (62,665)	\$ (36,550)
Contribution deficiency (excess)	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	<u>\$ (25,178)</u>	<u>\$ (25,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 285,319	\$ 225,457	\$ 212,568	\$ 208,990	\$ 210,700	\$ 154,928	\$ 224,189	\$ 210,642
Contributions as a percentage of covered payroll	21.74%	32.18%	34.07%	33.55%	25.59%	31.50%	27.95%	17.35%

Note: In accordance with GASB 68, the District will need to disclose a 10-year history for the pension schedule above. Additional information will be displayed as it becomes available.

PSPRS - Health Insurance Premium Benefit	Reporting Fiscal Year							
	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially required contribution	\$ 2,441	\$ 3,534	\$ 2,967	\$ 3,826	\$ 2,249	\$ 3,023	\$ -	\$ -
Contributions in relation to the actuarially required contribution	\$ (2,441)	\$ (3,534)	\$ (2,967)	\$ (3,826)	\$ (2,249)	\$ (3,023)	\$ -	\$ -
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 285,319	\$ 225,457	\$ 212,568	\$ 208,990	\$ 210,700	\$ 154,928	\$ 224,189	\$ 210,642
Contributions as a percentage of covered payroll	0.86%	1.57%	1.40%	1.83%	1.07%	1.95%	0.00%	0.00%

Note: In accordance with GASB 75, the District will need to disclose a 10-year history for the OPEB schedule above. Additional information will be displayed as it becomes available.

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Required Supplementary Information**  
**Notes to Pension/OPEB Plan Schedules**  
**June 30, 2024**

**NOTE 1. Actuarially Determined Contribution Rates**

Actuarially determined contribution rates for PSPRS are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry Age Normal
Amortization Method	Level Percent of Pay, Closed
Remaining Amortization Period As of the 2022 actuarial valuation	16 years
Asset valuation method	7-year smoothed market; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2022 actuarial valuation, the investment rate of return was decreased from 7.3% to 7.2%. In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.50% to 7.40%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.50%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0% - 8.0% to 3.5% - 7.5%. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0%. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5%.
Wage growth	In the 2022 actuarial valuation, wage growth was changed from 3.5% to a range of 3.0 - 6.25% for PSPRS and CORP. In the 2017 actuarial valuation, wage growth was decreased from 4.0% to 3.5%. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0%. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5%.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006-June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

**BEAVER DAM/LITTLEFIELD FIRE DISTRICT**  
**Required Supplementary Information**  
**Notes to Pension/OPEB Plan Schedules**  
**June 30, 2024**

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**NOTE 2. Factors that Affect Trends**

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Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS required pension contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. PSPRS allowed the District to phase in the increased contributions for members who were retired as of the law's effective date over 3 years. As a result, the District's pension contributions were less than the actuarially or statutorily determined contributions for 2018 and 2019.

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**OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS**

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**Independent Auditor’s Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards***

Members of the Board  
Beaver Dam/Littlefield Fire District  
Beaver Dam, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Beaver Dam/Littlefield Fire District (the District), as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated February 17, 2025.

**Internal Control over Financial Reporting**

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

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

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



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

## **Purpose of this Report**

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

*HintonBurdick, PLLC*

Mesquite, Nevada

February 17, 2025



**HINTONBURDICK**  
CPAs & ADVISORS

**Independent Auditor's Report on  
State Legal Compliance (ARS 48-805.02)**

Members of the Board  
Beaver Dam/Littlefield Fire District  
Beaver Dam, Arizona

We have audited the basic financial statements of Beaver Dam/Littlefield Fire District for the year ended June 30, 2024, and have issued our report thereon dated February 17, 2025. Our audit also included test work on the District's compliance with selected requirements identified in the State of Arizona Revised Statutes and the Arizona State Constitution including, but not limited to, Title 48, Chapter 5, Article 1.

The management of Beaver Dam/Littlefield Fire District is responsible for the District's compliance with all requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit; accordingly, we make the following statements:

ARS 48-805.02 requires the audit or report to include an attestation by the auditor of the District as to the following:

1. That the District has not incurred any debt or liability in excess of taxes levied and to be collected and the monies actually available and unencumbered at that time in the District general fund except for those liabilities as prescribed in section 48-805, subsection B, paragraphs 2 and 3, and sections 48-806 and 48-807.
2. That the District complies with subsection F of section 48-805.
3. Whether the audit or report disclosed any information contrary to the certification made as prescribed by subsection D, paragraph 1 of section 48-805.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, Beaver Dam/Littlefield Fire District complied, in all material respects, with the requirements identified above for the year ended June 30, 2024.

The purpose of this report is solely to describe the scope of our testing of the applicable compliance requirements identified in the Arizona Revised Statutes as noted above and the results of that testing based on the state requirements. Accordingly, this report is not suitable for any other purpose.

Sincerely,

*HintonBurdick, PLLC*

Mesquite, Nevada  
February 17, 2025