PINEWOOD FIRE DISTRICT

FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2024

WITH REPORT OF

CERTIFIED PUBLIC ACCOUNTANTS

PINEWOOD FIRE DISTRICT

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HINTONBURDICK
CPAs & ADVISORS

Independent Auditors' Report

To the Board of Directors of
Pinewood Fire District

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

HintonBurdick, PLLC

Mesa, Arizona

November 15, 2024

BOARD OF DIRECTORS

Richard Drinen	**Chair**
Barbara Timberman	**Clerk**
Lois Barnes	**Member**
Robert Rose	**Member**
Barb LaBranche	**Member**

CHIEF OFFICER

Joshua Tope	**Fire Chief**

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS

- Total liabilities and deferred inflows exceed total assets and deferred outflows (net deficit) by $1,304,302 at the close of the fiscal year.
- Total net position increased by $99,472.
- Total revenues from all sources were $4,178,348 and the total cost of all District programs was $4,078,876.
- Total revenues received in the General Fund were $4,820,659 less than the final budget due to the bond proceeds, which were recorded in the previous fiscal year. Expenditures were $6,097,653 less than the final budget.
- Unassigned fund balance increased $12,115 during the fiscal year. The unassigned balance at June 30, 2024 was $1,351,366 compared to $1,339,251 at June 30, 2023.

USING THIS ANNUAL REPORT

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

Reporting the District as a Whole

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

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

The Statement of Net Position presents financial information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position (deficit). 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 for some items that will only result in cash flows in future fiscal periods.
The Statement of Net Position and the Statement of Activities, present information about the following:

- Government activities – All of the District's basic services are considered to be governmental activities. Property and fire assistance taxes, intergovernmental revenues and charges for services finance most of this activity.

- Proprietary activities/Business type activities – The District currently does not maintain any proprietary activities; all activities are accounted for as governmental activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

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

- Governmental funds – All of the District's basic services are reported in governmental funds.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's combined liabilities and deferred inflows exceed assets and deferred outflows by $1,304,302 as of June 30, 2024 as shown on the following condensed statement of net position.

	Governmental activities	
	6/30/2024	6/30/2023
Current and other assets	$ 6,305,799	$ 6,071,707
Capital assets	318,126	298,760
Total assets	6,623,925	6,370,467
Deferred outflows related to pensions	2,129,395	2,459,028
Long-term liabilities outstanding	9,353,509	9,639,329
Other liabilities	414,261	313,213
Total liabilities	9,767,770	9,952,542
Deferred inflows related to pensions	289,852	280,727
Net position (deficit):		
Invested in capital assets, net of related debt	318,126	298,760
Restricted	4,769,044	4,603,858
Unrestricted	(6,391,472)	(6,306,392)
Total net position (deficit)	$ (1,304,302)	$ (1,403,774)

Governmental Activities

The cost of all Governmental activities this year was $4,078,876. Program revenues totaled $432,861 and general revenues, including taxes, investment earnings and other revenues totaled $3,745,487.

The District's programs includes: General Government (fire protection services). Each program's revenues and expenses are presented below.

	Governmental activities	
	6/30/2024	6/30/2023
Revenues:		
Program revenues:		
Charges for services	$ 388,913	$ 290,175
Operating grants and contributions	43,948	259,424
Capital grants and contributions	-	28,546
General revenues:		
Taxes	3,507,280	2,945,771
Unrestricted interest earnings	223,946	35,613
Other revenues	14,261	15,866
Total revenues	4,178,348	3,575,395
Expenses:		
Public Safety	4,078,876	3,738,952
Total expenses	4,078,876	3,738,952
Increase/(decrease) in net position	99,472	(163,557)
Net position (deficit), beginning	(1,403,774)	(1,240,217)
Net position (deficit), ending	$ (1,304,302)	$ (1,403,774)

Total resources available during the year to finance governmental operations were $2,774,574 consisting of net position (deficit) at July 1, 2023 of ($1,403,774), program revenues of $432,861 and general revenues of $3,745,487. Total Governmental Activities expenses during the year were $4,078,876; thus Governmental Net Position at year end increased by $99,472 to ($1,304,302).

General Fund Budgetary Highlights

The final appropriations for the General Fund at year-end were $6,097,653 more than actual expenditures. Actual revenues were less than the final budget by $4,820,659, since the bond proceeds were received in the prior fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the District are those assets that are used in performance of District functions. Capital Assets include land, buildings and improvements, emergency vehicles, and equipment. At the end of fiscal year 2024, net capital assets of the government activities totaled $318,126. Depreciation on capital assets is recognized in the Government-Wide financial statements. (See notes to the financial statements.)

Debt

At year end, the District had $9,639,544 in governmental-type debt. This amount includes compensated absences, bonds payable and net pension/OPEB liability.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

In considering the District Budget for fiscal year 2025, the District Board and management were cautious as to the growth of revenues and expenditures. Overall General Fund operating expenditures were budgeted so as to contain costs at the same level as fiscal year 2024.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Joshua Tope, Fire Chief, PO Box 18638, Munds Park, AZ 86017 or call (928) 286-9885.

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BASIC FINANCIAL STATEMENTS

PINEWOOD FIRE DISTRICT
Statement of Net Position
June 30, 2024

	Governmental Activities	Total
Assets		
Cash and cash equivalents	$ 1,254,071	$ 1,254,071
Receivables, net of allowance of $10,912	258,453	258,453
Prepaid insurance	18,724	18,724
Net OPEB asset	5,507	5,507
Restricted cash and cash equivalents	4,769,044	4,769,044
Capital assets not being depreciated:		
Construction in process	120,523	120,523
Land	57,100	57,100
Capital assets, net of accumulated depreciation:		
Emergency vehicles	1,923	1,923
Equipment, Admin	9,471	9,471
Equipment, Fire	129,109	129,109
Total assets	6,623,925	6,623,925
Deferred Outflows of Resources		
Deferred outflows related to pensions	2,065,603	2,065,603
Deferred outflows related to OPEB	63,792	63,792
Total deferred outflows of resources	2,129,395	2,129,395
Liabilities		
Accounts payable and other current liabilities	128,226	128,226
Noncurrent liabilities:		
Due within one year	286,035	286,035
Due in more than one year	9,353,509	9,353,509
Total liabilities	9,767,770	9,767,770
Deferred Inflows of Resources		
Deferred inflows related to pensions	270,023	270,023
Deferred inflows related to OPEB	19,829	19,829
Total deferred inflows of resources	289,852	289,852
Net Position (Deficit)		
Net investment in capital assets	318,126	318,126
Restricted for:		
Capital outlay	4,769,044	4,769,044
Unrestricted	(6,391,472)	(6,391,472)
Total net position (deficit)	$ (1,304,302)	$ (1,304,302)

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

PINEWOOD FIRE DISTRICT
Statement of Activities
For the Year Ended June 30, 2024

	Governmental Activities
Expenses:	
Public safety - fire protection and emergency services	$ 3,819,401
Depreciation	81,555
Interest	177,920
Total program expenses	4,078,876
Program revenues:	
Charges for services	388,913
Operating grants and contributions	43,948
Total program revenues	432,861
Net program expenses	3,646,015
General revenues	
Property taxes	3,102,234
Fire District Assistance Tax (FDAT)	405,046
Unrestricted interest earnings	223,946
Other revenues	14,261
Total general revenues	3,745,487
Change in net position	99,472
Net position (deficit) - beginning	(1,403,774)
Net position (deficit) - ending	$ (1,304,302)

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

PINEWOOD FIRE DISTRICT
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Debt Service Fund	Total Governmental Funds
Assets:			
Cash	$ 1,254,071	$ -	$ 1,254,071
Restricted Cash	4,769,044	-	4,769,044
Property tax receivables	56,287	4,956	61,243
Accounts receivable, net of allowance of $10,912	197,210	-	197,210
Due from other funds	4,356	-	4,356
Prepaid insurance	18,724	-	18,724
Total Assets	6,299,692	4,956	6,304,648
Liabilities:			
Accounts payable	67,259	-	67,259
Accrued liabilities	60,967	-	60,967
Due to other funds	-	4,356	4,356
Total Liabilities	128,226	4,356	132,582
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	32,332	-	32,332
Total deferred inflows of resources	32,332	-	32,332
Fund Balance:			
Restricted	4,769,044	600	4,769,644
Nonspendable	18,724	-	18,724
Unassigned	1,351,366	-	1,351,366
Total Fund Balance	6,139,134	600	6,139,734
Total liabilities, deferred inflows of resources and fund balance	$ 6,299,692	$ 4,956	$ 6,304,648

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

PINEWOOD FIRE DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024

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

Total governmental fund balances	$	6,139,734
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		318,126
Other long-term assets are not available to pay current-period expenditures and, therefore, are deferred in the funds.		32,332
Some assets/liabilities, including bonds payable, net pension liabilities, and net OPEB assets/liabilities are not due and payable in the current period and therefore are not reported in the funds.		(9,634,037)
Deferred inflows and outflows relating to pensions and OPEB do not provide or require current financial resources and are therefore not reported in the funds.		1,839,543
Net position (deficit) of governmental activities	$	(1,304,302)

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

PINEWOOD FIRE DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Debt Service Fund	Total Governmental Funds
Revenues:			
Property taxes	$ 2,780,112	$ 337,507	$ 3,117,619
Fire district assistance tax	405,046	-	405,046
Charges for services	388,913	-	388,913
Donations	43,948	-	43,948
Interest income	223,946	-	223,946
Miscellaneous income	14,261	-	14,261
Total Revenues	3,856,226	337,507	4,193,733
Expenditures:			
Current:			
Salaries and wages	1,977,867	-	1,977,867
Employee benefits	1,228,231	-	1,228,231
Dispatch	22,455	-	22,455
Office expense	11,156	-	11,156
Legal and professional	66,959	-	66,959
Training and travel	41,867	-	41,867
Insurance	23,030	-	23,030
Dues and subscriptions	10,806	-	10,806
Repairs and maintenance	56,519	-	56,519
Vehicle fuel, oil and lube	17,849	-	17,849
Supplies	30,958	-	30,958
Tools and equipment	29,848	-	29,848
Utilities	29,939	-	29,939
Uniforms	19,314	-	19,314
Miscellaneous	5,638	-	5,638
Debt service:			
Principal	-	50,000	50,000
Interest	-	286,907	286,907
Capital outlay	110,487	-	110,487
Total Expenditures	3,682,923	336,907	4,019,830
Excess of Revenues Over (Under) Expenditures	173,303	600	173,903
Fund Balance - Beginning of Year	5,965,831	-	5,965,831
Fund Balance - End of Year	$ 6,139,134	$ 600	$ 6,139,734

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

PINEWOOD FIRE DISTRICT
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balance - total governmental funds	$	173,903
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded over (under) depreciation expense in the current period.		19,366
Accrued interest for long-term debt is not recorded as an expenditure for the current year while it is recorded in the statement of activities.		108,987
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt 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 long-term debt and related items.		50,000
Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changed in deferred outflows and inflows of resources related to pension, is reported in the Statement of Activities.		(206,366)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(15,385)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(31,033)
Change in net position of governmental activities	$	99,472

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

PINEWOOD FIRE DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund – Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Property taxes	$ 2,764,843	$ 2,764,843	$ 2,780,112	$ 15,269
Fire district assistance tax	410,000	410,000	405,046	(4,954)
Charges for services	390,000	390,000	388,913	(1,087)
Grants and contributions	160,000	160,000	43,948	(116,052)
Interest income	10,000	10,000	223,946	213,946
Miscellaneous income	21,500	21,500	14,261	(7,239)
Total Revenues	3,756,343	3,756,343	3,856,226	99,883
Expenditures:				
Current:				
Salaries and wages	2,034,583	2,034,583	1,977,867	56,716
Employee benefits	1,327,483	1,327,483	1,228,231	99,252
Dispatch	35,000	35,000	22,455	12,545
Office expense	8,390	8,390	11,156	(2,766)
Legal and professional	90,730	90,730	66,959	23,771
Training and travel	40,900	40,900	41,867	(967)
Insurance	22,000	22,000	23,030	(1,030)
Dues and subscriptions	8,560	8,560	10,806	(2,246)
Repairs and maintenance	51,500	51,500	56,519	(5,019)
Vehicle fuel, oil and lube	15,000	15,000	17,849	(2,849)
Supplies	36,180	36,180	30,958	5,222
Tools and equipment	68,900	68,900	29,848	39,052
Utilities	35,975	35,975	29,939	6,036
Uniforms	18,750	18,750	19,314	(564)
Miscellaneous	5,500	5,500	5,638	(138)
Capital outlay	5,910,894	5,910,894	110,487	5,800,407
Total Expenditures	9,710,345	9,710,345	3,682,923	6,027,422
Excess of Revenues Over/ (Under) Expenditures	(5,954,002)	(5,954,002)	173,303	6,127,305
Other Financing Sources (Uses):				
Bond proceeds	4,920,542	4,920,542	-	(4,920,542)
Bond issuance costs	(70,231)	(70,231)	-	70,231
Total other financing sources (uses):	4,850,311	4,850,311	-	(4,850,311)
Net change in fund balance	(1,103,691)	(1,103,691)	173,303	1,276,994
Fund Balance - Beginning of Year	5,965,831	5,965,831	5,965,831	-
Fund Balance - End of Year	$ 4,862,140	$ 4,862,140	$ 6,139,134	$ 1,276,994

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

PINEWOOD FIRE DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Debt Service Fund – Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Property taxes	$ 337,311	$ 337,311	$ 337,507	$ 196
Total Revenues	337,311	337,311	337,507	196
Expenditures:				
Debt service:				
Principal	50,000	50,000	50,000	-
Interest	286,907	286,907	286,907	-
Total Expenditures	336,907	336,907	336,907	-
Excess of Revenues Over/ (Under) Expenditures	404	404	600	196
Net change in fund balance	404	404	600	196
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	$ 404	$ 404	$ 600	$ 196

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

Note 1. Summary of Significant Accounting Policies

Description of government-wide financial statements

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

Reporting entity

Pinewood Fire District (the District) was organized as a Special Service District pursuant to the provisions of Chapter 5 of Title 48 of the Arizona Revised Statutes – Special Taxing Districts, which sets forth the legal framework for a fire district. The District provides fire protection, emergency medical services, and public education programs for the community of Munds Park and surrounding areas. The District is governed by an elected five member board of directors, which appoints the chairman. The day to day operations are supervised by a fire chief and his staff. The District does not have any component units, meaning entities for which the District is considered to be financially accountable.

Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds.

Basis of presentation – fund financial statements

The fund financial statements provide information about the government's funds. The emphasis of the District's fund financial statements is on major governmental funds, each is displayed in a separate column. Currently the District has only one fund, the General Fund.

The District reports the following major governmental funds:

The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government.

The **Debt Service Fund** is used to account for legally restricted tax levies of the District which are used to meet ongoing debt service requirements.

Measurement focus and basis of accounting

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Property taxes, Fire District Assistance Taxes (FDAT), and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

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

Cash, cash equivalents, and investments

Cash includes cash on hand, demand deposits with banks and deposits with the Coconino County Treasurer. The District's policy allows for the investment of funds in time certificates of deposit with federally insured depositories and other investments as allowed by state statutes.

Inventories and prepaid items

The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Also, the District's inventory of materials and supplies is deemed to be immaterial; thus, no provision for inventory has been made in these financial statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government–wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased.

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include land, buildings, improvements, vehicles, equipment and furniture and fixtures, are reported in the governmental activities column in the government-wide statement of net position. In accordance with GASB 34, the District has opted not to retroactively report infrastructure assets. Capital assets are defined by the District as assets with an individual cost of more than $2,500 and an estimated useful life in excess of two years. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings and improvements	5-40 years
Vehicles	5-10 years
Equipment	5-7 years

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government currently has one type of item which qualifies for reporting in this category. It is pension/OPEB related items reported on the government-wide financial statements. See footnote 7 for more information.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items that qualify for reporting in this category. The item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from only one source, property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item is pension/OPEB related items reported on the government-wide financial statements. See footnote 7 for more information.

Note 1. Summary of Significant Accounting Policies (Continued)

Post-Employment Benefits

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

Leases and Subscription Based Information Technology Arrangements

Lessee: The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of $2,500 or more.

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

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

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

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

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

Subscription-based information technology arrangements: The District recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. The District recognizes subscription liabilities with an initial, individual value of $5,000 or more.

Note 1. Summary of Significant Accounting Policies (Continued)

The District uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement.

Net position flow assumption

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

Fund balance flow assumptions

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

Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing board is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The governing board (board) has by resolution authorized the board chairman to assign fund balance. The board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an

Note 1. Summary of Significant Accounting Policies (Continued)

assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and expenditures/expenses

Program revenues

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

Property taxes

Property tax revenues are recognized as revenues in the year collected or if collected within 60 days thereafter unless they are prepaid.

The County levies real property taxes on or before the third Monday in August, which 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 County also levies various personal property taxes during the year, which are due the second Monday of the month following receipt of the tax notice and become delinquent 30 days thereafter. A lien against real and personal property assessed attaches on the first day of January preceding the assessment and levy thereof.

Compensated Absences

The District's policy permits employees to accumulate earned but unused vacation and sick time, which are eligible for payment upon separation from government service. For governmental funds, amounts of vested or accumulated vacation that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements.

Use of Estimates

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

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and government-wide statement of net position:

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. The differences primarily result from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

When capital assets (property, plant and equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the District as a whole.

Cost of capital assets	$ 2,799,109
Accumulated depreciation	(2,480,983)
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	$ 318,126

Explanation of differences between governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The first element of this reconciliation states that capital outlays are reported in the governmental funds as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. While shown in the reconciliation as the net difference, the elements of this difference are as follows:

Capital outlay	$ 100,921
Depreciation expense	(81,555)
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position - governmental activities	$ 19,366

Note 3. Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds. Budgeted amounts are as originally adopted, or as amended by the Board.

Budgetary Process: State law requires that on or before the third Monday in July of each fiscal year, the Board must adopt a tentative budget. Once this tentative budget has been adopted, the expenditures may not be increased upon final adoption, however, they may be decreased.

Final Budget Adoption: State law specifies that at least seven days prior to the day the property tax levy is adopted, the Board must adopt the final budget for the fiscal year. The date in State law for adoption of the tax levy is on or before the third Monday in August. The adopted budget then becomes the amount proposed for expenditure in the upcoming fiscal year. The adoption of the final budget may take place through a simple motion approved by the Board.

Budget amendments are required to increase expenditure budgets. Expenditures may not legally exceed budgeted appropriations at the local activity level.

Expenditures over Appropriations

Expenditures may not legally exceed budgeted appropriations at the fund level. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual report as listed in the table of contents present expenditures/expenses over appropriations for the year ended June 30, 2024, if any.

Note 4. Deposits and Investments

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

	Fair Value
Deposits:	
Cash on hand	$ 171
Cash in bank	104,061
Cash on deposit with the Coconino County Treasurer	5,918,883
Total deposits	$ 6,023,115

Note 4. Deposits and Investments Cont.

Deposits

Custodial Credit Risk

For deposits this is the risk that in the event of a bank failure, the government's deposit may not be returned to it. The District does not have a formal policy for custodial credit risk. As of June 30, 2024, none of the District's bank balance of $6,069,645 was exposed to custodial credit risk.

Investments

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

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

Interest rate risk

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

Credit risk

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

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Note 5. Capital Assets

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

Governmental Activities:	Balance 6/30/2023	Additions	Deletions	Balance 6/30/2024
Capital assets, not being depreciated:				
Construction in process	$ 30,125	$ 90,398	$ -	$ 120,523
Land and land improvements	57,100	-	-	57,100
Total capital assets, not being depreciated	87,225	90,398	-	177,623
Capital assets, being depreciated:				
Buildings and improvements	241,605	-	-	241,605
Vehicles	1,490,095	-	-	1,490,095
Equipment, Admin	29,237	10,523	-	39,760
Equipment, Fire	850,026	-	-	850,026
Total capital assets, being depreciated	2,610,963	10,523	-	2,621,486
Less accumulated depreciation for:				
Buildings and improvements	(241,605)	-	-	(241,605)
Vehicles	(1,473,903)	(14,269)	-	(1,488,172)
Equipment, Admin	(29,237)	(1,052)	-	(30,289)
Equipment, Fire	(654,683)	(66,234)	-	(720,917)
Total accumulated depreciation	(2,399,428)	(81,555)	-	(2,480,983)
Total capital assets, being depreciated, net	298,760	19,366	-	318,126
Governmental activities capital assets, net	$ 298,760	$ 19,366	$ -	$ 318,126

Depreciation expense of $81,555 was charged to the public safety function of the District.

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Note 6. Long-Term Debt

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

Governmental Activities:	Balance 6/30/2023	Additions	Retirements	Balance 6/30/2024	Current Portion
Go Bonds Series 2023	$ 4,115,000	$ -	$ (50,000)	$ 4,065,000	$ 135,000
Go Bonds (Premium)	556,605.00	-	(27,830)	528,775	-
Compensated absences	184,731	176,847	(145,814)	215,764	151,035
Net pension/OPEB liabilities	4,962,304	-	(132,299)	4,830,005	-
Total	$ 9,818,640	$ 176,847	$ (355,943)	$ 9,639,544	$ 286,035

Bonds Payable

In February 2023, the District issued the General Obligation Bonds, Series 2023 to finance the construction of a new fire station. Payments are due in annual principal and semiannual interest installments, bearing interest at 5.00 percent, maturing January 1, 2043. The balance outstanding at June 30, 2024 was $4,065,000. The portion of bond proceeds spent during the year ended June 30, 2024 towards the new fire station building is included in the General Fund capital outlay expenditures. Amounts are also reflected in the capital assets balance on the statement of net position as of June 30, 2024. Unspent bond proceeds as of June 30, 2024 are on deposit with Coconino County Treasurer and are restricted for capital outlay.

The following is an annual schedule of future minimum debt service requirements to maturity for bonds payable:

	Bonds Payable		
Year Ended June 30:	Principal	Interest	Total
2025	$ 135,000	$ 203,250	$ 338,250
2026	140,000	196,500	336,500
2027	145,000	189,500	334,500
2028	155,000	182,250	337,250
2029	160,000	174,500	334,500
2030-2034	935,000	743,250	1,678,250
2035-2039	1,195,000	485,500	1,680,500
2040-2044	1,200,000	146,250	1,346,250
	$ 4,065,000	$ 2,321,000	$ 6,386,000

Note 7. Pensions and Other Postemployment Benefits

The District contributes to the plans described below. The plans are component units of the State of Arizona.

At June 30, 2024, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities
Net pension and OPEB asset	$ 5,507
Net pension and OPEB liability	4,830,005
Deferred outflows of resources	2,129,395
Deferred inflows of resources	289,852
Pension/OPEB expense	882,351

The District's accounts payable and other current liabilities includes $21,615 of outstanding pension and OPEB contribution amounts payable to all pension plans for the year ended June 30, 2024. Also, the District reported $673,377 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

Arizona State Retirement System (ASRS)

Plan description – The District participates in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1.

The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

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Note 7. Pensions and Other Postemployment Benefits (Continued)

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

	Initial Membership Date Before July 1, 2011	**Initial Membership Date On or After July 1, 2011**
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

* With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the retirement option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

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. For members with 10 or more years of service, benefits range from $100 per month to $260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

Note 7. Pensions and Other Postemployment Benefits (Continued)

Contributions – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. 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. For the year ended June 30, 2024, statute required active ASRS members to contribute at the actuarially determined rate of 12.29 percent (12.14 percent for retirement and 0.15 percent for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.29 percent (12.03 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.15 percent for long-term disability) of the active members' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 9.99 percent (9.94 percent for retirement and 0.05 percent for long-term disability) of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the ASRS would typically fill.

The District's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2024, were $16,189, $148, and $202, respectively.

Liability – At June 30, 2024, the District reported the following assets and liabilities for its proportionate share of the ASRS net pension/OPEB asset or liability:

	Net pension/OPEB (asset) liability
Pension	$ 160,196
Health insurance premium benefit	(5,507)
Long-term disability	131

The net asset and liabilities were measured as of June 30, 2023. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2022, to the measurement date of June 30, 2023.

The District's proportion of the net asset or net liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The District's proportions measured as of June 30, 2023 and the change from its proportions measured as of June 30, 2022, were:

	Proportion June 30, 2022	Proportion June 30, 2023	Increase (decrease) from June 30, 2022
Pension	0.00094%	0.00099%	0.00005%
Health insurance premium benefit	0.00097%	0.00102%	0.00005%
Long-term disability	0.00095%	0.00100%	0.00005%

Note 7. Pensions and Other Postemployment Benefits (Continued)

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

	Pension/OPEB Expense
Pension	$ 15,564
Health insurance premium benefit	(651)
Long-term disability	141

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

	Pension		Health insurance premium benefit		Long-term disability	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,620	$ -	$ 232	$ 2,054	$ 118	$ 74
Changes of assumptions or other inputs	-	-	-	110	35	191
Net difference between projected and actual earnings on pension plan investments	-	5,668	-	242	-	10
Changes in proportion and differences between contributions and proportionate share of contributions	5,103	7,629	142	115	138	82
Contributions subsequent to the measurement date	16,189	-	148	-	202	-
Total	$ 24,912	$ 13,297	$ 522	$ 2,521	$ 493	$ 357

Note 7. Pensions and Other Postemployment Benefits (Continued)

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

Year Ended June 30,	Pension	Health insurance premium benefit	Long-term disability
2025	$ (5,610)	$ (914)	$ (1)
2026	(4,368)	(999)	(22)
2027	6,108	(112)	23
2028	(704)	(135)	(17)
2029	-	13	(38)
Thereafter	-	-	(11)

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

Actuarial valuation date	June 30, 2022
Actuarial roll forward date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend	Not applicable

Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

Note 7. Pensions and Other Postemployment Benefits (Continued)

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term expected geometric real rate of return
Public equity	44%	3.50%
Credit	23%	5.90%
Real estate	17%	5.90%
Private equity	10%	6.70%
Interest rate sensitive	6%	1.50%
Total	100%	

Discount Rate – At June 30, 2023, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the proportionate share of the net pension/OPEB (asset) liability to changes in the discount rate – The following table presents the District's proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

Proportionate share of the	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Net pension liability	$ 239,951	$ 160,196	$ 93,695
Net insurance premium benefit liability (asset)	(3,849)	(5,507)	(6,916)
Net long-term disability liability	192	131	71

Plan fiduciary net position – Detailed information about the plan's fiduciary net position is available in the separately issued ASRS financial report.

Note 7. Pensions and Other Postemployment Benefits (Continued)

Public Safety Personnel Retirement System (PSPRS)

Plan description – 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).

The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for PSPRS. The report is available on the PSPRS website at www.psprs.com.

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Note 7. Pensions and Other Postemployment Benefits (Continued)

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:

	Initial Membership Date Before January 1, 2012	Initial Membership Date 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	
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.

Note 7. Pensions and Other Postemployment Benefits (Continued)

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

Employees covered by benefit terms – At June 30, 2024, the following employees were covered by the agent pension plans' benefit terms:

	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	8	8
Inactive employees entitled to but not yet receiving benefits	1	-
Active employees	14	14
Total	23	22

Contributions – State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements for pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2024, are indicated below. Rates are a percentage of active members' annual covered payroll.

	Active member - Pension	District - Pension	District-Health insurance premium
PSPRS	7.65%	41.42%	0.81%
PSPRS Tier 3 risk pool	8.69%	8.69%	0.12%

In addition, statute required the District to contribute at the actuarially determined rate of 27.56 percent (27.44 percent for pension and 0.12 percent for health insurance premium benefit) of the annual covered payroll of District employees who were PSPRS Tier 3 Risk Pool members, in addition to the District's required contributions to the PSPRS Tier 3 Risk Pool for these District employees.

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

	Pension	Health insurance premium benefit
PSPRS	$ 642,451	$ 12,564
PSPRS Tier 3 risk pool	5,125	71

Note 7. Pensions and Other Postemployment Benefits (Continued)

Liability – At June 30, 2024, the District reported a net pension liability of $4,561,096 and a net OPEB liability of $108,582. The net assets and net liabilities were measured as of June 30, 2023, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

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

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
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 rates	Not applicable

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

The long-term expected rate of return on PSPRS plan investments was determined to be 7.2 using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense 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:

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

Note 7. Pensions and Other Postemployment Benefits (Continued)

Discount Rate – At June 30, 2024, the discount rate used to measure the PSPRS total pension/OPEB liabilities was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

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Note 7. Pensions and Other Postemployment Benefits (Continued)

Changes in the Net Pension Liability

	Pension Increase (decrease)			Health insurance premium benefit Increase (decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2023	$ 11,207,000	$ 6,480,534	$ 4,726,466	$ 193,345	$ 111,024	$ 82,321
Adjustments to beginning of year	-	-	-	-	-	-
Changes for the year:						
Service cost	327,957	-	327,957	5,196	-	5,196
Interest on total pension/OPEB liability	815,289	-	815,289	13,917	-	13,917
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience in the measurement of the pension/OPEB liability	(84,409)	-	(84,409)	24,437	-	24,437
Changes of assumptions	-	-	-	-	-	-
Contributions - employer	-	601,923	(601,923)	-	9,275	(9,275)
Contributions - employee	-	118,398	(118,398)	-	-	-
Net investment income	-	509,870	(509,870)	-	8,089	(8,089)
Benefit payments, including refunds of employee contributions	(422,984)	(422,984)	-	(10,485)	(10,485)	-
Plan administrative expenses	-	(4,410)	4,410	-	(75)	75
Tiers 1 & 2 Adjustment	-	(1,574)	1,574	-	-	-
Other changes	-	-	-	-	-	-
Net changes	635,853	801,223	(165,370)	33,065	6,804	26,261
Balances at June 30, 2024	$ 11,842,853	$ 7,281,757	$ 4,561,096	$ 226,410	$ 117,828	$ 108,582

Note 7. Pensions and Other Postemployment Benefits (Continued)

Sensitivity of the proportionate share of the net pension/OPEB (asset) liability to changes in the discount rate – The following table presents the District's net pension/OPEB (asset) liability 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:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate share of			
Net pension (asset) / liability	$ 6,410,482	$ 4,561,096	$ 3,078,001
Net OPEB (asset)/ liability	134,388	108,582	86,882

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

Expense and deferred outflows/inflows of resources – For the year ended June 30, 2024, the District recognized pension expense for PSPRS of $830,068 and OPEB expense of $16,277. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 937,524	$ 256,726
Changes in assumptions	387,256	-
Net difference between projected and actual earnings on pension/OPEB plan investments	68,334	-
Contributions subsequent to the measurement date	647,577	-
Total	$ 2,040,691	$ 256,726

	Health insurance premium benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 45,424	$ 15,674
Changes in assumptions	2,827	1,277
Net difference between projected and actual earnings on pension/OPEB plan investments	1,892	-
Contributions subsequent to the measurement date	12,634	-
Total	$ 62,777	$ 16,951

Note 7. Pensions and Other Postemployment Benefits (Continued)

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

Year Ended June 30,	Pension	Health insurance premium benefit
2025	$ 260,159	$ 4,773
2026	184,887	3,764
2027	369,085	7,096
2028	125,887	4,071
2029	155,823	3,719
Thereafter	40,547	9,769

Note 8. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets and natural disasters. The District has insurance protection and the limit for basic coverage is for $1,000,000 per occurrence on a claims made basis. No significant reduction in insurance coverage occurred during the year and no settlements exceeded insurance coverage during any of the past three fiscal years.

Note 9. Contingencies

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

Required Supplementary Information

PINEWOOD FIRE DISTRICT
Schedule of the Proportionate Share of the Net Pension/OPEB Liability
June 30, 2024

ASRS - Pension

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	**2023 (2022)**	**2022 (2021)**	**2021 (2020)**	**2020 (2019)**	**2019 (2018)**	**2018 (2017)**	**2017 (2016)**	**2016 (2015)**	**2015 (2014)**
Proportion of the net pension liability (asset)	0.000990%	0.000940%	0.001100%	0.000670%	0.000670%	0.000560%	0.000750%	0.000570%	0.000560%	0.000570%
Proportionate share of the net pension liability (asset)	$ 160,196	$ 153,429	$ 144,535	$ 190,592	$ 97,493	$ 78,100	$ 116,835	$ 92,004	$ 87,058	$ 84,700
Covered payroll	$ 132,538	$ 114,623	$ 134,632	$ 119,068	$ 74,729	$ 53,451	$ 48,291	$ 50,415	$ 49,382	$ 51,342
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	120.87%	133.86%	107.36%	160.07%	130.46%	146.12%	241.94%	182.49%	176.30%	164.97%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

PINEWOOD FIRE DISTRICT
Schedule of the Proportionate Share of the Net Pension/OPEB Liability
June 30, 2024

ASRS - Health insurance premium benefit	Reporting Fiscal Year (Measurement Date)						
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Proportion of the net OPEB liability (asset)	0.001020%	0.000970%	0.001130%	0.001120%	0.000690%	0.000570%	0.007500%
Proportionate share of the net OPEB liability (asset)	$ (5,507)	$ (5,414)	$ (5,505)	$ (793)	$ (191)	$ (205)	$ (414)
Covered payroll	$ 132,538	$ 114,623	$ 134,632	$ 119,068	$ 74,729	$ 53,451	$ 48,291
Proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-4.16%	-4.72%	-4.09%	-0.67%	-0.26%	-0.38%	-0.86%
Plan fiduciary net position as a percentage of the total OPEB liability	134.37%	137.79%	130.24%	104.33%	101.62%	102.20%	103.57%

Note: The District implemented GASB 75 in fiscal year 2018. Prior year information is not available.

ASRS - Long-term disability	Reporting Fiscal Year (Measurement Date)						
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Proportion of the net OPEB liability (asset)	0.001000%	0.000950%	0.001110%	0.001110%	0.000680%	0.000560%	0.000760%
Proportionate share of the net OPEB liability (asset)	$ 131	$ 88	$ 229	$ 842	$ 443	$ 293	$ 275
Covered payroll	$ 132,538	$ 114,623	$ 134,632	$ 119,068	$ 74,729	$ 53,451	$ 48,291
Proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	0.10%	0.08%	0.17%	0.71%	0.59%	0.55%	0.57%
Plan fiduciary net position as a percentage of the total OPEB liability	93.70%	95.40%	90.38%	68.01%	72.85%	77.83%	84.44%

Note: The District implemented GASB 75 in fiscal year 2018. Prior year information is not available.

PINEWOOD FIRE DISTRICT
Schedule of Changes in the Net Pension/OPEB Liability and Related Ratios
June 30, 2024

PSPRS - Pension

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	**2023 (2022)**	**2022 (2021)**	**2021 (2020)**	**2020 (2019)**	**2019 (2018)**	**2018 (2017)**	**2017 (2016)**	**2016 (2015)**	**2015 (2014)**
Total pension liability										
Service cost	$ 327,957	$ 329,358	$ 318,640	$ 311,566	$ 332,894	$ 326,581	$ 294,152	$ 230,636	$ 238,044	$ 231,016
Interest on total pension liability	815,289	758,851	701,084	586,607	563,695	485,946	403,069	352,355	321,101	270,017
Changes of benefit terms	-	-	-	-	-	-	83,136	322,066	-	63,340
Difference between expected and actual experience of the total net pension liability	(84,409)	55,256	198,854	1,037,484	(362,700)	288,260	308,243	(62,504)	27,327	(68,248)
Changes of assumptions	-	189,067	-	-	152,183	-	298,473	217,699	-	318,293
Benefit payments, including refunds of employee contributions	(422,984)	(382,788)	(492,604)	(256,511)	(236,554)	(202,898)	(218,510)	(194,186)	(175,072)	(159,291)
Net change in total pension liability	635,853	949,744	725,704	1,679,146	449,518	897,889	1,168,563	866,066	411,400	655,127
Total pension liability - beginning	11,207,000	10,257,256	9,531,552	7,852,406	7,402,888	6,504,999	5,336,436	4,470,370	4,058,970	3,403,843
Total pension liability - ending (a)	$ 11,842,853	$ 11,207,000	$ 10,257,256	$ 9,531,552	$ 7,852,406	$ 7,402,888	$ 6,504,999	$ 5,336,436	$ 4,470,370	$ 4,058,970
Plan fiduciary net position										
Contributions - employer	$ 601,923	$ 600,608	$ 493,721	$ 489,724	$ 444,554	$ 449,115	$ 289,356	$ 270,531	$ 221,783	$ 229,252
Contributions - employee	118,398	128,744	121,628	128,286	119,748	119,434	139,737	141,060	128,098	122,532
Net investment income	509,870	(262,360)	1,379,712	59,668	222,958	251,088	348,905	15,112	85,385	253,752
Benefit payments, including refunds of employee contributions	(422,984)	(382,788)	(492,604)	(256,511)	(236,554)	(202,898)	(218,510)	(194,186)	(175,072)	(159,291)
Hall/Parker settlement	-	-	-	-	-	(201,633)	-	-	-	-
Pension plan administrative expense	(4,410)	(4,730)	(6,421)	(4,865)	(4,873)	(4,522)	(3,487)	(2,575)	(2,477)	-
Tier 1 & 2 Adjustment	(1,574)	-	-	-	-	-	-	-	-	-
Other (net transfer)	-	-	-	-	-	(47,070)	299,733	6,209	(1,639)	(27,635)
Net change in plan fiduciary net position	801,223	79,474	1,496,036	416,302	545,833	363,514	855,734	236,151	256,078	418,610
Plan fiduciary net position - beginning	6,480,534	6,401,060	4,905,024	4,488,722	3,947,787	3,584,273	2,728,539	2,492,388	2,236,310	1,817,700
Adjustment to beginning of year	-	-	-	-	(4,898)	-	-	-	-	-
Plan fiduciary net position - ending (b)	$ 7,281,757	$ 6,480,534	$ 6,401,060	$ 4,905,024	$ 4,488,722	$ 3,947,787	$ 3,584,273	$ 2,728,539	$ 2,492,388	$ 2,236,310
Net pension liability - ending (a) - (b)	$ 4,561,096	$ 4,726,466	$ 3,856,196	$ 4,626,528	$ 3,363,684	$ 3,455,101	$ 2,920,726	$ 2,607,897	$ 1,977,982	$ 1,822,660
Plan fiduciary net position as a percentage of the total pension liability	61.49%	57.83%	62.41%	51.46%	57.16%	53.33%	55.10%	51.13%	55.75%	55.10%
Covered payroll	$ 1,350,143	$ 1,377,162	$ 1,437,343	$ 1,412,567	$ 1,342,505	$ 1,459,908	$ 1,260,293	$ 1,185,180	$ 1,152,518	$ 1,183,833
Net pension liability as a percentage of covered payroll	337.82%	343.20%	268.29%	327.53%	250.55%	236.67%	231.75%	220.04%	171.62%	153.96%

PINEWOOD FIRE DISTRICT
Schedule of Changes in the Net Pension/OPEB Liability and Related Ratios
June 30, 2024

PSPRS - Health insurance premium benefit	Reporting Fiscal Year (Measurement Date)						
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Total OPEB liability							
Service cost	$ 5,196	$ 5,270	$ 5,508	$ 5,769	$ 4,088	$ 4,672	$ 4,411
Interest on total OPEB liability	13,917	11,733	10,787	11,164	11,251	10,276	8,984
Changes of benefit terms	-	-	-	-	-	-	(8)
Difference between expected and actual experience of the total net OPEB liability	24,437	22,579	4,271	(14,449)	(15,212)	(128)	12,916
Changes of assumptions or other inputs	-	2,897	-	-	1,305	-	(3,874)
Benefit payments	(10,485)	(9,167)	(5,594)	(5,040)	(3,540)	(3,240)	(3,735)
Net change in total OPEB liability	33,065	33,312	14,972	(2,556)	(2,108)	11,580	18,694
Total OPEB liability - beginning	193,345	160,033	145,061	147,617	149,725	138,145	119,451
Total OPEB liability - ending (a)	$ 226,410	$ 193,345	$ 160,033	$ 145,061	$ 147,617	$ 149,725	$ 138,145
Plan fiduciary net position							
Contributions - employer	$ 9,275	$ 9,880	$ 10,981	$ 10,680	$ 10,713	$ 5,452	$ 8,389
Net investment income	8,089	(4,363)	23,153	983	3,668	4,086	5,863
Benefit payments	(10,485)	(9,167)	(5,594)	(5,040)	(3,540)	(3,240)	(3,735)
Administrative expense	(75)	(78)	(95)	(80)	(63)	(62)	(53)
Other changes	-	-	-	-	-	-	-
Net change in plan fiduciary net position	6,804	(3,728)	28,445	6,543	10,778	6,236	10,464
Plan fiduciary net position - beginning	111,024	114,752	86,307	79,764	64,088	57,852	47,388
Adjustment to beginning of year	-	-	-	-	4,898	-	-
Plan fiduciary net position - ending (b)	$ 117,828	$ 111,024	$ 114,752	$ 86,307	$ 79,764	$ 64,088	$ 57,852
Net OPEB liability - ending (a) - (b)	$ 108,582	$ 82,321	$ 45,281	$ 58,754	$ 67,853	$ 85,637	$ 80,293
Plan fiduciary net position as a percentage of the total OPEB liability	52.04%	57.42%	71.71%	59.50%	54.03%	42.80%	41.88%
Covered payroll	$ 1,350,143	$ 1,377,162	$ 1,437,343	$ 1,412,567	$ 1,342,505	$ 1,459,908	$ 1,260,293
Net OPEB liability as a percentage of covered payroll	8.04%	5.98%	3.15%	4.16%	5.05%	5.87%	6.37%

Note: The District implemented GASB 75 in fiscal year 2018. Information prior to 2018 is not available.

PINEWOOD FIRE DISTRICT
Schedule of Contributions
June 30, 2024

PSPRS - Pension

	Reporting Fiscal Year 2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 647,577	$ 601,923	$ 600,608	$ 493,721	$ 489,724	$ 444,554	$ 449,115	$ 289,356	$ 270,531	$ 221,783
Contributions in relation to the actuarially determined contribution	(647,577)	(601,923)	(600,608)	(493,721)	(489,724)	(444,554)	(449,115)	(289,356)	(270,531)	(221,783)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,753,832	$ 1,350,143	$ 1,377,162	$ 1,437,343	$ 1,412,567	$ 1,342,505	$ 1,459,908	$ 1,260,293	$ 1,185,180	$ 1,152,518
Contributions as a percentage of covered payroll	36.92%	44.58%	43.61%	34.35%	34.67%	33.11%	30.76%	22.96%	22.83%	19.24%

ASRS - Pension

	Reporting Fiscal Year 2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 16,189	$ 15,450	$ 13,500	$ 14,416	$ 13,735	$ 7,895	$ 7,891	$ 8,301	$ 6,015	$ 5,909
Contributions in relation to the contractually required contribution	(16,189)	(15,450)	(13,500)	(14,416)	(13,735)	(7,895)	(7,891)	(8,301)	(6,015)	(5,909)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 135,401	$ 132,538	$ 114,623	$ 134,632	$ 119,068	$ 74,729	$ 53,451	$ 48,291	$ 50,415	$ 49,382
Contributions as a percentage of covered payroll	11.96%	11.66%	11.78%	10.71%	11.54%	10.56%	14.76%	17.19%	11.93%	11.97%

PINEWOOD FIRE DISTRICT
Schedule of Contributions
June 30, 2024

PSPRS - Health insurance premium benefit	**Reporting Fiscal Year**							
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Actuarially determined contribution	$ 12,634	$ 9,275	$ 9,880	$ 10,981	$ 10,680	$ 10,713	$ 5,452	$ 8,389
Contributions in relation to the actuarially determined contribution	(12,634)	(9,275)	(9,880)	(10,981)	(10,680)	(10,713)	(5,452)	(8,389)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,753,832	$ 1,350,143	$ 1,377,162	$ 1,437,343	$ 1,412,567	$ 1,342,505	$ 1,459,908	$ 1,260,293
Contributions as a percentage of covered payroll	0.72%	0.69%	0.72%	0.76%	0.76%	0.80%	0.37%	0.67%

Note: The District implemented GASB 75 in fiscal year 2018. Information prior to 2018 is not available.

PINEWOOD FIRE DISTRICT
Schedule of Contributions
June 30, 2024

ASRS - Health insurance premium benefit	Reporting Fiscal Year						
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
Contractually required contribution	$ 148	$ 143	$ 236	$ 483	$ 588	$ 325	$ 410
Contributions in relation to the contractually required contribution	(148)	(143)	(236)	(483)	(588)	(325)	(410)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 135,401	$ 132,538	$ 114,623	$ 134,632	$ 119,068	$ 74,729	$ 53,451
Contributions as a percentage of covered payroll	0.11%	0.11%	0.21%	0.36%	0.49%	0.43%	0.77%

Note: The District implemented GASB 75 in fiscal year 2018. Prior year information is not available.

ASRS - Long-term disability	Reporting Fiscal Year						
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
Contractually required contribution	$ 202	$ 181	$ 214	$ 223	$ 204	$ 113	$ 103
Contributions in relation to the contractually required contribution	(202)	(181)	(214)	(223)	(204)	(113)	(103)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 135,401	$ 132,538	$ 114,623	$ 134,632	$ 119,068	$ 74,729	$ 53,451
Contributions as a percentage of covered payroll	0.15%	0.14%	0.19%	0.17%	0.17%	0.15%	0.19%

Note: The District implemented GASB 75 in fiscal year 2018. Prior year information is not available.

Note 1. Actuarially Determined Contribution Rates

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

Actuarial cost method	Entry age normal
Amortization Method	Level percent-of-pay, closed
Remaining Amortization Period	20 years
Asset valuation method	7-Year smoothed market; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2022 actuarial valuation, the investment rate of return was decreased from 7.3% to 7.2%. In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%–8.0% to 3.5%–7.5% for PSPRS In the 2014 actuarial valuation, the projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0%. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5%.
Wage growth	In the 2022 actuarial valuation, wage growth was changed from 3.5% to a range of 3.0 – 6.25% for PSPRS. In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0%. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5%.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

Note 2. Factors That Affect Trends

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS -required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. Also, the District refunded excess employee contributions to PSPRS members. PSPRS allowed the District to reduce its actual employer contributions for the refund amounts. As a result, the District's pension contributions were less than the actuarially or statutorily determined contributions for 2018 and 2019.

Other Communications from Independent Auditors

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Independent Auditors' 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 Board of Directors of
Pinewood Fire District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Pinewood Fire District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Pinewood Fire District's basic financial statements, and have issued our report thereon dated November 15, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pinewood Fire District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

HintonBurdick, PLLC
Mesa, Arizona
November 15, 2024

HINTONBURDICK
CPAs & ADVISORS

Independent Auditors' Report on
State Legal Compliance

Pinewood Fire District
Munds Park, Arizona

We have audited the basic financial statements of Pinewood District (the District) for the year ended June 30, 2024, and have issued our report thereon dated November 15, 2024. Our audit also included test work on the District's compliance with selected requirements identified in the State of Arizona Revised Statutes and the Arizona State Constitution including, but not limited to, Title 48, Chapter 5, Article 1.

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

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

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

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

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

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

Sincerely,

HintonBurdick, PLLC
Mesa, Arizona
November 15, 2024

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