

**GOLDEN VALLEY FIRE DISTRICT**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**Saunders Company, Ltd.**  
**6008 West Cortez Street**  
**Glendale, Arizona 85304**  
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# GOLDEN VALLEY FIRE DISTRICT

## FINANCIAL STATEMENTS JUNE 30, 2025

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# GOLDEN VALLEY FIRE DISTRICT

## FINANCIAL STATEMENTS

JUNE 30, 2025

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# SAUNDERS COMPANY, LTD

JAMES H. SAUNDERS, CPA, CFE, CGFM, PI, AUDIT PARTNER

TRICIA E. SAUNDERS, PI, AUDITOR

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CERTIFIED PUBLIC ACCOUNTANT  
CERTIFIED FRAUD EXAMINER  
CERTIFIED GOVERNMENT FINANCIAL MANAGER  
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Arizona Society of Certified Public Accountants

Arizona Association of Licensed Private Investigators

International Association of Certified Fraud Examiners  
Arizona Association of Certified Fraud Examiners

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## INDEPENDENT AUDITOR'S REPORT

To the Governing Board  
Golden Valley Fire District  
Golden Valley, Arizona

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Golden Valley Fire District (the District), as of and for the year ended June 30, 2025, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Golden Valley Fire District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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

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 *Government Auditing Standards*, 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- λ Exercise professional judgment and maintain professional skepticism throughout the audit.
- λ 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.
- λ 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.
- λ 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.
- λ 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 and Analysis, budgetary comparison information and Net Pension and OPEB information 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 and *Government Auditing Standards*, 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 Legal and Regulatory Requirements**

Arizona Revised Statutes require disclosure of certain additional supplementary information required to comply with section 48-251 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by statute as 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 and with *Government Auditing Standards*, 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 Information**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2026 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 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 the District's 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.

Saunders Company, Ltd.

Glendale, Arizona

March 19, 2026

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# Golden Valley Fire District Management's Discussion and Analysis of Basic Financial Statements June 30, 2025

The following discussion and analysis of the Golden Valley Fire District financial performance presents Management's overview of the District's financial activities for the fiscal year ending June 30, 2025. Please read it in conjunction with the District's basic financial statements which begin following this analysis. This annual financial report consists of two parts, Management's Discussion and Analysis (this section) and the Basic Financial Statements.

## **Nature of Operations**

The Golden Valley Fire District provides Fire, Rescue, Paramedic, Hazardous Materials, Rope Rescue and Confined Space Rescue services to businesses, homes, property and persons within the District boundaries, as well as services to locations and persons outside the District thru mutual aid agreements and contracts.

## **Results of Operations**

Overview of 2024-2025 fiscal year fire district initiatives to better serve the community through planned improvements and strategic initiatives to keep the Golden Valley Fire District proactive and in a constant state of development and self-evaluation.

### **λ Response Information:**

○ Emergency Medical incidents	2,319	68.2%
○ Fire Incidents	133	3.9%
○ False Alarms	127	3.7%
○ Good Intent Incidents	291	8.6%
○ Service Calls	209	6.2%
○ Hazardous Material Incident	30	0.9%
○ Special Incident/Other/Canceled	<u>289</u>	8.5%
Total Calls for service	<b><u>3,398</u></b>	

### **λ Personnel :**

- Operations staffing level is at 25.
- Our volunteer program as of June 30, 2025 has 3 volunteer firefighters and 2 support volunteers.

### **λ Specialized Teams:**

- Technical Rescue Team – performs Rope Rescue, Water Rescue and Confined Space Rescues
- Hazardous Material Team
- Fire Investigation Team

### **λ Budget:**

- Assignment of budget Project Managers for specific areas of responsibility

- Consolidation with Yucca Fire District
- λ **Community awareness programs:**
  - Annual Fire Prevention Week
  - Participant in Veterans Day parades & activities in Golden Valley & Kingman areas
  - Fire District website at [www.GoldenValleyFire.org](http://www.GoldenValleyFire.org)
- λ **Other initiatives:**
  - Business Community partnerships improved.
  - Improved succession planning for all job descriptions.
  - Continued Economic development partnership with Mohave County officials.
- λ **New apparatus:**
  - Two attack units, 2023 Dodge 5500
- λ **Out of District contracts for services:**

○ Griffith Energy	\$ 390,245
○ Unisource / Black Mountain Energy	150,368
○ Arizona State Prison/GEO	314,731
○ Northern AZ Fire District, Chloride Response	24,330
○ Northern AZ Fire District, Shared Services	213,510
○ Andersons, Inc.	<u>5,000</u>
Total added compensation for services	<b><u>\$1,098,184</u></b>
- λ **ISO reduction plan:**
  - Fire Marshal Inspection / Code Enforcement Program
  - Improved daily / annual firefighter training.
  - Improvements in water hauling apparatus.
  - Budget for future apparatus improvements / refurbishment
  - Maintained classification rating of 4/10 effective 12/01/2022
- λ **Public Education & Training:**
  - Active participation in local school Annual Fire Prevention Week activities

**Financial Highlights :**

- λ District investment in capital assets decreased by \$217,163.
- λ The District's net position increased by \$803,623 from the previous fiscal year.
- λ Total revenues decreased by \$309,118 or 5.65% over the previous fiscal year.
- λ At the end of the current fiscal year, unrestricted net position for the Governmental Activities was \$ 1,022,670.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements comprise three components: 1) government -wide financial statements 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The main purpose of these statements is to provide the reader with sufficient information to assess whether or not the District’s overall financial position has improved or deteriorated.

**Government -Wide Financial Statements**

The government -wide financial statements are designed to provide readers with a broad overview of the District’s finances, in a manner similar to private-sector business.

The statement of net position presents information on all of the District’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, use fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Net Position June 30, 2025**

	BALANCE <u>JUNE 30, 2024</u>	BALANCE <u>JUNE 30, 2025</u>
Net Investment in Capital Assets	\$ 2,143,057	\$ 2,517,583
Unrestricted	<u>(2,830)</u>	<u>1,022,670</u>
<b>Total Net Position</b>	<b><u>\$ 2,140,227</u></b>	<b><u>\$ 3,540,253</u></b>

**Government -wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Golden Valley Fire District total net position was \$3,540,253 at the close of the most recent fiscal year.

A large portion of the District's net position reflects its investment in capital assets (e.g., land, construction in progress, buildings, machinery, vehicles, and equipment); less any related debt still outstanding used to acquire those assets. The District uses these capital assets to provide services to Citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following page contains a comparative analysis between the current and the prior fiscal year for the government -wide statements.

### Condensed Statement of Net Position

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2025</u>
Assets		
Current and other assets	\$ 1,729,211	\$ 2,780,947
Net OPEB Asset ( PSPRS)	114,387	162,030
Capital Assets, not being depreciated	602,636	616,315
Capital Assets, being depreciated, net	3,417,959	3,612,615
Total assets	<u>5,864,193</u>	<u>7,171,907</u>
Deferred outflow of resources	<u>964,525</u>	<u>858,709</u>
Liabilities		
Current liabilities	318,519	377,746
Non-Current liabilities	1,783,476	1,548,624
Net Pension Liability ( PSPRS)	1,785,838	1,622,948
Total liabilities	<u>3,887,833</u>	<u>3,849,318</u>
Deferred inflow of resources	<u>800,658</u>	<u>641,045</u>
Net position:		
Net investment in capital assets	2,143,057	2,517,583
Unrestricted (deficit)	<u>(2,830)</u>	<u>1,022,670</u>
Total net position	<u>\$ 2,140,227</u>	<u>\$ 3,540,253</u>

The unrestricted net position of \$1,022,670 is available to meet the District's ongoing obligations to citizens and creditors. As previously discussed, the deficit position arises from the actuarially determined unfunded future liability of the Public Safety Personnel Retirement System (PSPRS).

#### **Governmental Activities**

Most of the revenues for the District were derived from assessed property taxes and Fire District Assistance Tax from the County. Additional revenues were generated through several Out of District contracts as well as response to major wild land fires.

Governmental Activities net position increased by \$ 803,623. Key elements of this increase are reported below:

**Statement of Activities**

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2025</u>
<b>Expenditures:</b>		
Public Safety:		
Personnel	\$ 2,686,285	\$ 3,117,951
Operations	497,303	592,709
Administration	242,230	311,533
Debt Service Interest	59,404	99,368
Depreciation	340,472	441,847
Total Expenditures	3,825,694	4,563,408
<b>Program Revenues:</b>		
Fees for services	864,350	1,300,346
Capital grants	0	243,283
Total Program Revenues	864,350	1,543,629
Net Program Expenditures	2,961,344	3,019,779
<b>General revenues :</b>		
Property Taxes	2,306,943	2,873,382
Fire District Assistance Tax	274,536	337,353
Smart and Safe (SSAA) Tax	60,903	53,490
Gain on Pension Investments	49,797	264,330
Interest Earnings	54,798	84,631
Miscellaneous	147,452	210,216
Total General Revenues	2,894,429	3,823,402
Increase (Decrease) in Net Position	(66,915)	803,623
Net position, Beginning of the Year	2,207,142	2,736,630
*Net position, End of the Year	\$ 2,140,227	\$ 3,540,253

\*Prior year's net position has been restated. See notes to the financial statements, #24

**General Fund Budgetary Highlights**

The Golden Valley Fire District stayed within the approved budget for fiscal year 2024-2025. The legal compliance of budgeting for Special Districts in Arizona is at the fund level. While the District did not over-spend the budget at the fund level, the District overspent two line items. The line items were Administration in the amount of \$146,034 and Debt Service Principal in the amount of \$ 453. The budget overrun in administration was due to budgeted line items in different categories than in the accounting software. Debt Service Principal was over in the amount of \$ 453 but debt service interest was under in the same amount. The District was able to keep

actual expenditures \$1,872,119 under the approved budget for the year. Total revenue was over the approved budget by \$174,555.

**Capital Assets and Non-Current Liabilities**

Capital Assets:

In order to continue to provide the best service possible, the District spends a portion of the budget on fixed asset acquisition and capital projects.

For fiscal year ended June 30, 2025 the District purchased, had contributed, or constructed the following assets:

- o Communication tower at the Public Safety Training Center
- o (2) 2023 Dodge 5500 attack units
- o Lucas Device donated by Griffith Energy
- o HVAC at Station 16

**Capital Assets, Net of Depreciation June 30, 2025**

Capital asset activity for the year ended:

	<u>BALANCE</u> <u>06/30/2024</u>	<u>BALANCE</u> <u>06/30/2025</u>
<u>Depreciable Assets</u>		
Vehicles	\$ 4,464,278	\$ 3,799,682
Buildings	2,343,793	2,343,793
Building Improvements	95,356	95,356
Equipment, Admin	138,748	160,421
Equipment, Fire	<u>1,162,138</u>	<u>1,306,324</u>
Total Historical Costs	<u>8,204,313</u>	<u>7,705,576</u>
Less Accumulated Depreciation		
Vehicles	2,381,671	1,933,704
Buildings	917,778	982,380
Building Improvements	52,248	55,483
Equipment, Admin	134,861	138,093
Equipment, Fire	<u>897,343</u>	<u>983,301</u>
Less: Total Accumulated Depreciation	<u>4,383,901</u>	<u>4,092,961</u>
Depreciable Capital Assets, Net	3,820,412	3,612,615
<u>Non-Depreciable Assets</u>		
Construction in Progress	390,782	380,961
Land	<u>235,354</u>	<u>235,354</u>
Capital Assets, Net	<u>\$ 4,446,548</u>	<u>\$ 4,228,930</u>

**Non-Current Liabilities**

Our Note with KS State Bank for the 2009 Pierce Ladder Truck was paid off early in April 2025. At the end of the current fiscal year, the District had non-current liabilities of \$1,848,624. All of the debt is backed by the full faith and credit of the District.

Changes in Non-Current Liabilities:

	Balance <u>June 30, 2024</u>	Balance <u>June 30, 2025</u>
2009 Pierce Ladder Truck	\$ 34,773	\$ 0
Attack Truck	158,053	134,956
2 Fire Engines	<u>1,684,712</u>	<u>1,576,391</u>
Total Notes Payable	1,877,538	1,711,347
Compensated Absences – Due in More Than One Year	<u>117,657</u>	<u>275,965</u>
Total Notes Payable and Compensated Absences	1,995,195	1,987,312
Less Current Notes Payable	<u>166,191</u>	<u>138,688</u>
Totals	<u>\$ 1,829,004</u>	<u>\$ 1,848,624</u>

**Factors Affecting Future Results**

The District is subject to general economic conditions such as increases or declines in property tax value or other types of revenues that vary with economic conditions.

**1) Fire District Revenue**

- a. The most recent economic forecast indicates property values have slightly increases and some increase in tax revenue for the 2025 – 2026 budget years. The District will continue to seek alternative revenue streams such as:
  - i. Property annexations to offset the decline for the foreseeable future.
  - ii. Investment and involvement in Statewide Wildland Mobilizations
  - iii. Out of District Contract for Services Agreements
  - iv. Reduction of overtime costs through alternative staffing models
  - v. Applying for grants
  - vi. Utilizing the power of shared purchasing with other Districts
  - vii. Contracted Service Agreements with property owners.
- b. Revenue from Smart and Safe Arizona Fund (SSAA) established per ARS 36-2856 in which excise tax on marijuana and marijuana products are distributed to fire districts with enrolled members in the public safety personnel retirement system.

**2) Shared Services IGA with Northern Arizona Fire District**

The District is always looking for ways to cut costs, therefore, we have entered into a IGA with Northern Arizona Fire District for a shared service agreement.

This agreement will consist of sharing five (5) positions and the wages and benefits of each. The positions consist of; Fire Chief, Assistant Chief, Fire Marshal, Fire Prevention Specialist, and Administrative Assistant. The IGA was put in place on February 15, 2024.

**3) New Apparatus**

The District is in the process of purchasing new apparatus to replace some of the older outdated apparatus. The two (2) Attack units were received and placed into service September 2024. The two (2) Type 1 Engines have been delayed for another two years. The new apparatus will bring better reliability and save maintenance costs for the District.

**4) New Fire Station(s):**

a. The District will keep in mind a fire station to the north central area of the District, which could affect the population concentration to the North of Hwy-68. Possibly selling current properties not being used to purchase property to the North.

**5) Training Center**

a. The Golden Valley Fire District's Public Safety Training Center (PSTC) is continuing the planning and acquisition of "Props" to fill the remaining 10-acres with Firefighter training props to include the following:

- i. Flashover chamber
- ii. Confined Space Rescue
- iii. Helicopter Landing Zone
- iv. Vehicle Extrication area
- v. Liquefied Petroleum Gas (LPG) prop
- vi. Emergency Vehicle Driving course

b. The District will continue to work with other community organizations and public safety providers to collaborate with the District to allow for the largest use of this facility.

**6) Specialized Teams**

a. The District will continue to support the following specialized District teams:

- i. Hazardous Materials Response Team
- ii. Technical Rescue Team
- iii. Fire Investigations Team
- iv. Wildland Firefighting Team

This financial report is designed to provide an overview of the District's finances for anyone with an interest in the government's finances. Any questions regarding this report or requests for additional information may be directed to Fire Chief Dave Cunningham, Golden Valley Fire District at 749 S. Egar Road, Golden Valley, AZ 86413 or E-mail: firechief@goldenvalleyfire.org.

## **BASIC FINANCIAL STATEMENTS**

**GOLDEN VALLEY FIRE DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2025**

Exhibit A

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash & Cash Equivalents	\$ 2,285,293
Receivables:	
Property Taxes	259,890
Wildland	63,050
Miscellaneous Accounts Receivable	172,714
Net OPEB Asset (PSPRS)	162,030
Capital Assets, not being depreciated	616,315
Capital Assets, being depreciated, net	3,612,615
Total Assets	7,171,907
<b>DEFERRED OUTFLOW OF RESOURCES</b>	
Deferred Outflows Related to OPEB(PSPRS)	2,312
Deferred Outflows Related to Pension (PSPRS)	856,397
Total Assets and Outflow of Resources	8,030,616
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	14,380
Credit Cards Payable	7,680
Payroll Taxes/Withholding Payable	56,694
Insurance Payable	31,588
Wages Payable	59,725
Due in Less Than One Year:	
Compensated Absences	68,991
Notes Payable	138,688
Non-Current Liabilities	
Due in More Than One Year:	
Compensated Absences	275,965
Notes Payable	1,572,659
Net Pension Liability (PSPRS)	1,622,948
Total Liabilities	3,849,318
<b>DEFERRED INFLOW OF RESOURCES</b>	
Deferred Inflows Related to OPEB (PSPRS)	64,600
Deferred Inflows Related to Pension (PSPRS)	576,445
Total Liabilities and Inflow of Resources	4,490,363
<b>NET POSITION</b>	
Net Investment in Capital Assets	2,517,583
Unrestricted (Deficit)	1,022,670
<b>Total Net Position</b>	<b>\$ 3,540,253</b>

-The Notes to the Financial Statements are an Integral Part of This Statement-

**GOLDEN VALLEY FIRE DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025**

Exhibit B

**Governmental  
Activities**

**EXPENDITURES**

Public Safety :	
Personnel	\$ 3,117,951
Operations	592,709
Administration	311,533
Debt Service Interest	99,368
Depreciation	<u>441,847</u>
Total Program Expenditures	<u>4,563,408</u>

**PROGRAM REVENUES**

Fees for Service	1,300,346
Capital Grants	<u>243,283</u>
Total Program Revenues	<u>1,543,629</u>
Net Program Expenditures	<u>3,019,779</u>

**GENERAL REVENUES**

Property Taxes	2,873,382
Fire District Assistance Tax	337,353
Smart and Safe AZ Tax	53,490
Gain on Investments	264,330
Interest Earnings	84,631
Miscellaneous	<u>210,216</u>
Total General Revenues	<u>3,823,402</u>

Increase (Decrease) in Net Position	803,623
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<b>*NET POSITION-BEGINNING OF THE YEAR</b>	<u>2,736,630</u>
--------------------------------------------	------------------

<b>NET POSITION-END OF THE YEAR</b>	<u><u>\$ 3,540,253</u></u>
-------------------------------------	----------------------------

\*Net Position was restated, see Notes to the Financial Statements, #24

-The Notes to the Financial Statements are an Integral Part of This Statement-

**GOLDEN VALLEY FIRE DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUND  
JUNE 30, 2025**

Exhibit C

General

**ASSETS**

Cash and Cash Equivalents	\$ 2,285,293
Receivables:	
Property Taxes	259,890
Wildland	63,050
Miscellaneous Accounts Receivable	<u>172,714</u>
 Total Assets	 <u><u>\$ 2,780,947</u></u>

**LIABILITIES**

Accounts Payable	\$ 14,380
Credit Cards Payable	7,680
Payroll Taxes/Withholding Payable	56,694
Insurance Payable	31,588
Wages Payable	<u>59,725</u>
 Total Liabilities	 170,067

**DEFERRED INFLOW OF RESOURCES**

Unavailable Revenue	<u>202,744</u>
 Total Liabilities and Inflow of Resources	 <u>372,811</u>
Assigned	1,455,582.00
Unassigned	<u>952,554</u>
Total Fund Balances	<u>2,408,136</u>
 Total Liabilities, Deferred Inflow of Resources & Fund Balances	 <u><u>\$ 2,780,947</u></u>

-The Notes to the Financial Statements are an Integral Part of This Statement-

**GOLDEN VALLEY FIRE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND  
FOR THE YEAR ENDED  
JUNE 30, 2025**

Exhibit D

	<b>General</b>
<b>REVENUES</b>	
Property Taxes	\$ 2,930,771
Fire District Assistance Tax	337,353
Smart and Safe AZ Tax	53,490
Fees for Service	1,300,346
Interest Earnings	84,631
Capital Grants	243,283
Miscellaneous	210,216
Total Revenues	5,160,090
<b>EXPENDITURES</b>	
Public Safety:	
Personnel	3,090,796
Operations	592,709
Administration	311,533
Debt Service:	
Principal	166,191
Interest	99,368
Capital Outlay	224,228
Total Expenditures	4,484,825
Excess (Deficiency) of Revenues over Expenditures	675,265
Net Change in Fund Balances	675,265
<b>*Fund Balances-Beginning of Year</b>	<b>1,732,871</b>
<b>Fund Balances-End of Year</b>	<b>\$ 2,408,136</b>

\* Fund Balance was restated, see Notes to the Financial Statements #24

-The Notes to the Financial Statements are an Integral Part of This Statement-

**GOLDEN VALLEY FIRE DISTRICT  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2025**

Exhibit E

**Reconciliation of Governmental Fund Balance to Net Position  
(Exhibit A) of governmental activities:**

Fund Balance - Total Governmental Fund (Exhibit C)		\$ 2,408,136
<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 other funds.</p>		
Governmental Capital Assets	8,321,891	
Less: Accumulated Depreciation	<u>(4,092,961)</u>	
		4,228,930
Net OPEB Asset- (PSPRS)		162,030
Deferred Outflows of Resources:		
Related to OPEB (PSPRS)		2,312
Related to Pension (PSPRS)		856,397
<p>Non-Current liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
		(2,056,303)
Net Pension Liability (PSPRS)		(1,622,948)
Deferred Inflows of Resources		
Related to OPEB (PSPRS)		(64,600)
Related to Pension (PSPRS)		(576,445)
Related to Deferred Property Taxes		<u>202,744</u>
Net Position of Governmental Activities (Exhibit A)		<u>\$ 3,540,253</u>

-The Notes to the Financial Statements are an Integral Part of This Statement-

**GOLDEN VALLEY FIRE DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED  
JUNE 30, 2025**

Exhibit F

**Reconciliation of the change in fund balance-total governmental fund  
to the change in net position of governmental activities:**

Net Change in Fund Balances - Total Governmental Fund (Exhibit D)	\$	675,265
----------------------------------------------------------------------	----	---------

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because of the following:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		450,599
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	---------

Net Change in Deferred Outflows and Inflows of Resources		(472,249)
----------------------------------------------------------	--	-----------

The issuance of non-current liabilities (e.g., bonds, leases, leave) provides current financial resources to governmental funds, while the repayment of the principal of non-current liabilities consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of non-current Liabilities and related items.		150,008
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	---------

Change in Net Position of Governmental Activities (Exhibit B)	\$	803,623
---------------------------------------------------------------	----	---------

-The Notes to the Financial Statements are an Integral Part of This Statement-

**GOLDEN VALLEY FIRE DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2025**

Exhibit G

**Volunteer  
Pension  
Fund**

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**ASSETS**

Cash & Cash Equivalents	\$	525
Investments, at fair value		
Mutual Funds		<u>104,408</u>
Total Assets		<u>104,933</u>

**LIABILITIES**

Accounts Payable		<u>-0-</u>
Total Liabilities		<u>-0-</u>

**NET POSITION**

Held in trust for pension and other purposes		<u><u>\$ 104,933</u></u>
-------------------------------------------------	--	--------------------------

-The Notes to the Financial Statements are an Integral Part of This Statement-

**GOLDEN VALLEY FIRE DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE YEAR ENDED JUNE 30, 2025**

Exhibit H

	<b><u>Volunteer Pension Fund</u></b>
<b>ADDITIONS</b>	
Contributions:	
District	\$ 5,699
Investment Earnings:	
Interest & Dividends	5,893
Gain on Investments	8,890
Total Investment Earnings	<u>20,482</u>
Total Additions	<u>20,482</u>
<b>DEDUCTIONS</b>	
Benefits Paid to Participants	<u>-</u>
Total Deductions	<u>-</u>
Change in Net Position	20,482
<b>Net Position - Beginning of the Year</b>	<u>84,451</u>
<b>Net Position - End of the Year</b>	<u><u>\$ 104,933</u></u>

-The Notes to the Financial Statements are an Integral Part of This Statement-

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# **GOLDEN VALLEY FIRE DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Reporting Entity**

The District is a local governmental unit formed as a political subdivision of Mohave 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, which is the policy making body of the District. The purpose of the District is to provide fire protection, emergency medical and related services to the residents and guests of the District and the surrounding area. The day to day operations are supervised by the fire chief and their staff.

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.

#### **Introduction**

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, all organizations for which the primary government is financially accountable, and other organizations which by nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

#### **Basic Financial Statements**

The accounting policies for the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

## **Government -Wide 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 District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business -type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to users of the services 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. Other items not properly included among program revenues are reported instead as general revenues.

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## **Governmental funds**

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 as net current assets. All sources of revenue except interest become measurable when the District has rendered a service. Interest revenue is measurable when its rate becomes known. Revenues are considered available if they are received within 60 days of the end of any accounting period. Expenditures are generally recognized 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.

The District reports the following major governmental funds:

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

The *Fiduciary Funds* are used to account for resources held for the benefit of parties outside the government. This fund's activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements.

## **Financial Statements Amounts**

### **Cash & Cash Equivalents**

All savings, checking and money market accounts with an original maturity of less than 90 days are considered to be cash equivalents.

### **Prepaid Items**

Payments to vendors that benefit future accounting periods are classified as prepaid items until charged to expenditures in the period benefited.

### **Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$2,500 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Buildings	27.5 to 40 years
Equipment	5 to 7 years
Fire Trucks	10 years
Automobiles	5 years
Office Equipment	5 years

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

In addition to assets, the statement of net position and the balance sheet 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 or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and the balance sheet 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

## **Compensated Absences**

Accumulated unpaid vacation and leave time is recorded in the government-wide Statement of Net Position.

## **Non-Current Liabilities**

In the government-wide financial statements, non-current liabilities and other non-current obligations are reported as liabilities in the applicable governmental activities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **Net Position**

### **Net Position on Government-Wide Financial Statements – Exhibit A**

Fund Equity, as defined in GASB Statement No. 34, “Basic Financial Statements for State and Local Governments” is defined as net position and is classified in the following categories:

- § Restricted—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- § Unrestricted – this balance is the amount of equity which is not included in the restricted fund balance and the Investments in Capital Asset balances.
- § Net Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

### **Fund Balance on Government Fund Financial Statements – Exhibit C**

GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.”

This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- § Non-spendable fund balance—amounts that are not in a spendable form (such as inventory or prepaid assets) or are required to be maintained intact.
- § Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- § Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., District Board). To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint.
- § Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board or by an official or body to which the District Board delegates the authority.
- § Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The District Board establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by District Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

### **Accounting 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 certain reported amount and disclosures in the financial statements. Actual results could differ from those estimates.

## **NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **Budgetary Information**

A fire district shall prepare an annual budget that contains detailed estimated expenditures for each fiscal year and that clearly shows salaries payable to employees of the district. The budget summary shall be posted in three public places and a complete copy of the budget shall be published on the district's official website for twenty days before a public hearing at a meeting called by the board to adopt the budget. Copies of the budget shall also be available to members of the public on written request to the district. Following the public hearing, the district board shall adopt a budget. A complete copy of the adopted budget shall be posted in a prominent location on the district's official website within seven business days after final adoption and shall be retained on the website for at least sixty months. For any fire district that does not maintain an official website, the fire district may comply with this subsection by posting on a website of an association of fire districts in this state. ARS 48-805.02(a)

Pursuant to ARS 48.805.02(d), all fire districts are required to submit the adopted budget, which has been certified to by the chairman and clerk of the District Board, on forms provided by the Auditor General of the State of Arizona to the County Board of Supervisors no later than August 1<sup>st</sup> of each year. Every budget adopted by a fire district in Arizona shall include the annual estimate of revenues and expenses of the fire district for the preceding and current fiscal year fully itemized as prescribed on the forms provided by the Auditor General of the State of Arizona. Encumbrance accounting is not employed by the District. All appropriations lapse at year-end.

## **NOTE 3 - DEPOSITS, INVESTMENT RISK & CASH MANAGEMENT**

### **Deposits and Investments**

The deposit of public funds is regulated by Arizona Revised Statutes (ARS). ARS 48-807 allows the District to establish bank accounts with any financial institution that is authorized to do business in the State of Arizona for the purpose of operating a payroll account, holding special revenues, ambulance revenues or

both as necessary to fulfill the District's fiduciary responsibilities. The District may also establish, through the Mohave County Treasurer, accounts for monies from property taxes, grants, contributions and donations. The Mohave County Treasurer is required to establish a fund known as the "fire district general fund" for the receipt of all taxes levied on behalf of the District.

The District may register warrants only if separate accounts are maintained by the Mohave County Treasurer for each governmental fund of the District. Warrants may only be registered on the maintenance and operation account, the unrestricted capital outlay account and the special revenue accounts, and only if the total cash balance of all three accounts is insufficient to pay the warrants and only after any revolving line of credit has been expended. Registered warrants may not exceed ninety per cent of the taxes levied by the County for the District's current fiscal year. Registered warrants bear interest as prescribed by statute and are redeemed as provided for by law for County warrants.

Unless monies are legally restricted by contract, agreement or law, those monies may be transferred between fund accounts according to the original or amended budget of the Fire District.

Any surplus remaining in the fire district general fund at the end of the fiscal year shall be credited to the fire district general fund of the district for the succeeding fiscal year and after subtraction of accounts payable and encumbrances, shall be used to reduce the tax levy for the following year.

The District accounts with the Mohave County Treasurer are part of an investment pool operated by the Mohave County Treasurer. The Mohave County Treasurer invests the cash in a pool under policy guidelines established by the Mohave County Treasurer's office. The County accounts for the investment pool in their Fiduciary Investment Trust Fund. Credit risk, concentration of credit risk, and interest rate risk regarding the Mohave County Treasurer's Investment pool is included in the Comprehensive Annual Financial Report of the County. The fair value of each participant's position in the Mohave County Treasurer's Investment Pool approximates the value of the participant's shares in the pool.

Financial institutions accepting governmental monies in the State of Arizona are required to collateralize at 102% all government deposits which exceed the FDIC insurance limit. The current FDIC limit is \$250,000 for the total of all interest bearing accounts and \$250,000 for the total of all demand deposit accounts. The collateralization is required to be separately identifiable securities and be held by a third party financial institution or trust agency. ARS (Title 35) requires this to be monitored by the Arizona State Treasurer's Office.

The District may also place monies in investments which are subject to the risks identified below.

The following is a summary of the Cash and Cash Equivalents held by financial institutions at June 30, 2025:

DEPOSITORY ACCOUNTS:

	<u>General Fund</u>	<u>Fiduciary Fund</u>	<u>Total</u>
Insured Deposits (FDIC)	\$ 130,001	\$ 0	\$ 130,001
Money Market Cash Account, Uninsured, Uncollateralized	0	525	525
Mohave County Treasurer Investment Pool	<u>2,216,133</u>	<u>0</u>	<u>2,216,133</u>
Total Deposits	2,346,134	525	2,246,659
In Transit Items	<u>(61,041)</u>	<u>0</u>	<u>(61,041)</u>
Total Cash & Cash Equivalents	2,285,093	525	2,285,618

NON DEPOSITORY ACCOUNTS

Cash On Hand	<u>200</u>	<u>0</u>	<u>200</u>
Total Non-Depository Accounts	<u>200</u>	<u>0</u>	<u>200</u>
Total Cash & Cash Equivalents	2,285,293	525	2,285,818
Mutual Funds & Investments	<u>0</u>	<u>104,408</u>	<u>104,408</u>
Total Cash & Investments	<u>\$ 2,285,293</u>	<u>\$ 104,933</u>	<u>\$ 2,390,226</u>

GASB Statement No. 72 establishes standards for measuring fair value and applying fair value to certain investments, establishes a three-tier hierarchy of inputs to valuation techniques used to measure fair value and enhances disclosures related to fair value hierarchy and valuation techniques.

These fair value measurement reporting levels are:

Level 1 - Quoted prices in active markets for identical assets.

Level 2 - Significant other observable inputs.

Level 3 - Significant unobservable inputs.

Mohave County Treasurer  
Volunteer Pension Mutual Funds

Level Two  
Level One

Breakdown of Investments measured at fair value:

Mohave County Treasurer Investment Pool	\$ 2,216,133
Volunteer Pension Mutual Funds	<u>104,933</u>
Total	<u>\$ 2,321,066</u>

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the system will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools and in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Foreign Currency Risk Arizona Revised Statutes do not allow foreign investments.

Investment Policy The District does not have a formal policy with respect to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

Credit Risk – Credit Risk is the risk that an issuer or other counterparty to an investment in a debt security will not fulfill its obligations. The District has no investment policy that would further limit its investment choices other than what is in the Arizona Revised Statutes (ARS). The Mohave County Treasurer’s Investment Pool (MCTIP) are external investment pools with no regulatory oversight. The MCTIP is not required to register (and is not registered) with the Securities and Exchange Commission. As of June 30, 2025, the MCTIP had not received a credit quality rating from a national rating agency.

Arizona Revised Statutes authorize the District to invest in obligations of the U.S. Treasury and federal agency securities, along with certain public obligations such as bonds or other obligations of any state of the United States of America or of any agency, instrumentality, or local governmental unit of any such state of which the District invests, that are rated in the highest rating category of nationally recognized statistical rating organizations .

Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk.

Concentration of Credit Risk Concentration of credit risk is associated with investments in any one issuer that represent 5 percent or more of total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are considered as excluded from this requirement.

Arizona Revised Statutes do not include any requirement for concentration of risk.

*Interest rate risk:* This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The Mohave County Treasurer invests the cash in a pool under policy guidelines established by the Mohave County Treasurer's office (the County). The County accounts for the investment pool in their Fiduciary Investment Trust Fund. Credit risk, concentration of credit risk, and interest rate risk regarding the Mohave County Treasurer's Investment Pool (MCTIP) is included in the Comprehensive Annual Report of the County. The fair value of each participant's position in the MCTIP approximates the value of the participant's shares in the pool.

*Volunteer Pension Mutual Funds.* The Volunteer Pension Fund of the District invests in open-end mutual funds in the District's name and managed by an independent third party administrator. These funds are invested in SEC regulated securities. The District reports these investments at fair market value. These mutual funds are unrated and not insured. The investments are spread among several independent investment pools, each with a distinct investment type, none of which exceed 5% of the total funds invested in the investment family of funds.

#### **NOTE 4- 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 never exceeded commercial insurance coverage for the District.

In addition, as the owner and operator of emergency response vehicles, the District is exposed to a high risk of loss related to these activities. The District carries commercial insurance on all vehicles and requires insurance coverage on all privately owned vehicles used for District activities.

#### **NOTE 5 - INVENTORIES**

The costs of governmental fund-type inventories are recorded as expenditures when purchased. All inventories of the District are considered immaterial.

#### **NOTE 6 - RECEIVABLES**

General and governmental fund receivables are recorded as received except for those funds collected and held by other governments on behalf of the Fire District. These amounts are recorded as soon as they are measurable and available in accordance with governmental accounting standards.

## **NOTE 7 – PROPERTY TAX REVENUE RECEIVABLES**

Property Tax Revenue Receivables arise when property taxes are levied but not currently collected. The collectible portion (taxes levied less estimated uncollectible) are recorded as deferred inflow of resources in the period when an enforceable legal claim to the assets arise.

## **NOTE 8 - CAPITAL ASSETS**

Beginning numbers have been adjusted to account for the merger with Yucca Fire District.

Capital asset activity for the year ended:

	<u>BALANCE</u> <u>06/30/2024</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>06/30/2025</u>
<u>Depreciable Assets</u>				
Vehicles	\$ 4,464,278	\$ 58,374	\$ 722,970	\$ 3,799,682
Buildings	2,343,793	0	0	2,343,793
Building Improvements	95,356	0	0	95,356
Equipment, Admin	138,748	21,673	0	160,421
Equipment, Fire	<u>1,162,138</u>	<u>154,003</u>	<u>9,817</u>	<u>1,306,324</u>
Total Historical Costs	<u>8,204,313</u>	<u>234,050</u>	<u>732,787</u>	<u>7,705,576</u>
Less Accumulated Depreciation				
Vehicles	2,381,671	275,003	722,970	1,933,704
Buildings	917,778	64,602	0	982,380
Building Improvements	52,248	3,235	0	55,483
Equipment, Admin	134,861	3,232	0	138,093
Equipment, Fire	<u>897,343</u>	<u>95,775</u>	<u>9,817</u>	<u>983,301</u>
Less: Total Accumulated Depreciation	<u>4,383,901</u>	<u>441,847</u>	<u>732,787</u>	<u>4,092,961</u>
Depreciable Capital Assets, Net	3,820,412	(207,797)	0	3,612,615
<u>Non-Depreciable Assets</u>				
Construction in Progress	390,782	0	9,821	380,961
Land	<u>235,354</u>	<u>0</u>	<u>0</u>	<u>235,354</u>
Capital Assets, Net	<u>\$ 4,446,548</u>	<u>\$ (207,797)</u>	<u>\$ 9,821</u>	<u>\$ 4,228,930</u>

**NOTE 9 - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

Pursuant to GASB Statement No. 63, “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*,” and GASB Statement No. 65, “*Items Previously Reported as Assets and Liabilities*,” the District recognized deferred outflows of resources in the government-wide statements. These items are a consumption of net position by the District that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The District reports the deferred inflows and outflows as follows:

	Government -wide <u>Activities</u>
Government -wide Deferred Outflows of Resources:	
Related to Deferred OPEB (PSPRS)	\$ 2,312
Related to Deferred Pensions (PSPRS)	<u>856,397</u>
Total Government -wide Activities	<u>\$ 858,709</u>
Government -wide Deferred Inflows of Resources:	
Related to Deferred OPEB (PSPRS)	\$ 64,600
Related to Deferred Pensions (PSPRS)	<u>576,445</u>
Total Government -wide Activities	<u>\$ 641,045</u>
	Governmental <u>Activities</u>
Unavailable Revenue:	
Deferred Property Taxes	<u>\$ 202,744</u>
Total Governmental Activities	<u>\$ 202,744</u>

**NOTE 10 - CONTINGENT LIABILITIES**

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

## **NOTE 11 – ACCUMULATED COMPENSATED ABSENCES**

The Golden Valley Fire District (the District) recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example, paid in cash to the employee if the personnel policy allows). Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences - paid time off (PTO), vacation and sick leave. The District recognizes vacation and sick time. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

### **Vacation**

The District permits employees to accumulate earned but unused vacation benefits according to the District's personnel policy regarding vacation benefits. These are eligible for payment at the employee's current pay rate upon separation from employment. The accrual at year-end consisted of \$21,269 payable in less than one year and \$ 85,077 payable in future years.

### **Sick Leave**

The District's policy permits employees to accumulate earned but unused sick leave according to the District's personnel policy regarding sick leave benefits. The District policy on sick leave allows employees to be compensated for a portion of their accrued unused sick leave upon voluntary termination based on the amount of accumulated sick time and District personnel policy.

All sick leave lapses when employees leave the employ of the District and, upon separation from service, except that portion which is eligible for pay-out according to the personnel policy. However, a liability for estimated value of sick leave that will be used by the employees as time off is included in the liability for compensated absences. The accrual at year-end consisted of \$47,722 payable in less than one year and \$ 190,888 payable in future years.

## **NOTE 12 – CURRENT LIABILITIES**

Accounts Payable are liabilities considered due and payable in 60 days or less.

Current Liabilities are those liabilities payable within one year.

Changes in Current Liabilities :

	Balance <u>June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2025</u>
Accounts Payable	\$ 7,018	\$ 7,261	\$ 0	\$ 14,279
Credit Card Payable	2,860	4,820	0	7,680
Payroll Taxes/Withholding	47,476	9,218	0	56,694
Insurance Payable	22,636	8,952	0	31,588
Wages Payable	54,191	5,534	0	59,725
Use Tax Payable	115	0	114	1
Deposits Received	0	100	0	100
Compensated Absences	63,560	5,431	0	68,991
Note Payable	<u>166,191</u>	<u>0</u>	<u>27,503</u>	<u>138,688</u>
Totals	<u>\$ 364,047</u>	<u>\$ 41,316</u>	<u>\$ 27,617</u>	<u>\$ 377,746</u>

**NOTE 13- LINE OF CREDIT**

The District utilizes an unsecured revolving credit line with a limit of \$250,000. As of June 30, 2025, the balance outstanding was \$0 and \$250,000 was available. The District routinely pays the balance in full when funds are available. The interest rate is determined at the time the line of credit is paid. The District did not use the line of credit during the FY 2025.

**NOTE 14- COMMITMENTS**

A commitment is an obligation arising from an existing contract, agreement or legislative enactment or regulation that will become an actual liability upon the fulfillment of specified conditions. At the close of the Fiscal Year, the District had no committed funds.

**NOTE 15 – NON-CURRENT LIABILITIES**

In the government-wide financial statements, non-current liabilities and other non-current obligations are reported as liabilities in the applicable governmental activities in the statement of net position.

**General Obligation Bonds**

The District does not currently have any general obligation bonds.

**Notes Payable**

**2009 Pierce Ladder Truck**: The District entered into a note payable agreement for the purchase of a 2009 Pierce Quantum 85 foot Aerial with Kansas State Bank. The note payable was dated June 10, 2021 in the amount of \$260,000 with an interest rate of 3.25%. The semi-annual payments are due on December 10<sup>th</sup> and June 10<sup>th</sup> of each year beginning December 10, 2021

with a final payment of \$24,270 due on June 10, 2027. This note was paid off during the Fiscal Year.

**Attack Truck**: The District entered into a note payable agreement for the purchase of an Attack vehicle with US Bankcorp. The note payable was dated October 27, 2022 in the amount of \$180,000 with an interest rate of 5.24%. The annual payment of \$31,379 is due on October 27<sup>th</sup> of each year beginning October 27, 2023 with a final payment of \$31,379 due on October 27, 2029.

**FireTrucks (2)**: The District entered into a note payable agreement for the purchase of 2 Fire Engines with Flagstar Finance. The note payable was dated December 15, 2023 in the amount of \$1,736,702 with an interest rate of 5.480%. The quarterly payments are due on September 15<sup>th</sup>, December 15<sup>th</sup>, March 15<sup>th</sup> and June 15<sup>th</sup> of each year beginning March 15, 2024 with a final payment of \$49,611 due on December 15, 2035.

<u>Description</u>	<u>Interest Rate</u>	<u>Lease Term</u>	<u>Balance June 30,2025</u>
Ladder Truck	3.25%	6/10/2027	\$ 0
Attack Truck	5.24%	10/27/2029	134,956
2 Fire Engines	5.48%	12/15/2035	1,576,391
Total			<u>\$ 1,711,347</u>

The following assets were acquired thru Notes Payable:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Carrying Value</u>
Ladder Truck	\$ 276,180	\$ 110,472	\$ 165,708
Attack Truck	180,000	0	180,000
2 Fire Engines	1,736,702	274,978	1,461,724
Total	<u>\$ 2,192,882</u>	<u>\$ 385,450</u>	<u>\$ 1,807,432</u>

Changes in Non-Current Liabilities :

	<u>Balance June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
2009 Pierce Ladder Truck	\$ 34,773	\$ 0	\$ 34,773	\$ 0
Attack Truck	158,053	0	23,097	134,956
2 Fire Engines	1,684,712	0	108,321	1,576,391
Total Notes Payable	<u>1,877,538</u>	<u>0</u>	<u>166,191</u>	<u>1,711,347</u>
Compensated Absences – Due in More Than One Year	<u>117,657</u>	<u>158,308</u>	<u>0</u>	<u>275,965</u>
Total Notes Payable and Compensated Absences	1,995,195	158,308	166,191	1,987,312
Less Current Notes Payable	<u>166,191</u>	<u>0</u>	<u>27,503</u>	<u>138,688</u>
Totals	<u>\$ 1,829,004</u>	<u>\$ 158,308</u>	<u>\$ 138,688</u>	<u>\$ 1,848,624</u>

**NOTE 16- FUTURE MINIMUM NOTE PAYABLE OBLIGATIONS**

The future minimum note payable obligations and net present value of these minimum note payable payments as of June 30, 2025 were as follows:

<u>Year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 138,688	\$ 91,134	\$ 229,822
2027	146,360	83,462	229,822
2028	154,456	75,366	229,822
2029	163,001	66,821	229,822
2030	172,018	57,804	229,822
2031-2035	839,604	152,613	992,217
2036	97,220	2,003	97,223
Total Obligation	<u>1,711,347</u>	<u>\$ 529,203</u>	2,240,550
Less Amount Representing Interest			<u>529,203</u>
Less Amount Due within One Year	<u>138,688</u>		
Future Minimum Note Payable Payments			<u>\$ 1,711,347</u>
Amount Due After One Year	<u>\$ 1,572,659</u>		

**NOTE 17 – NET POSITION/FUND BALANCE**

The District’s Net Position balances consist of restricted, unrestricted, non-spendable, and net investment in capital assets amounts.

The District’s Governmental Funds fund balances consist of restricted, committed, assigned, non-spendable and unassigned amounts.

Restricted balances are amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Non-spendable are amounts that are not in a spendable form (such as inventory or prepaid expenses) or are required to be maintained intact.

Committed fund balance is amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., District Board). To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint.

Assigned fund balance is amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board or by an official or body to which the District Board delegates the authority.

Unassigned fund balance is amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Net Position :

Net Investment in Capital Assets	\$ 2,517,583
Unrestricted (Deficit)	<u>1,002,670</u>
Total Net Position	<u><u>\$ 3,540,253</u></u>

Governmental Fund Balances :

Assigned Fund Balances - Payroll	\$ 130,000	
- Capital Reserve	<u>1,325,582</u>	
Total Assigned Fund Balance		1,455,582
Unassigned Fund Balances		<u>952,554</u>
Total Fund Balances		<u><u>2,408,136</u></u>

**NOTE 18 - PROPERTY TAXES**

The District is authorized to levy property taxes in an amount sufficient to operate the District. The board, based on the budget submitted by the district, shall levy, in addition to any tax levied as provided in section 48-806, a tax not to exceed \$3.25 per \$100 of assessed valuation through tax year 2021, \$3.375 per \$100 of assessed valuation for tax year 2022, \$3.50 per \$100 of assessed valuation for tax year 2023 and \$3.75 per \$100 of assessed valuation for tax year 2024 and each tax year thereafter, or the amount of the levy in the preceding tax year multiplied by 1.08, whichever levy is less, and minus any amounts required to reduce the levy pursuant to subsection I of this section, against all property situated within the district boundaries and appearing on the last assessment roll. The levy shall be made and the taxes collected in the manner, at the time and by the officers provided by law for the collection of general county taxes.

The District levies real 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 of the next year and becomes delinquent after the first business day of May.

The District also levies various personal property taxes during the year, which are due at the same time as real property taxes.

A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

The taxpayers may, by vote of the electorate, authorize a permanent override, depending upon certain criteria being met. The taxpayers also may authorize the issuance of bonds for capital acquisitions in addition to the operating taxes referred to above.

The County collects a County-Wide Fire District Assistance Tax (FDAT) and distributes the funds to all Fire Districts in the County, according to a formula established by state law. The maximum awarded to a District cannot exceed \$400,000 per year.

**NOTE 19 – DEFERRED COMPENSATION PLAN**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. This plan, available to all District employees, permits employees to defer a portion of their current salary until future years. Assets held in IRC Section 457 plans are generally not subject to claims of creditors.

It is the District’s position that it has no liability for investment losses under the plan but has the duty of due care that would be required of an ordinary prudent investor. The District believes it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

**NOTE 20 – 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, 2025, the District reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for the plan to which it contributes:

Statement of net position and statement of activities	Governmental activities
Net pension and OPEB asset	\$ 162,030
Net pension and OPEB liability	1,622,948
Deferred outflows of resources related to pensions and OPEB	858,709
Deferred inflows of resources related to pensions and OPEB	641,045
Pension and OPEB expense	

The District’s accrued payroll and employee benefits includes \$ 999 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30,

2025. Also, the District reported \$242,520 of pension and OPEB contributions as expenditures in the governmental funds related to the plan to which it contributes.

## Public Safety Personnel Retirement System

Plan descriptions —District 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 9-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. 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) which are not further disclosed because of their relative insignificance to the District’s financial statements.

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

Benefits provided —The PSPRS provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

PSPRS	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
Retirement and disability		
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		
Normal retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	

PSPRS	Initial membership date: On or after January 1, 2012 and before July 1, 2017
	Before January 1, 2012
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
Survivor benefit	
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 percent of the member's compensation for up to 12 months.

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, 2025, the following employees were covered by the agent plans' benefit terms:

	PSPRS	
	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	5	5
Inactive employees entitled to but not yet receiving benefits	4	0
Active employees	12	12
Total	21	17

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, 2025, are indicated below. Rates are a percentage of active members' annual covered payroll.

	Active member — pension	District—pension	District —health insurance premium benefit
PSPRS	7.65%	25.40%	0.00%

During fiscal year 2025, the District paid for PSPRS and OPEB contributions from the General Fund.

Liability —At June 30, 2025, the District reported the following assets and liabilities.

	Net pension (asset) liability	Net OPEB (asset) liability
PSPRS	1,622,948	(162,030)

The net assets and net liabilities were measured as of June 30, 2024, 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:

PSPRS	
Actuarial valuation date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.0 – 6.25% for pensions/not applicable for OPEB
Price inflation	2.5% 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, 2024, 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 and CORP plan investments was determined to be 7.2 percent 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:

PSPRS	Target allocation	Long-term expected geometric real rate of return
Asset class		
U.S. public equity	24%	3.62%
International public equity	16%	4.47%
Global private equity	27%	7.05%
Core bonds	6%	2.44%
Private credit	20%	6.24%
Diversifying strategies	5%	3.15%
Cash - Mellon	2%	0.89%
Total	<u>100%</u>	

The projection of cash flows used to determine the PSPRS discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the PSPRS 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 for these plans to determine the total pension/OPEB liability

## Changes in the net pension/OPEB liability

PSPRS	Pension			Health insurance premium benefit		
	Increase (decrease)			Increase (decrease)		
	Total pension liability (a)	Plan fiduciary net position (b)	Net pension (asset) liability (a) – (b)	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB (asset) liability (a) – (b)
Balances at June 30, 2024	9,364,985	7,579,147	1,785,838	152,552	266,939	(114,387)
Changes for the year:						
Service cost	236,669	0	236,669	5,851	0	5,851
Interest on the total liability	683,192	0	683,192	11,394	0	11,394
Changes of benefit terms	0	0	0	0	0	0
Differences between expected and actual experience in the measurement of the liability	152,099	0	152,099	(38,026)	0	(38,026)
Changes of assumptions or other inputs						
Contributions —employer	0	365,876	(365,876)	0	0	0
Contributions —employee	0	90,013	(90,013)	0	0	0
Net investment income	0	785,254	(785,254)	0	27,055	(27,055)
Benefit payments, including refunds of employee contributions	(225,748)	(225,748)	0	(300)	(300)	0
Administrative expense	0	(6,293)	6,293	0	(193)	193
Other changes	0	0	0	0	0	0
Net changes	846,212	1,009,102	(162,890)	(21,081)	26,562	47,643
Balances at June 30, 2025	10,211,197	8,588,249	1,622,948	131,471	293,501	(162,030)

The District's proportion of the net pension and OPEB liabilities was based on the District's actual contributions to the plans relative to the total of all participating districts' actual contributions for the year ended June 30, 2024.

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 percent, as well as what the District's net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.2 percent) or 1 percentage point higher (8.2 percent) than the current rate:

PSPRS	1% Decrease (6.2%)	Current discount rate (7.2%)	1% Increase (8.2%)
Net pension (asset) liability	\$ 3,205,405	\$ 1,622,948	\$ 342,195
Net OPEB (asset) liability	(145,683)	(162,030)	(175,800)

Expense—For the year ended June 30, 2025, the District recognized the following pension and OPEB expense.

PSPRS	Pension expense	OPEB expense
	236,669	5,851

Deferred outflows/inflows of resources —At June 30, 2025, 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	
	Increase (decrease)		Increase (decrease)	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 327,662	\$ 469,774	\$ 0	\$ 60,137
Changes of assumptions or other inputs	162,859	0	2,312	924
Net difference between projected and actual earnings on plan investments	0	106,971	0	3,539
District contributions subsequent to the measurement date	365,876	0	0	0
Total	<u>\$ 856,397</u>	<u>\$ 576,445</u>	<u>\$ 2,312</u>	<u>\$ 64,600</u>

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, 2026. 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 ending June 30	PSPRS	
	Pension	Health
2026	(141,408)	(18,253)
2027	107,145	(9,943)
2028	(41,515)	(15,799)
2029	10,146	(14,886)
2030	0	(3,407)
Thereafter	0	0

**NOTE 21 – PENSION AND RELIEF TRUST FUNDS**

ARS 9-981. Authority to purchase alternative pension and benefit plan

A. In lieu of pension and relief benefits provided for under the provisions of article 3 of this chapter, a city, town or fire district may provide for an alternative pension and benefit program for fire fighters not covered under the provisions of article 3 of this chapter or under the public safety personnel retirement system.

B. The fire insurance premium tax received by the city, town or district under section 9-952, contributions from the city, town or district, and deductions from the salaries or compensation of firemen may be used to purchase a private pension or benefit program for firemen. Firemen not covered under the public safety personnel retirement system may elect to be covered under the provisions of the alternative pension and benefit program upon filing a request in writing with the city, town or district.

C. The terms, conditions, benefits, eligibility requirements and contribution rates of the alternative pension and benefit program shall be established by:

1. For a city or town, by the adoption of a resolution of the city or town council.
2. For a fire district with a board, by the adoption of a resolution of the board.
3. For a fire district without a board, by the adoption of a resolution of the board of trustees of the firemen's relief and pension fund and the approval of the board of supervisors.

D. Notwithstanding any other provision of law, pension and benefit programs authorized under this article shall not be construed to be a contract between the employee and employer and are subject to annual appropriations of the city, town or district.

Pursuant to ARS, the District contributes to a pension and relief fund for volunteer firefighters. The funds are administered by an outside consulting firm who prepares a separate annual report. This report is available through Innes & Associates, 4302 East Ray Road, Suite 117, Phoenix, Arizona, 85044

#### **NOTE 22 – FORMER EMPLOYEE PSPRS INSURANCE PASS-THRU**

The District has a former employee on the *Direct Bill Subsidy* thru the Public Safety Personnel Retirement System (PSPRS). The Districts' only responsibility is to verify the former employee is covered by a supplemental insurance in addition to Medicare and to get proof of the cost. The retiree pays the premiums and the District submits on their behalf to PSPRS for the reimbursement of the subsidy. The District receives the subsidy from PSPRS and forwards it to the retiree.

#### **NOTE 23- SUBSEQUENT EVENTS**

Management has evaluated subsequent events and does not know of any additional comments or disclosures that should be made thru the date of this report.

#### **NOTE 24- RESTATEMENT OF BEGINNING BALANCE**

During the Fiscal Year, the Golden Valley Fire District merged with Yucca Fire District resulting in a restatement of the prior year fund balance. The effects of this change are summarized in the table below.

In Addition, during the current year, the District implemented GASB Statement No. 101, *Compensated Absences*. This implementation resulted in recalculation of

the District's liabilities for compensated absences. The effects of this change in accounting principle are summarized in the table below.

	Net Position/Fund Balance June 30, 2024 As Previously Stated	Restatement	Net Position/Fund Balance June 30,2024, As Restated
Statement of Revenues, Expenditures & Changes in Fund Balance-Governmental Fund- Yucca Merger	\$ 1,364,109	\$ 368,762	\$ 1,732,871
Statement of Activities GASB 101Implementation /Yucca Merger	\$ 2,140,227	\$ 596,403	\$ 2,736,630

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

**GOLDEN VALLEY FIRE DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED  
JUNE 30, 2025**

Exhibit I

	Budgeted Amounts		Actual	Variance with Final
	Original	Final		Budget Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 3,009,340	\$ 3,009,340	\$ 2,930,771	\$ (78,569)
Fire District Assistance Tax	325,755	325,755	337,353	11,598
Smart & Safe AZ (SSAA) Tax	55,000	55,000	53,490	(1,510)
Fees for Service	1,210,640	1,210,640	1,300,346	89,706
Capital Grants	183,800	183,800	84,631	(99,169)
Interest Earnings	29,000	29,000	243,283	214,283
Miscellaneous	172,000	172,000	210,216	38,216
<b>Total Revenues</b>	<b>4,985,535</b>	<b>4,985,535</b>	<b>5,160,090</b>	<b>174,555</b>
<b>EXPENDITURES</b>				
Public Safety:				
Personnel	3,348,995	3,348,995	3,090,796	258,199
Operations	718,903	718,903	592,709	126,194
Administration	165,499	165,499	311,533	(146,034)
Debt Service:				
Principal	165,738	165,738	166,191	(453)
Interest	99,821	99,821	99,368	453
Capital Grants	183,800	183,800	-	183,800
Capital Projects	302,779	302,779	224,228	78,551
Capital Reserve/Contingency	1,371,409	1,371,409	-	1,371,409
<b>Total Expenditures</b>	<b>6,356,944</b>	<b>6,356,944</b>	<b>4,484,825</b>	<b>1,872,119</b>
Excess (Deficiency) of Revenues over Expenditures	(1,371,409)	(1,371,409)	675,265	2,046,674
Net Change in Fund Balance	(1,371,409)	(1,371,409)	675,265	2,046,674
Fund Balances at Beginning of Year	1,371,409	1,371,409	1,732,871	361,462
Fund Balances at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,408,136</u>	<u>\$ 2,408,136</u>

See Accompanying Notes To The Budgetary Comparison Schedule

**GOLDEN VALLEY FIRE DISTRICT  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 1 – BUDGETARY REQUIREMENTS AND BASIS OF ACCOUNTING**

In accordance with the Arizona Revised Statutes, the District is required to adopt an annual operating budget no later than August 1<sup>st</sup>. The budget is adopted on a basis consistent with generally accepted accounting principles and appropriations lapse at year-end.

**NOTE 2 - OVER-EXPENDITURE OF BUDGET LINE ITEMS**

The legal compliance of budgeting for Special Districts in Arizona is at the fund level. While the District did not over-spend the budget at the fund level, the District overspent two line items. The line items were Administration in the amount of \$146,034 and Debt Service Principal in the amount of \$ 453. The budget overrun in administration was due to budgeted line items in different categories than in the accounting software. Debt Service Principal was over in the amount of \$ 453 but debt service interest was under in the same amount. The District was able to keep actual expenditures \$1,872,119 under the approved budget for the year. Total revenue was over the approved budget by \$174,555.

**GOLDEN VALLEY FIRE DISTRICT**  
**Schedule of Changes in the District's Net Pension Liability and Related Ratios**  
**Agent Plans (PSPRS) Last Ten Fiscal Years**  
**Year Ended June 30, 2025**

RSI-1

**PSPRS - PENSION**

Reporting Year Measurement Date	<b>FISCAL YEAR</b>									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
<b>Total Pension Liability</b>										
Service Cost	\$ 236,669	\$ 270,835	\$ 249,035	\$ 230,901	\$ 264,994	\$ 298,149	\$ 301,877	\$ 321,700	\$ 266,975	\$ 325,213
Interest on total pension liability	683,192	660,173	603,071	539,812	510,502	498,506	455,249	425,059	416,526	433,158
Changes of benefit terms	-	-	-	-	-	-	-	77,483	207,966	-
Difference between expected and actual experience in the measurement of the pension liability	152,099	(353,594)	149,115	299,554	(69,407)	(420,509)	(103,723)	(361,002)	(510,365)	(683,128)
Changes of assumptions or other inputs	-	-	103,955	-	-	182,125	1	234,790	231,744	-
Benefit payments including refund of employee contributions	(225,748)	(221,322)	(216,982)	(226,717)	(314,258)	(222,748)	(209,370)	(197,754)	(359,880)	(156,120)
Net change in pension liability	846,212	356,092	888,194	843,550	391,831	335,523	444,034	500,276	252,966	(80,877)
Total pension liability - beginning	9,364,985	9,008,893	8,120,699	7,277,149	6,885,318	6,549,795	6,105,761	5,605,485	5,352,519	5,433,396
Total pension liability - ending (a)	<u>\$ 10,211,197</u>	<u>\$ 9,364,985</u>	<u>\$ 9,008,893</u>	<u>\$ 8,120,699</u>	<u>\$ 7,277,149</u>	<u>\$ 6,885,318</u>	<u>\$ 6,549,795</u>	<u>\$ 6,105,761</u>	<u>\$ 5,605,485</u>	<u>\$ 5,352,519</u>
<b>Plan Fiduciary net position</b>										
Contributions - employer	\$ 365,876	\$ 336,639	\$ 340,287	\$ 307,652	\$ 265,704	\$ 279,880	\$ 340,126	\$ 237,025	\$ 289,309	\$ 240,090
Contributions - employee	90,013	91,562	100,266	102,660	95,874	103,345	126,169	151,816	179,021	170,339
Net investment income	785,254	533,373	(279,698)	1,490,633	65,839	260,298	304,355	467,009	23,200	137,650
Benefit payments, including refunds of employee contributions	(225,748)	(221,322)	(216,982)	(226,717)	(314,258)	(222,748)	(209,370)	(197,754)	(359,880)	(156,120)
Hall/Parker Settlement	-	-	-	-	-	-	(180,524)	-	-	-
Pension plan administrative expense	(6,293)	(5,052)	(5,043)	(6,965)	(5,369)	(5,520)	(5,332)	(4,532)	(3,737)	(3,743)
Other changes	-	(25,231)	-	-	(6,692)	(397)	52	(159,289)	(276,176)	(2,852)
Net change in plan fiduciary net position	1,009,102	709,969	(61,170)	1,667,263	101,098	414,858	375,476	494,275	(148,263)	385,364
Plan fiduciary net position - beginning	7,579,147	6,869,178	6,930,348	5,263,085	5,161,987	4,747,129	4,371,653	3,877,378	4,025,641	3,640,277
Plan fiduciary net position - ending (b)	<u>\$ 8,588,249</u>	<u>\$ 7,579,147</u>	<u>\$ 6,869,178</u>	<u>\$ 6,930,348</u>	<u>\$ 5,263,085</u>	<u>\$ 5,161,987</u>	<u>\$ 4,747,129</u>	<u>\$ 4,371,653</u>	<u>\$ 3,877,378</u>	<u>\$ 4,025,641</u>

See accompanying notes to the Pension/OPEB Plan Schedules

**GOLDEN VALLEY FIRE DISTRICT**  
**Schedule of Changes in the District's Net Pension Liability and Related Ratios**  
**Agent Plans (PSPRS) Last Ten Fiscal Years**  
**Year Ended June 30, 2025**

**RSI-1**

**PSPRS - PENSION**

	<b>FISCAL YEAR</b>									
Reporting Year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date	(2024)	(2023)	(2022)	(2021)	(2020)	(2019)	(2018)	(2017)	(2016)	(2015)
District's net pension liability - ending (a) - (b)	<u>\$ 1,622,948</u>	<u>\$ 1,785,838</u>	<u>\$ 2,139,715</u>	<u>\$ 1,190,351</u>	<u>\$ 2,014,064</u>	<u>\$ 1,723,331</u>	<u>\$ 1,802,666</u>	<u>\$ 1,734,108</u>	<u>\$ 1,728,107</u>	<u>\$ 1,326,878</u>
Plan fiduciary net position as a percentage of the total pension liability	84.11%	80.93%	76.25%	85.34%	72.32%	74.97%	72.48%	71.60%	69.17%	75.21%
Covered-employee payroll	\$ 1,069,542	\$ 1,076,095	\$ 1,198,432	\$ 1,126,492	\$ 1,050,667	\$ 1,192,638	\$ 1,381,587	\$ 1,394,453	\$ 1,398,506	\$ 1,512,906
District's net pension liability as a percentage of covered-employee payroll	151.74%	165.96%	178.54%	105.67%	191.69%	144.50%	130.48%	124.36%	123.57%	87.70%

See accompanying notes to the Pension/OPEB Plan Schedules

**GOLDEN VALLEY FIRE DISTRICT**  
**Schedule of Changes in the District's Net OPEB Liability and Related Ratios**  
**Agent Plans ( PSPRS) Last Ten Fiscal Years**  
**Year Ended June 30, 2025**

RSI-2

**OPEB - PSPRS**

Reporting Year Measurement Date	<b>FISCAL YEAR</b>									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
<b>Total Pension Liability</b>										
Service Cost	\$ 5,851	\$ 6,307	\$ 6,059	\$ 6,027	\$ 6,879	\$ 5,250	\$ 5,665	\$ 5,299		
Interest on total pension liability	11,394	10,951	10,091	9,474	9,411	9,717	9,032	8,573		
Changes of benefit terms	-	-	-	-	-	-	-	821		
Difference between expected and actual experience in the measurement of the pension liability	(38,026)	(9,944)	(4,104)	(5,884)	(11,590)	(20,850)	(6,317)	(2,019)	Information not available	Information not available
Changes of assumptions or other inputs	-	-	2,718	-	-	1,529	-	(3,140)		
Benefit payments including refund of employee contributions	(300)	(1,100)	(1,200)	(1,200)	(1,284)	(1,542)	(1,530)	(2,420)		
Net change in pension liability	(21,081)	6,214	13,564	8,417	3,416	(5,896)	6,850	7,114	-	-
Total pension liability - beginning	152,552	146,338	132,774	124,357	120,941	126,837	119,987	112,873		
Total pension liability - ending (a)	\$ 131,471	\$ 152,552	\$ 146,338	\$ 132,774	\$ 124,357	\$ 120,941	\$ 126,837	\$ 119,987	\$ -	\$ -
<b>Plan Fiduciary net position</b>										
Contributions - employer	\$ -	\$ -	\$ -	\$ 978	\$ 434	\$ 926	\$ 743	\$ 1,381		
Contributions - employee	-	-	-	-	-	-	-	-		
Net investment income	27,055	18,994	(10,283)	56,490	2,575	10,456	12,663	19,198		
Benefit payments, including refunds of employee contributions	(300)	(1,100)	(1,200)	(1,200)	(1,284)	(1,542)	(1,530)	(2,420)		
Pension plan administrative expense	(193)	(191)	(183)	(232)	(209)	(180)	(193)	(170)		
Other changes	-	-	-	-	-	397	-	-		
Net change in plan fiduciary net position	26,562	17,703	(11,666)	56,036	1,516	10,057	11,683	17,989	-	-
Plan fiduciary net position - beginning	266,939	249,236	260,902	204,866	203,350	193,293	181,610	163,621		
Plan fiduciary net position - ending (b)	\$ 293,501	\$ 266,939	\$ 249,236	\$ 260,902	\$ 204,866	\$ 203,350	\$ 193,293	\$ 181,610	\$ -	\$ -

See accompanying notes to the Pension/OPEB Plan Schedules

**GOLDEN VALLEY FIRE DISTRICT**  
**Schedule of Changes in the District's Net OPEB Liability and Related Ratios**  
**Agent Plans ( PSPRS) Last Ten Fiscal Years**  
**Year Ended June 30, 2025**

RSI-2

**OPEB - PSPRS**

	<b>FISCAL YEAR</b>									
Reporting Year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date	(2024)	(2023)	(2022)	(2021)	(2020)	(2019)	(2018)	(2017)	(2016)	(2015)
District's net pension liability - ending (a) - (b)	<u>\$ (162,030)</u>	<u>\$ (114,387)</u>	<u>\$ (102,898)</u>	<u>\$ (128,128)</u>	<u>\$ (80,509)</u>	<u>\$ (82,409)</u>	<u>\$ (66,456)</u>	<u>\$ (61,623)</u>	<u>\$ -</u>	<u>\$ -</u>
Plan fiduciary net position as a percentage of the total pension liability	223.24%	174.98%	170.32%	196.50%	164.74%	168.14%	152.39%	151.36%	Information not available	Information not available
Covered-employee payroll	\$ 1,069,542	\$ 1,076,095	\$ 1,198,432	\$ 1,126,492	\$ 1,050,667	\$ 1,192,638	\$ 1,381,587	\$ 1,394,453		
District's net pension liability as a percentage of covered-employee payroll	-15.15%	-10.63%	-8.59%	-11.37%	-7.66%	-6.91%	-4.81%	-4.42%		

See accompanying notes to the Pension/OPEB Plan Schedules

**GOLDEN VALEY FIRE DISTRICT**  
**Schedule of Pension Contributions (PSPRS)**  
**Year Ended June 30, 2025**

RSI-3

**PSPRS - Pension**

Reporting Date	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Measurement Date	<b>(2024)</b>	<b>(2023)</b>	<b>(2022)</b>	<b>(2021)</b>	<b>(2020)</b>	<b>(2019)</b>	<b>(2018)</b>	<b>(2017)</b>	<b>(2016)</b>	<b>(2015)</b>
Actuarially determined contribution	\$ 365,876	\$ 336,639	\$ 340,287	\$ 307,652	\$ 265,704	\$ 279,880	\$ 340,126	\$ 237,025	\$ 289,309	\$ 240,090
District's contributions in relation to the actuarially determined contribution	<u>365,876</u>	<u>336,639</u>	<u>340,287</u>	<u>307,652</u>	<u>265,704</u>	<u>279,880</u>	<u>340,126</u>	<u>237,025</u>	<u>289,309</u>	<u>240,090</u>
District's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 1,069,542</u>	<u>\$ 1,076,095</u>	<u>\$ 1,198,432</u>	<u>\$ 1,126,492</u>	<u>\$ 1,050,667</u>	<u>\$ 1,192,638</u>	<u>\$ 1,381,587</u>	<u>\$ 1,394,453</u>	<u>\$ 1,398,506</u>	<u>\$ 1,512,906</u>
District's contributions as a percentage of covered-employee payroll	<u>34.21%</u>	<u>31.28%</u>	<u>28.39%</u>	<u>27.31%</u>	<u>25.29%</u>	<u>23.47%</u>	<u>24.62%</u>	<u>17.00%</u>	<u>20.69%</u>	<u>15.87%</u>

See accompanying notes to the Pension/OPEB Plan Schedules

**GOLDEN VALLEY FIRE DISTRICT**  
**Schedule of OPEB Contributions (PSPRS)**  
**Year Ended June 30, 2025**

RSI 4

**PSPRS - OPEB**

Reporting Year Measurement Year	<b>2025</b> <b>(2024)</b>	<b>2024</b> <b>(2023)</b>	<b>2023</b> <b>(2022)</b>	<b>2022</b> <b>(2021)</b>	<b>2021</b> <b>(2020)</b>	<b>2020</b> <b>(2019)</b>	<b>2019</b> <b>(2018)</b>	<b>2018</b> <b>(2017)</b>	<b>2017</b> <b>(2016)</b>	<b>2016</b> <b>(2015)</b>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ 978	\$ 434	\$ 926	\$ 743	\$ 1,381	Information	Information
District's contributions in relation to the actuarially determined contribution	**	**	**	978	434	926	743	1,381	not available	not available
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
District's covered-employee payroll	\$ 1,069,542	\$ 1,076,095	\$ 1,198,432	\$ 1,126,492	\$ 1,050,667	\$ 1,192,638	\$ 1,381,587	\$ 1,394,453		
District's contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.09%	0.04%	0.08%	0.05%	0.10%		

\*\* Actuarial determination & actual contribution were zero

See accompanying notes to the Pension/OPEB Plan Schedules

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## **OTHER SUPPLEMENTARY INFORMATION**

**GOLDEN VALLEY FIRE DISTRICT  
ANNUAL REPORT INFORMATION  
FISCAL YEAR ENDED JUNE 30, 2025**

AZ Revised Statutes (ARS) requires certain additional information be attached to the audit report to comply with ARS 48-251 & 48-253 as required to meet the requirements of the AZ “Annual Report” of Special Districts. This information is included as other supplementary information.

**REGULAR FIRE BOARD MEETINGS:**

<u>Date</u>	<u>Time</u>	<u>Location</u>
July 24, 2024	9 a.m.	423 S Colorado St, Golden Valley, AZ
August 28, 2024	9 a.m.	423 S Colorado St, Golden Valley, AZ
Sept 25, 2024	9 a.m.	423 S Colorado St, Golden Valley, AZ
October 23, 2024	9 a.m.	423 S Colorado St, Golden Valley, AZ
Nov 20, 2024	9 a.m.	423 S Colorado St, Golden Valley, AZ
December 18, 2024	9 a.m.	423 S Colorado St, Golden Valley, AZ
January 22, 2025	9 a.m.	423 S Colorado St, Golden Valley, AZ
February 26, 2025	9 a.m.	423 S Colorado St, Golden Valley, AZ
March 26, 2025	9 a.m.	423 S Colorado St, Golden Valley, AZ
April 23, 2025	9 a.m.	423 S Colorado St, Golden Valley, AZ
May 28, 2025	9 a.m.	423 S Colorado St, Golden Valley, AZ
June 25, 2025	9 a.m.	423 S Colorado St, Golden Valley, AZ

**BOARD MEMBERS:**

<u>Name</u>	<u>Business Phone Number</u>	<u>Position</u>	<u>Occupation</u>
Tony DeMaio	928-565-3479	Chairman	Firefighter
Sue Foster	928-565-3479	Clerk	Retired
Gary Juneau	928-565-3479	Director	Retired
Greag Meriwether	928-565-3479	Director	Retired
George Payntar	928-565-3479	Director	Retired

**LOCATION OF POSTING OF MEETING NOTICES (all meetings):**

Website:	www.goldenvalleyfire.org	
Station 11	3480 N. Bacobi Rd.	Golden Valley, AZ
Administration Office	749 S. Egar Rd.	Golden Valley, AZ
Station 13	2790 Oatman Rd.	Golden Valley, AZ

**LEGAL DESCRIPTION OF BOUNDARY CHANGES:**

None

**GOLDEN VALLEY FIRE DISTRICT**  
**GOVERNMENT AUDIT STANDARDS SECTION**  
**JUNE 30, 2025**

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# SAUNDERS COMPANY, LTD

JAMES H. SAUNDERS, CPA, CFE, CGFM, PI, AUDIT PARTNER  
TRICIA E. SAUNDERS, PI, AUDITOR

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CERTIFIED PUBLIC ACCOUNTANT  
CERTIFIED FRAUD EXAMINER  
CERTIFIED GOVERNMENT FINANCIAL MANAGER  
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Arizona Society of Certified Public Accountants

Arizona Association of Licensed Private Investigators

International Association of Certified Fraud Examiners  
Arizona Association of Certified Fraud Examiners

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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*

To the Governing Board  
Golden Valley Fire District  
Golden Valley, Arizona

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Golden Valley Fire District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Golden Valley District's basic financial statements, and have issued our report thereon dated March 19, 2026.

### Report on 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

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**Independent Auditor's Report on Internal Control...**

**June 30, 2025**

**Page 2**

**Report on Compliance with State of Arizona Regulatory Requirements**

In conjunction with our Audit, nothing came to our attention causing us to believe the Golden Valley Fire District incurred any debt or liability in excess of taxes levied and to be collected and the monies actually available and unencumbered at that time in the District's General Fund, except those liabilities as prescribed in Arizona Revised Statutes (A.R.S.) section 48-805, subsection B, paragraph 2 and sections 48-806 and 48-807, or that the District failed to comply with A.R.S. section 48-805.02, subsection F. However, our Audit was not directed primarily toward obtaining knowledge of such non-compliance. This report is supplemental reporting as required by Arizona Revised Statutes intended solely for the information and use of management and to meet the requirements of A.R.S. 48-805. Accordingly, this report is not suitable for any other purpose and is not intended to be and should not be used by anyone other than the specified parties.

**Purpose of This Report**

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

**Saunders Company, Ltd.**

Glendale, Arizona

March 19, 2026

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