NORTHWEST FIRE DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NORTHWEST
FIRE DISTRICT

5225 W. Massingale Rd., Marana, AZ 85743

NORTHWEST FIRE DISTRICT
PIMA COUNTY, ARIZONA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended June 30, 2020

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Northwest Fire District
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INTRODUCTORY SECTION

EST. 1984
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NORTHWEST FIRE DISTRICT

ISO CLASS 1 ★ INTERNATIONALLY ACCREDITED
5225 W. Massingale Rd. | Tucson, AZ 85743
(520) 887-1010 | www.NorthwestFire.org
@NorthwestFire | /NorthwestFireDistrict

November 24, 2020

To the Citizens and Board of Directors of Northwest Fire District:

Arizona Revised Statutes Article 9, §48-251 requires that all special districts with annual budgets in excess of $1,000,000 publish within 240 days of the close of their fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill that requirement for the fiscal year ended June 30, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Henry + Horne, a certified public accounting firm, have issued an unmodified ("clean") opinion on the Northwest Fire District financial statements for the year ended June 30, 2020. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The District is a special district established to provide a full range of fire protection and emergency response services to its citizens. This report has been prepared in accordance with accounting principles generally accepted in the United States of America and follows guidelines recommended by the Government Finance Officers Association of the United States of America and Canada.

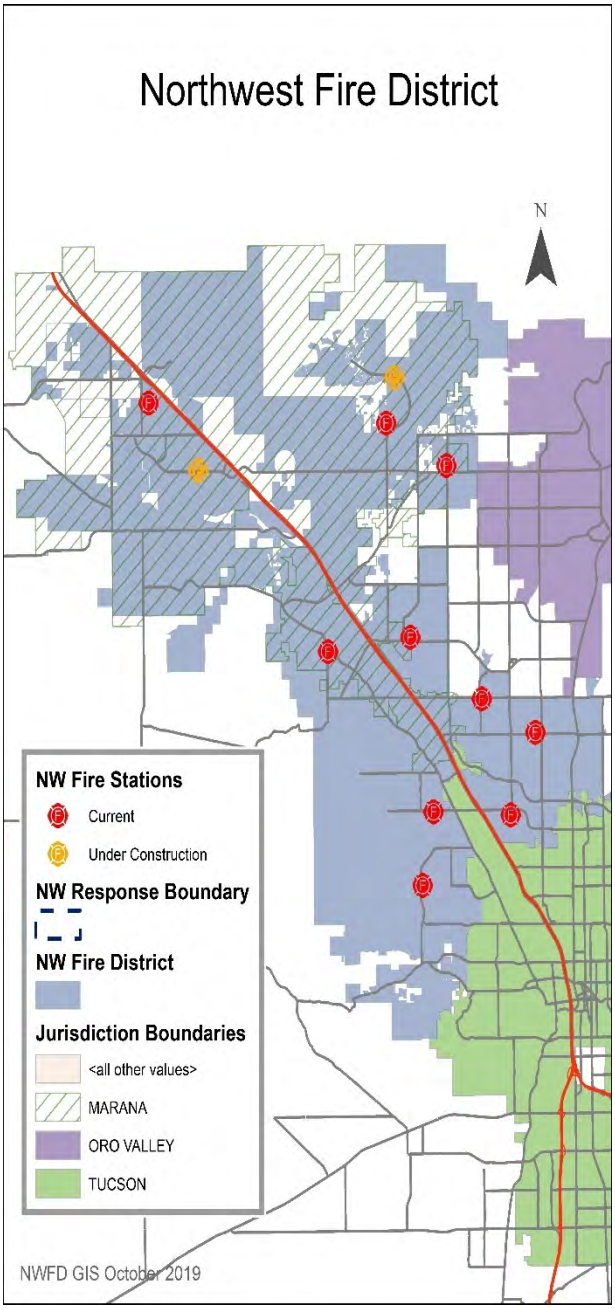
INTERNATIONALLY ACCREDITED AGENCY CFAI 2018 - 2023

Profile of the District

Northwest Fire District (NWFD) is the largest fire district in the State of Arizona and operates under Arizona Revised Statutes (ARS) Title 48, Chapter 5. The District is a community service organization funded through limited assessed value property taxes. It is governed by a five-member Board of Directors, comprised of a Board Chair and four Directors, including a Vice-chair and Clerk. All board members are elected at large and serve staggered four-year terms. The Board hires a Fire Chief/Administrator to manage day-to-day operations of the District. The Board of Directors is required to adopt an annual budget which serves as the foundation for financial planning and control. The budget is prepared by fund, function, and department.

Northwest Fire District was formed in 1983 by residents of the northwest metropolitan Tucson area to ensure the community receives consistent, high-quality emergency services at a reasonable cost. On December 1, 1996, the District expanded by merging with the Flowing Wells Fire District.

Within its legal boundaries, NWFD provides fire, emergency medical services (EMS) and special operations response services to an area of approximately 155 square miles and to a population of approximately 127,527 people. Over 45,587 reside in the Town of Marana and the remainder resides in unincorporated Pima County northwest of the City of Tucson. Several industrial, commercial and residential occupancies outside the legal boundaries are served on a contractual basis. NWFD provides services to a broad classification of population densities including suburban, rural, and wilderness. Approximately 16 miles of Interstate 10 runs through the District. A transcontinental Union Pacific railroad parallels Interstate 10. NWFD protects property within its boundaries assessed at a total of $1.269 billion.



Northwest Fire District is an internationally accredited, ISO Class 1, Special District providing a broad level of professional proactive (prevention) and reactive (emergency) services to residents and visitors.

Prevention services provided include:

- CPR and first aid classes
- Fire code inspection
- Fire investigation
- Plans review
- Fire education programs in elementary schools
- Infant/child car seat installation
- Certified babysitting classes

NWFD provides a wide variety of non-emergency services that include:

- Reptile removal
- Smoke detector battery replacement
- Invalid assists
- Community Assistance Programs aiding victims and family members following a traumatic event such as a fire or death

Emergency services provided include:

- Fire suppression and rescue
- Emergency Medical Services at the Paramedic level
- Hazardous Materials response at the technician and specialist level
- Technical Rescue services at the technician level

NWFD operates 11 24/7 fire engines (pumpers), one peak activity Engine staffed ten hours a day five days a week, six ambulances, two battalion chief trucks and cross staffs two ladder trucks from 11 stations. The District is constantly staffed with 59 suppression personnel per day, and has six support vehicles that are staffed when personnel are available comprised of the following:

- Three water tenders
- Air Power Light Truck
- Rehab vehicle

Northwest Fire District's emergency response units are staffed consistently throughout the District with trained and qualified personnel who were selected through competitive testing to obtain their positions. All suppression personnel are required to be certified as a Firefighter I and II, pursuant to the State of Arizona training requirements, Hazardous Materials Operations, and complete NIMS 100, 200, 700 and 800 online programs. In addition, response personnel are, at a minimum, Emergency Medical Technician-Basic certified as per Arizona Department of Health. Each fire engine is staffed with a Captain, Engineer, Paramedic and Firefighter. Each paramedic transport is staffed with an EMT and Paramedic. The District's staffing policy requires four personnel on an engine/ladder and two on an ambulance.

Budget process

The District budgets all funds in accordance with the requirements of state law. All funds are budgeted on the modified accrual basis of accounting.

The Board of Directors adopts the original budget by resolution prior to the beginning of the fiscal year of the District. The Board resolution authorizing budgeted expenditures for each fund sets the level by which actual expenditures should not exceed budgeted expenditures. Total personnel services, materials and services, capital outlay, and other expenditures for the fund are the levels of control established by the resolution with the exception of the General Fund, where those same appropriation levels are defined by function. The detailed budget document, however, is required to contain more specific detailed information for the above-mentioned expenditure categories, and management may transfer budgeted expenditures within all funds without Board approval. However, transfers between funds require Board authorization, as do any transfers from Contingency.

Budgeted expenditures lapse at year-end and may not be carried over to subsequent years.

Local economy

The Northwest Fire District operates in a diverse region that has seen significant growth over the past 20 years. Most of the development within NWFD is residential, including single and multi-family dwellings. However, there is also a substantial and increasing presence of retail occupancies along with a smaller percentage of warehouses and industrial-type facilities. Major industries located within District boundaries include hospitals/healthcare, resorts/hospitality, retail, and aerospace/defense contractors.

Because of its location in a region with a varied economic base, unemployment has been relatively stable until the effect of the current recession was felt beginning in 2008. During the past ten years, unemployment has risen from a low of 4.6% in Pima County to a high of 9.9%. Much of this increase is due to the collapse of the construction industry in the Great Recession. The unemployment rate as of June 30, 2020 in Pima county is 9.9%. As the fiscal year ended, the impacts of COVID-19 on personal income, wages, and employment were uncertain. Demand remained high for residential properties, driven by strong investor interest and a lack of supply.

The District's population is expected to continue to grow in the next 20 years, although growth estimates prior to the Great Recession have been significantly curtailed. District management and staff are working proactively and cooperatively with other governments, surrounding fire districts, and regional planning groups to ensure continued ability to serve this future population.

Long-term financial planning and major initiatives

District management and its Board recognize the importance of strategic long-term financial planning. Each year, forecasts are prepared to estimate the financial health of the District over the next five years. The District Board also annually reviews and approves a comprehensive set of financial policies, as well as a five-year Capital Improvement Program. Both documents provide a framework for financial sustainability utilizing recommended practices from the GFOA and industry leaders.

The five-year Capital Improvement Program (CIP) serves as a planning document to ensure that facilities and equipment are well maintained and operating in peak condition. Under guidance from the CIP committee and Board of Directors, the CIP process gives NWFD the ability to plan for its capital needs and allocate short and long-term resources appropriately. As part of this process, NWFD identifies and quantifies the operational costs associated with capital projects and budgets resources accordingly. In addition, the fleet services division monitors the condition of all vehicles and makes recommendations on their replacement. The NWFD maintains a vehicle replacement policy which serves as its fleet replacement guide over a ten-year period.

NWFD has also been accredited by the Commission on Fire Accreditation International (CFAI) through the Center for Public Safety Excellence (CPSE). During the accreditation process, an independent committee of experts perform a comprehensive on-site evaluation to determine if the agency is performing in a manner consistent with the needs of the community and relevant standards/best practices. The District is one of only eleven fire departments/districts in the State of Arizona to achieve this distinction, and one of two located in Southern Arizona. Accreditation lasts for a period of five years, with required annual updates/reporting. The District was due for re-accreditation in 2016-17 but was placed on deferred status. The District received full re-accreditation status in August 2018. The 2019 annual compliance report (ACR) was approved and accreditation status is retained through 2020.

Relevant financial policies

NWFD has adopted a comprehensive set of financial policies. The policies implemented have been effective in protecting the District during the "Great Recession", as the District has been able to maintain service levels despite increases to operational costs (fuel, utilities, etc.) and unwillingness by the Governing Board to increase the tax rate. Specifically, the policies 1) requiring the adoption of a balanced budget and 2) not allowing one-time resource inflows to be used for operating purposes, in addition to fund balance targets delineated by the policies have kept the Governing Board and staff focused on increasing internal efficiencies, especially through the leveraging of technologies.

Awards and Acknowledgements

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Northwest Fire District for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 13th consecutive year that the District achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements: We would like to express our sincere gratitude to the personnel of the finance department who assisted and contributed to the preparation of this report. Appreciation is also extended to Board Chair George Carter, the Board of Directors, the managers, employees and citizens of the District whose continued support is vital to the financial health of Northwest Fire District.

Respectfully Submitted,

Norman K. Bradley III
Fire Chief

Kim Sotomayor
Business Services Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Northwest Fire District Arizona

For its Comprehensive Annual Financial Report For the Fiscal Year Ended

June 30, 2019

Executive Director/CEO

NORTHWEST FIRE DISTRICT ORGANIZATIONAL CHART

GOVERNING BOARD

DISTRICT LAWYER

FIRE CHIEF

ESSENTIAL SERVICES SECTION
Assistant Chief

- WAREHOUSE SERVICES DIVISION Manager
  - SUPPLY SUPERVISOR
  - WAREHOUSE INVENTORY SPECIALIST X2
  - PROCUREMENT & CONTRACT SPECIALIST
  - PPE MAINTENANCE WORKER
  - FIRE EQUIPMENT SERVICE WORKER
- FACILITIES SERVICES DIVISION Manager
  - FACILITIES COORDINATOR
  - BUILDING MAINTENANCE WORKER II X2
- FLEET SERVICES DIVISION Manager
  - SHOP SUPERVISOR
    - MECHANICS X4
  - FLEET SERVICE COORDINATOR
  - FLEET CLERK

HUMAN RESOURCE SERVICES SECTION
Director

- SUPERVISOR
- SPECIALIST (NORTH BATTALION)
- SPECIALIST (SOUTH BATTALION)
- ASSISTANT

ADMINISTRATION SERVICES SECTION
Division Chief

- EXECUTIVE ASSISTANT
- ADMINISTRATIVE ASSISTANT I
- COMMUNITY RELATIONS & PUBLIC EDUCATION SERVICES DIVISION Supervisor
- PUBLIC EDUCATION COORDINATOR
- FIRE AND LIFE SAFETY EDUCATOR II
- FIRE AND LIFE SAFETY EDUCATOR I
- FIRE AND LIFE SAFETY EDUCATOR

TECHNICAL SERVICES SECTION
Manager

- SR. SYSTEMS ENGINEER
- SR. SYSTEMS ENGINEER
- SYSTEMS ADMIN

BUSINESS SERVICES SECTION
Director

- FINANCE SUPERVISOR
- SR. ACCOUNT CLERK SPECIALIST PAYROLL
- ACCOUNT CLERK SPECIALIST PAYABLES
- FINANCIAL ANALYST

OPERATIONAL SERVICES SECTION
Assistant Chief

PREVENTION BRANCH
Deputy Chief

- DEPUTY FIRE MARSHAL
  - FIRE INSPECTOR / FIRE INVESTIGATOR X3
  - ADMINISTRATIVE ASSISTANT II PREVENTION
- DEPUTY FIRE MARSHAL
  - FIRE INSPECTOR / FIRE INVESTIGATOR X3
  - FIRE PLANS EXAMINER FIRE CODE OFFICIAL

PREPAREDNESS BRANCH
Deputy Chief

- TRAINING DIVISION Division Chief
  - ADMINISTRATIVE ASSISTANT II
  - TRAINING CAPTAIN
  - TRAINING CAPTAIN
  - TRAINING ENGINEER
- EMS DIVISION Division Chief
  - ADMIN. CAPTAIN
  - ADMIN. CAPTAIN
  - ADMIN. CAPTAIN
  - PARAMEDIC TRAINER
  - PARAMEDIC TRAINER
- DISPATCH DIVISION Division Chief
  - SENIOR GIS ANALYST

RESPONSE BRANCH
Deputy Chief

- SOUTH BATTALION CHIEFS
  Battalion 331
  A – SHIFT
  B –SHIFT
  C – SHIFT
  - STATIONS 330, 331, 332, 333, 335, Engine 342
- NORTH BATTALION CHIEFS
  Battalion 332
  A - SHIFT
  B – SHIFT
  C – SHIFT
  - STATIONS 334, 336, 337, 338, 339, 341
- OPERATIONS/HEALTH AND SAFETY DIVISION Division Chief
  - Community Assistance Program X2
- EMERGENCY MANAGEMENT DIVISION Division Chief

NORTHWEST FIRE DISTRICT
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2020

Board of Directors	***Term Expires***
George Carter, Chair	November 30, 2024
Bruce Kaplan, Vice Chair	November 30, 2022
Becky Arend-Hicks, Clerk	November 30, 2024
Peg Green	November 30, 2024
David Talas	November 30, 2022

Administrative Offices
5225 W. Massingale Road
Tucson, AZ 85743

Registered Agent
Norman K. Bradley
Fire Chief/Administrator

Legal Counsel
Benavidez Law Group, P.C.
7440 N. Oracle Road
Tucson, AZ 85704

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Northwest Fire District, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Northwest Fire District, Arizona, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Northwest Fire District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Northwest Fire District as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Northwest Fire District's basic financial statements. The introductory section, the financial information listed as other supplementary information in the table of contents and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Matters (Continued)

Other Information (Continued)

The financial information listed as other supplementary information in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial information listed as other supplementary information in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2020 on our consideration of Northwest Fire District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Northwest Fire District's internal control over financial reporting and compliance.

Henry + Horne, LLP

Tempe, Arizona
November 24, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2020

As management of the Northwest Fire District (District), we offer readers of the District financial statements this narrative overview and analysis of financial activities for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- Liabilities and deferred inflows of resources of Northwest Fire District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by $1,606,162 *(negative net position)*. No amount of the net position may be used to meet ongoing obligations of the District to citizens and creditors because *unrestricted net position* carried a negative balance.
- Total net position of the District decreased by $2,390,972, primarily due to expenses exceeding revenues.
- As of the close of the current year, the governmental funds of the District reported combined ending fund balances of $23,064,815, an increase of $2,544,471 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $5,976,213, or 17.67% of total General Fund expenditures.
- The total long-term debt of the District increased by a net amount of $2,673,886. The increase is primarily due to, the issuance of the 2019 General Obligation Bonds which were offset by scheduled payments of general obligation debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements. The *government-wide financial statements* (which can be found as listed in the table of contents) are intended to provide a broad overview in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Northwest Fire District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the District are considered governmental funds.

Governmental funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found as listed in the table of contents.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the financial position of a government. In the case of Northwest Fire District, liabilities and deferred inflows exceeded assets and deferred outflows of resources by $1,606,172 at the close of the most recent fiscal year.

The largest portion of net position of the District ($20,078,387, or 1,250%) reflects its investment in capital assets (e.g., land, buildings, vehicles, and equipment), less any debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to residents; consequently, the assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

The next-largest balance of net position ($2,964,486, or 185%) reflects restricted net position, primarily comprised of unexpended grant and bond monies that cannot legally be utilized for any purpose other than what the grantor or bond documents dictate.

The remaining balance of net position (-$24,649,035, or -1,534%) is unrestricted and may be used to meet ongoing obligations of the District to citizens and creditors. Unrestricted net position is negative due to implementation of GASB Statement Nos. 68 and 75, which requires the District to recognize pension and other postemployment benefit (OPEB) liabilities.

The following table reflects the condensed Statement of Net Position:

Northwest Fire District
Condensed Statement of Net Position
As of June 30,

	Governmental Activities		Increase/
	2020	2019	(Decrease)
Cash and investments	$ 23,700,498	$ 22,030,387	$ 1,670,111
Other assets	3,140,170	2,981,279	158,891
Capital assets	45,638,736	45,356,439	282,297
Total assets	72,479,404	70,368,105	2,111,299
Deferred outflows of resources	13,411,958	12,082,698	1,329,260
Other liabilities	1,589,862	2,170,932	(581,070)
Long-term liabilities	81,975,809	75,769,942	6,205,867
Total liabilites	83,565,671	77,940,874	5,624,797
Deferred inflows of resources	3,931,853	3,725,119	206,734
Net position			
Net investment in capital assets	20,078,387	20,259,409	(181,022)
Restricted	2,964,486	1,787,295	1,177,191
Unrestricted	(24,649,035)	(21,261,894)	(3,387,141)
Total net position	$ (1,606,162)	$ 784,810	$ (2,390,972)

Governmental activities. The net position of the District from governmental activities decreased 244%, from $784,810 to -$1,606,172. Key elements of these activities are as follows:

- Unrestricted net position decreased $3,387,141 primarily due to construction of two new stations, changing the character of net position from “unrestricted” to “net investment in capital assets”.
- Restricted net position increased $1,177,191 primarily due to bond and grant revenues exceeding expenses in those funds.
- Net investment in capital assets decreased $181,022 primarily due to construction of two new stations.
- Charges for services decreased $45,720 due to a decrease in ambulance revenue over the prior year.
- Operating grants and contributions decreased $1,310,003 due to the District’s SAFER grant expiring during the year.
- Property taxes increased $1,622,437 as a result of a slight increase in operating levy.
- Expenses for public safety increased $2,217,785 reflecting increases in pension costs and employee benefits.

Northwest Fire District
Condensed Statement of Activities
For the year ended June 30,

	Governmental Activities		Increase/
	2020	2019	(Decrease)
Revenues			
Program revenues			
Charges for services	$ 3,855,233	$ 3,900,953	$ (45,720)
Operating grants and contributions	1,251,026	2,561,029	(1,310,003)
General revenues			
Property taxes	36,285,487	34,663,050	1,622,437
Fire district assistance tax	403,207	398,493	4,714
Investment earnings	406,563	433,909	(27,346)
Miscellaneous	15,043	2,679	12,364
Total revenues	42,216,559	41,960,113	256,446
Expenses			
Public safety	43,278,851	41,061,066	2,217,785
Interest on long-term debt	1,328,680	1,167,555	161,125
Total expenses	44,607,531	42,228,621	2,378,910
Increase/(Decrease) in net position	(2,390,972)	(268,508)	(2,122,464)
Prior period adjustment	-	-	-
Beginning net position	784,810	1,053,318	(268,508)
Ending net position	$ (1,606,162)	$ 784,810	$ (2,390,972)

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balances may serve as a useful measure of the District's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District Board of Directors.

At June 30, 2020, Northwest Fire District's governmental funds reported combined fund balances of $23,064,815, an increase of $2,544,471, or 12.40%, in comparison with the prior year. Approximately 26% of this amount ($5,968,513) constitutes *unassigned fund balance*, which is available for spending at the District's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *or assigned* to indicate that it is 1) not in spendable form ($37,039), 2) restricted for particular purposes ($12,747,462), or 3) assigned for particular purposes ($4,311,801).

General Fund. The General Fund accounts for all the financial resources of the District not accounted for in any other fund. At the end of June 30, 2020, total fund balance was $8,096,533, of which $37,039 was nonspendable because of prepaid items, $2,083,281 was assigned for medical self-insurance costs, and $5,976,213 was unassigned for financial reporting purposes. As a measure of the fund's liquidity, it may be useful to compare both unassigned and total fund balance to the fund's expenditures. Unassigned fund balance represents 17.68% of the total general fund expenditures, while the total fund balance represents 23.95% of total general fund expenditures. Total fund balance of the fund decreased by $528,874, resulting primarily from increased emergency operations and support resources expenditures.

Wildland Fund. The Wildland Fund accounts for the resources and requirements specific to the District's wildfire suppression activity. The primary source of income is federal/state government reimbursements for out-of-district activities. Primary expenditures are wages and related expenditures, travel, and supplies. At the end of June 30, 2020, total fund balance was $571,027, which is an increase of $8,255 from the prior year due to an increase in intergovernmental revenues.

Ambulance Fund. The Ambulance Fund accounts for the resources and requirements specific to the District's ambulance transport activity. The primary source of income is ambulance billings. Primary expenditures are wages and related expenditures, travel, and supplies. At the end of June 30, 2020, total fund balance was $-7,700, which is a decrease of $57,434 from the prior year due to the fund slightly underperforming revenue estimates.

Capital Improvements Fund. The Capital Improvements Fund accounts for financial resources to be used for the acquisition or construction of major capital assets. The primary sources of income are from property taxes, bond proceeds, and charges for services. The primary expenditures are capital expenditures. At the end of June 30, 2020, total fund balance was 11,200,229, which is an increase of $2,743,269 from the prior year primarily due the issuance of new debt and bond proceeds to complete construction of two new stations and design of a new administration building.

GO Debt Service Fund. The GO Debt Service Fund accounts for the property tax levy dedicated to the payment of principal and interest on general obligation bonds.

Capital Reserve Fund. The Capital Reserve Fund accounts for reserves set aside for significant capital purchases anticipated to be made in future years. It is funded through budgeted transfers from other funds.

Grant Program Fund. The Grant Program Fund accounts for all the grants awarded to the District from various governmental and non-governmental sources, and related expenditures. At the end of June 30, 2020, total fund balance was $923,748, which is an increase of $496,199 from the prior year primarily due to timing of receipt of a grant billing.

BUDGETARY HIGHLIGHTS

Changes or variances from the original to the final budget for the General Fund were due to reallocating capacity from unfilled vacancies to areas of need. A schedule showing the original and final budget amounts compared to the actual financial activity for the General Fund is provided in this report as required supplementary information. The significant variances are summarized as follows:

- The positive variance of $4,757,827 for expenditures is primarily attributed to not utilizing contingency funds for operations.
- The positive variance of $261,090 for administration is primarily attributed to not filling budgeted vacant positions until late in the fiscal year.
- The negative variance of $827,992 for emergency operations is primarily the operation of a dedicated ambulance on an ADOT project and timing of the reimbursement.
- The positive variance of $294,381 for support resources is primarily due to not filling budgeted vacant positions until late in the fiscal year.

For more detailed information, see budget to actual comparisons on page 71.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. As of June 30, 2020, the investment in capital assets for governmental activities amounts to $45,638,736 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, vehicles, furniture and equipment. The total increase in capital assets for the current fiscal year net of depreciation was $282,297, or .62%.

Major capital events during the current fiscal year included the following:

- Completed Construction of stations 37 and 41
- Purchase of land and a design contract for a new administration facility
- Purchase of equipment for a new ambulance
- Replacement of three air conditioning units at Operations Headquarters

For more detailed information, see page 43 in the notes to the financial statements. The following table is a summarized reconciliation of the changes in capital assets.

Northwest Fire District
Changes in Capital Assets
Year Ended June 30,

	2020	2019
Beginning balance	$ 45,356,439	$ 42,485,081
Additions	3,787,657	6,320,695
Depreciation	(3,505,360)	(3,449,337)
Ending balance	$ 45,638,736	$ 45,356,439

The District depreciates all capital assets except for land and construction in progress.

Long-term debt. At the end of the current fiscal year, the District had total debt outstanding of $35,343,325. The entire amount of the debt is backed by the full faith and credit of the District. The District has been issued an "AA-" rating from Standard & Poor's.

Northwest Fire District
Outstanding Debt
As of June 30,

	Governmental Activities		Increase/
	2020	2019	(Decrease)
General Obligation Bonds	$ 35,343,325	$ 32,669,439	$ 2,673,886
	$ 35,343,325	$ 32,669,439	$ 2,673,886

Additional information regarding the long-term debt of the District can be found in the notes to the financial statements on pages 44-55 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The local housing market continues to stabilize in foreclosures and prices, and assessed values appear to have bottomed out seven years ago. Builders and developers have begun reinvesting in the community, as evidenced by a new premium factory outlet mall which opened in the District in October 2015. District assessed values hit a high of $1.218 billion in 2009/10, declined to $943 million in 2013/14, and currently is estimated at $1.269 billion. The Board of Directors has been consistent in its approach of attempting to maintain service levels through a combination of operational budget reductions, self-insuring District health benefits, utilizing a separation incentive plan, capital expenditure deferments, and tax levy maintenance. However, the District has now reached the point where tax levy maintenance is no longer feasible given inflation. As a result, the operational tax rates have increased from $2.1124 in 2009/10 to $2.7095 for 2020/21.

Next year's budget reflects an increase due to an increase in the Capital Improvement fund for the construction of a New Administration Building funded through a bond issuance. This budget includes anticipated grant activities for regional radio equipment and a SAFER grant aimed at recruiting and academy costs.

FINANCIAL CONTACT

The financial statements of the District are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the finances of the District and to demonstrate accountability. If you have questions regarding the report or need additional financial information, please contact the Finance Director of the District at 5225 W. Massingale Road, Tucson, AZ 85743.

BASIC FINANCIAL STATEMENTS

NORTHWEST FIRE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash and investments	$ 13,917,522
Accounts receivable	869,927
Property taxes receivable	2,233,204
Prepaid expenses	37,039
Restricted cash	9,782,976
Capital assets	
Land, improvements, and construction in progress	7,716,150
Other capital assets (net of accumulated depreciation)	37,922,586
Total Assets	72,479,404
DEFERRED OUTFLOWS OF RESOURCES	
Pension plan items	13,411,958
LIABILITIES	
Accounts payable	841,897
Accrued payroll and related benefits	743,465
Unearned revenue	4,500
Noncurrent liabilities:	
Due within one year:	
Bonds payable	2,405,000
Compensated absences	1,500,000
Due in more than one year:	
Bonds payable, net of unamortized premium	32,938,325
Compensated absences	2,713,334
Net OPEB liability	68,393
Net pension liability	42,350,757
Total Liabilities	83,565,671
DEFERRED INFLOWS OF RESOURCES	
Pension plan items	3,931,853
NET POSITION	
Net investment in capital assets	20,078,387
Restricted for:	
Debt Service	623,485
Capital projects	1,417,253
Grants	923,748
Unrestricted	(24,649,035)
Total Net Position	$ (1,606,162)

See accompanying notes.

NORTHWEST FIRE DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	Governmental Activities
EXPENSES	
Public safety	
Salaries and wages	$ 21,372,891
Employee benefits	11,974,099
Materials and supplies	1,969,871
Professional services	1,256,969
Utilities and communications	1,713,984
Insurance	61,683
Repairs and maintenance	1,226,249
Lease agreements	197,745
Depreciation	3,505,360
Interest on long-term debt	1,328,680
Total program expenses	44,607,531
PROGRAM REVENUES	
Charges for services	3,855,233
Operating grants and contributions	1,251,026
Total program revenues	5,106,259
Net program expenses	(39,501,272)
GENERAL REVENUES	
Property taxes	36,285,487
Fire district assistance tax	403,207
Investment earnings	406,563
Miscellaneous	15,043
Total general revenues	37,110,300
Change in net position	(2,390,972)
Net position, July 1, 2019	784,810
Net position, June 30, 2020	$ (1,606,162)

See accompanying notes.

NORTHWEST FIRE DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	Wildland	Ambulance	Capital Improvements	GO Debt Service	Capital Reserve	Grant Program	Totals
ASSETS								
Cash and investments	$ 8,720,316	$ 535,110	$ -	$ 1,543,091	$ 534,422	$ 1,657,493	$ 927,090	$ 13,917,522
Accounts receivable	126,032	232,190	471,915	39,790	-	-	-	869,927
Property taxes receivable	1,953,188	-	-	-	280,016	-	-	2,233,204
Prepaids	37,039	-	-	-	-	-	-	37,039
Due from other funds	363,947	-	-	-	-	-	-	363,947
Restricted cash and investments	-	-	-	9,782,976	-	-	-	9,782,976
Total Assets	$ 11,200,522	$ 767,300	$ 471,915	$ 11,365,857	$ 814,438	$ 1,657,493	$ 927,090	$ 27,204,615
LIABILITIES								
Accounts payable	$ 652,864	$ 8,756	$ 11,319	$ 165,628	$ -	$ -	$ 3,330	$ 841,897
Accrued payroll and related benefits	717,017	26,436	-	-	-	-	12	743,465
Unearned revenue	4,500	-	-	-	-	-	-	4,500
Due to other funds	-	-	363,947	-	-	-	-	363,947
Total Liabilities	1,374,381	35,192	375,266	165,628	-	-	3,342	1,953,809

See accompanying notes.

NORTHWEST FIRE DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2020

	General	Wildland	Ambulance	Capital Improvements	GO Debt Service	Capital Reserve	Grant Program	Totals
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	1,729,608	-	-	-	190,953	-	-	1,920,561
Unavailable revenue - wildland billings	-	161,081	-	-	-	-	-	161,081
Unavailable revenue - ambulance billings	-	-	104,349	-	-	-	-	104,349
Total Deferred Inflows of Resources	1,729,608	161,081	104,349	-	190,953	-	-	2,185,991
FUND BALANCES								
Nonspendable:								
Prepaid items	37,039	-	-	-	-	-	-	37,039
Restricted for:								
Debt service	-	-	-	-	623,485	-	-	623,485
Capital projects	-	-	-	11,200,229		-	-	11,200,229
Grant expenditures	-	-	-	-	-	-	923,748	923,748
Assigned to:								
Medical self insurance	2,083,281	-	-	-	-	-	-	2,083,281
Wildland	-	571,027	-	-	-	-	-	571,027
Capital expenditures	-	-	-	-	-	1,657,493	-	1,657,493
Unassigned:	5,976,213	-	(7,700)	-	-	-	-	5,968,513
Total Fund Balances	8,096,533	571,027	(7,700)	11,200,229	623,485	1,657,493	923,748	23,064,815
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 11,200,522	$ 767,300	$ 471,915	$ 11,365,857	$ 814,438	$ 1,657,493	$ 927,090	$ 27,204,615

See accompanying notes.

NORTHWEST FIRE DISTRICT
RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Fund Balances		$ 23,064,815
The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current-period expenditures are reported as unavailable revenue in governmental funds.		2,185,991
Capital assets are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value.		45,638,736
Pension/OPEB contributions subsequent to the measurement date, assumption changes, and differences between expected and actual experience are not available resources, and therefore, are not reported in the funds.		9,480,105
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but is recognized as an expenditure when paid. These liabilities consist of the following:		
Accrued compensated absences payable	$ (4,213,334)	
Bonds payable	(35,343,325)	
Net OPEB liability	(68,393)	
Net pension liability	(42,350,757)	(81,975,809)
Net position of governmental activities		$ (1,606,162)

See accompanying notes.

NORTHWEST FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	General	*Wildland*	*Ambulance*	*Capital Improvements*	*GO Debt Service*
REVENUES					
Taxes and assessments	$ 32,857,057	$ -	$ -	$ -	$ 3,541,645
Charges for services	1,338,810	-	2,377,263	104,957	-
Intergovernmental	286,419	694,925	51,265	-	130,574
Donations	552	-	-	-	-
Interest earned	185,899	-	-	173,490	47,174
Miscellaneous	2,757	-	-	12,286	-
Total Revenues	34,671,494	694,925	2,428,528	290,733	3,719,393
EXPENDITURES					
Public safety:					
Administration	2,719,620	-	-	-	4,335
Emergency operations	23,528,319	686,670	2,228,453	104,240	-
Community safety services	1,482,566	-	-	-	-
Support resources	6,068,367	-	257,509	-	-
Capital outlay	12,496	-	-	3,911,385	-
Debt service	-	-	-	152,284	4,468,705
Total Expenditures	33,811,368	686,670	2,485,962	4,167,909	4,473,040
REVENUES OVER (UNDER) EXPENDITURES	860,126	8,255	(57,434)	(3,877,176)	(753,647)
OTHER FINANCING SOURCES/(USES)					
General obligation bonds issued	-	-	-	5,000,000	6,575,000
Premium/Discount on general obligation bonds	-	-	-	627,208	799,934
Payment to bond refunding escrow agent	-	-	-	-	(7,188,231)
Sale of capital assets	-	-	-	54,237	-
Transfers in/(out)	(1,389,000)	-	-	939,000	-
Total Other Financing Sources (Uses)	(1,389,000)	-	-	6,620,445	186,703
NET CHANGE IN FUND BALANCES	(528,874)	8,255	(57,434)	2,743,269	(566,944)
FUND BALANCES, Beginning of year	8,625,407	562,772	49,734	8,456,960	1,190,429
FUND BALANCES, End of year	$ 8,096,533	$ 571,027	$ (7,700)	$ 11,200,229	$ 623,485

See accompanying notes.

	Capital Reserve	*Grant Program*	*Totals*
REVENUES			
Taxes and assessments	$ -	$ -	$ 36,398,702
Charges for services	-	-	3,821,030
Intergovernmental	-	496,262	1,659,445
Donations	-	-	552
Interest earned	-	-	406,563
Miscellaneous	-	-	15,043
Total Revenues	-	496,262	42,301,335
EXPENDITURES			
Public safety:			
Administration	-	-	2,723,955
Emergency operations	-	63	26,547,745
Community safety services	-	-	1,482,566
Support resources	-	-	6,325,876
Capital outlay	-	-	3,923,881
Debt service	-	-	4,620,989
Total Expenditures	-	63	45,625,012
REVENUES OVER (UNDER) EXPENDITURES	-	496,199	(3,323,677)
OTHER FINANCING SOURCES/(USES)			
General obligation bonds issued	-	-	11,575,000
Premium/Discount on general obligation bonds	-	-	1,427,142
Payment to bond refunding escrow agent	-	-	(7,188,231)
Sale of capital assets	-	-	54,237
Transfers in/(out)	450,000	-	-
Total Other Financing Sources (Uses)	450,000	-	5,868,148
NET CHANGE IN FUND BALANCES	450,000	496,199	2,544,471
FUND BALANCES, Beginning of year	1,207,493	427,549	20,520,344
FUND BALANCES, End of year	$ 1,657,493	$ 923,748	$ 23,064,815

See accompanying notes.

NORTHWEST FIRE DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds		$ 2,544,471
Amounts reported for governmental activities in the Statement of Activities are different because:		
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(134,399)
Governmental funds do not report expenditures for unpaid compensated absences since they do not require the use of current financial resources. However, the Statement of Activities reports such expenses when incurred, regardless of when settlement ultimately occurs.		(314,328)
Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlay over their estimated useful lives as depreciation expense.		
Expenditures for capital assets	$ 3,787,657	
Less current year depreciation	(3,505,360)	282,297
Governmental funds report pension/OPEB contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension/OPEB liability, adjusted for deferred pension/OPEB items, is reported as pension/OPEB expense in the Statement of Activities.		
Expenditures for pensions/OPEB	(7,122,998)	
Expenditures for deferred outflows/inflows	5,027,871	(2,095,127)
Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as revenues. In the same way, repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. However, neither the receipt of debt proceeds nor the payment of debt principal affect the Statement of Activities, but are reported as increases and decreases in noncurrent liabilities in the Statement of Net Position.		
Bond proceeds	(13,002,142)	
Amortization	343,256	
Principal repayments	9,985,000	(2,673,886)
Change in net position of governmental activities.		$ (2,390,972)

See accompanying notes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Northwest Fire District (District), a Suburban Fire Protection District, is an Arizona Special Taxing District operating under Arizona Revised Statutes Title 48, Chapter Five, and provides fire protection to residents of the northwest unincorporated Tucson area and residents of the Town of Marana.

The power and authority given to the District is vested in a Board of Directors, each member being elected for a four-year term. The Board of Directors has the statutory authority to adopt and modify the budget; levy taxes; control all assets, including facilities and properties; authorize borrowing, or long-term debt issuances; sign contracts, and develop the programs to be provided. The responsibility and accountability over all funds and fiscal matters are vested in the Board of Directors. The District is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit from nor imposes a financial burden on the District.

The Board of Directors appoints the Fire Chief of the District. The activities under the purview of the Fire Chief are within the scope of the reporting entity and the Fire Chief is accountable to the Board of Directors for the activities being managed.

The District is the primary, special purpose government responsible for all fire protection within its service areas. As a result, all significant activities have been included in the government-wide financial statements. The District's financial statements represent those of a stand-alone government, as there are no component units.

Government-wide and Fund Financial Statements

The government-wide financial statements report information on all of the governmental activities of the District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes, investment earnings, grants and contributions, and charges for services to other governments.

The Statement of Activities presents a comparison between direct expenses of the public safety program of the District and program revenues. Direct expenses are those that are specifically associated with the public safety function and, therefore, are clearly identifiable to that function. Program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Property taxes, investment earnings, insurance refunds, and other items that are not properly classified as program revenues, are presented as general revenues.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus, and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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.

Real and personal property taxes are levied on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day in 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. A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy. All property taxes are billed and collected by Pima County and remitted to the District. In the governmental fund financial statements, property taxes are reflected as revenues in the fiscal period for which they were levied, provided they are due, or past due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days). Otherwise they are reported as deferred revenues.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Intergovernmental revenues are recognized as revenues when all eligibility requirements are met. There are, however, essentially two types of intergovernmental revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the District; therefore, all eligibility requirements are determined to be met when the underlying expenditures are recorded. In the other, monies are virtually unrestricted as to the purpose of the expenditure and are usually revocable only for failing to comply with prescribed requirements; therefore, all eligibility requirements are determined to be met at the time of receipt or earlier if the susceptible to accrual criteria are met.

When both restricted and unrestricted resources are available for use, it is the policy of the District to use restricted resources first, then unrestricted resources as they are needed.

The District reports the following major governmental funds:

- The General Fund is the primary operating fund of the District. It accounts for all financial resources of the District, except those required to be accounted for in another fund, either legally or by Board direction. The principal revenue source is property taxes. Primary expenditures are for public safety.
- The Wildland Fund accounts for financial resources to be used for the operation of the District Wildland program. The principal revenue source is state and federal wildland fire suppression billings. Primary expenditures are wages and related costs, travel and supplies.
- The Ambulance Fund accounts for financial resources to be used for the operation of the District ambulance transport program. The principal revenue source is ambulance transport billings. Primary expenditures are wages and related costs, supplies and services.
- The Capital Improvements Fund accounts for financial resources to be used for the acquisition or construction of major capital assets. The principal revenue source is property taxes, while primary expenditures are for capital outlay.
- The General Obligation Debt Service Fund accounts for repayment of general obligation debt. The principal revenue source is property taxes, while primary expenditures are for principal and interest debt service payments.
- The Capital Reserve Fund accounts for reserves specific to future capital needs of the District. The principal revenue source is property taxes. There are no expenditures in this fund.
- The Grant Program Fund accounts for grants received by the District. Primary revenues are grants from intergovernmental agencies. Primary expenditures are personnel costs and capital outlay.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 reported amounts of certain assets, liabilities, revenues and expenses, actual results may differ from such estimates.

Cash and Investments

The District considers cash on hand, demand deposits and short-term highly liquid investments with a maturity of three months or less, when purchased, to be cash and cash equivalents. Investments maintained in the Pima County Investment Pool, are carried at cost, which approximates fair value, and are classified as a cash equivalent. Fair value of the investments in the pool is the same as the value of the pool shares. Short-term investments classified as cash equivalents are carried at amortized cost. Fair value is defined as the amount at which an investment could be exchanged between willing parties, other than in a forced or liquidation sale.

Receivables and Deferred Inflows of Resources

All accounts and property tax receivables are shown net of any allowance for uncollectible accounts. Property taxes receivable for the governmental fund types, which have been remitted within 60 days subsequent to year end, are considered measurable and available and recognized as revenues. All other property taxes are offset by deferred property tax inflows of resources and, accordingly, have not been recorded as revenue. Real and personal property taxes are levied upon all taxable property within the District and become liens against the property on the first day of January preceding assessment and levy.

Federal and state grants and contracts are recorded as intergovernmental receivables and revenues when the related expenditures are incurred. The portion of reimbursement in excess of expenditures and amounts not remitted within 60 days subsequent to year end, are recorded as unavailable revenues.

All other revenues are recognized when earned.

Prepaid Items

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 under the consumption method.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets are stated at cost or estimated historical cost. Donated items are recorded at acquisition value at date of donation. Estimated acquisition value of donated assets is determined based on engineering estimates of current cost, appraised value, or price indexed cost.

Normal maintenance and repairs are charged to operations as incurred. Major additions, improvements and replacements are capitalized. Gains or losses from sales or retirements of capital assets are included in operations.

Capital assets include land, buildings, improvements, equipment, and other tangible assets costing over $5,000 and that have initial useful lives extending beyond a single reporting period.

Depreciation is computed on assets in service, using the straight-line method over their estimated useful lives:

Land and construction in progress	non-depreciable
Vehicles, furniture and equipment	5-15 years
Buildings and facilities	5-50 years

Deferred Outflows and Inflows of Resources

The Statement of Net Position and balance sheet include a separate section for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as a revenue in future periods.

Postemployment Benefits

For purposes of measuring the net pension 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 plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

It is the policy of the District to permit employees to accumulate earned but unused paid time off. A liability is reported for paid time off that the District will pay upon termination or retirement. None of the liability for compensated absences is expected to be liquidated with expendable available financial resources. Accordingly, compensated absences are accrued as a liability only in the government-wide financial statements. The General Fund and Wildland Fund have typically been used to liquidate the liability for compensated absences in prior years.

Long-Term Debt

In the government-wide financial statements, long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the related debt. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, bond premiums and discounts are recognized when incurred and not deferred. The face amount of the debt issued, premiums and discounts received on debt issuances, are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation. Enabling in legislation authorizes the District to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the District can be compelled by an external party – such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed

The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those accounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Directors, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned

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 restricted or committed. Assigned amounts represent intended uses established by the Board of Directors or a District official delegated that authority by District Charter, formal Board Action (resolution), or by Arizona Revised Statutes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

Unassigned

Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Deficit fund balance At June, 2020, the Wildland Fund reported a deficit fund balance. The District anticipates resolving the deficits through transfers from other funds.

Net Position

Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The District budgets all funds in accordance with the requirements of state law. All funds are budgeted on the modified accrual basis of accounting.

The Board of Directors adopts the original budget by resolution prior to the beginning of the fiscal year of the District. The Board resolution authorizing budgeted expenditures for each fund sets the level by which actual expenditures should not exceed budgeted expenditures. Total personnel services, materials and services, capital outlay, and other expenditures for the fund are the levels of control established by the resolution except for the General Fund, where those same appropriation levels are defined by function. The detailed budget document, however, is required to contain more specific detailed information for the above-mentioned expenditure categories, and management may transfer budgeted expenditures within all funds without Board approval. However, transfers between funds do require Board authorization, as do any transfers from Contingency.

Budgeted expenditures lapse at year-end and may not be carried over to subsequent years.

Excess of Expenditures over Budget

At June 30, 2020, the District had expenditures in funds that exceeded the budget; however, this does not constitute a violation of any legal provisions.

NOTE 3 INTERFUND RECEIVABLES AND PAYABLES

For the year ended June 30, 2020, interfund balances are as follows:

	Due To	***Due From***
General Fund	$ -	$ 363,947
Ambulance Fund	363,947	-
	$ 363,947	$ 363,947

At June 30, 2020, the Ambulance Fund had a negative cash balance in the pooled cash account. Negative cash on deposit was reduced by interfund borrowing from other funds. The interfund borrowing is expected to be paid within one year.

NOTE 4 CASH AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the Statement of Net Position as part of "cash and investments". Cash and investments are comprised of the following at June 30, 2020:

	Fair Value
Cash	
Cash on hand	$ 500
Deposits with financial institutions	2,143,181
Investments	
Local government investment pool	21,556,817
	$ 23,700,498

Deposits

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned. Arizona Revised Statutes require collateral for demand deposits, certificates of deposit and repurchase agreements at 102 percent of all deposits not covered by federal depository insurance.

At June 30, 2020, deposits with financial institutions have a bank value of $2,782,229, and a book value of $2,143,181. The difference of $638,048 represents deposits in transit, outstanding checks, and other reconciling items at June 30, 2020. At June 30, 2020, none of the District's bank balance was exposed to custodial credit risk as uninsured and collateralized with securities held by the pledging financial institution's trust department.

Investments

The District invests money into a Pima County Local Government Investment Pool. No oversight is provided for the Pima County investment pool, nor does the structure of the pool provide for shares. Participation in the Pima County investment pool is involuntary. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

The amounts invested with the County Treasurer were as follows at June 30, 2020:

Local Government Investment Pool	***Fair Value***	***Rating***	***Rating Agency***
County Treasurer	$ 21,556,817	Unrated	Not applicable
	$ 21,556,817		

NOTE 4 CASH AND INVESTMENTS (Continued)

Fair Value Measurements

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 an 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

Credit risk

Arizona Revised Statutes have the following requirements for credit risk:

1. Commercial paper must be rated P1 by Moody's Investors Service or A1 or better by Standard and Poor's rating service.
2. Corporate bonds, debentures, and notes must be rated A or better by Moody's Investors Service or Standard and Poor's rating service.
3. Fixed income securities must carry one of the two highest ratings by Moody's Investors Service and Standard and Poor's rating service. If only one of the above-mentioned services rates the security, it must carry the highest rating of that service.

The formal investment policy of the District does not further restrict its investment choices.

Custodial credit risk – Investments

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

Concentration of credit risk

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

NOTE 4 CASH AND INVESTMENTS (Continued)

Interest rate risk

Arizona Revised Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years and that public operating fund monies invested in securities and deposits have a maximum maturity of 3 years. Investments in repurchase agreements must have a maximum maturity of 180 days.

The formal investment policy of the District explicitly limits investment maturities as a means of managing exposure to fair value loss arising from interest rates.

At June 30, 2020, the District had the following investments in debt securities:

Local Government Investment Pool	*Amount*	*Weighted Average Maturity in Years*
County Treasurer	$ 21,556,817	0.601

Foreign currency risk

Arizona Revised Statutes do not allow foreign investments.

The District does not have a formal investment policy with respect to custodial credit risk, concentration of credit risk, or foreign currency risk for investments.

NOTE 5 CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2020 were as follows:

	Beginning Balance	*Increases*	*Decreases*	*Ending Balance*
NON-DEPRECIABLE				
Land and improvements	$ 7,339,099	$ -	$ -	$ 7,339,099
Construction in progress	5,732,008	3,361,394	(8,716,351)	377,051
Total non-depreciable	13,071,107	3,361,394	(8,716,351)	7,716,150
DEPRECIABLE				
Buildings	41,365,127	8,737,664	-	50,102,791
Equipment	7,755,424	404,950	-	8,160,374
Vehilces	15,510,286	-	(175,206)	15,335,080
Hydrants	230,199	-	-	230,199
Total depreciable	64,861,036	9,142,614	(175,206)	73,828,444
ACCUMULATED DEPRECIATION				
Buildings	(14,664,951)	(1,580,330)	-	(16,245,281)
Equipment	(5,865,994)	(1,030,551)	-	(6,896,545)
Vehicles	(11,859,861)	(879,783)	175,206	(12,564,438)
Hydrants	(184,898)	(14,696)	-	(199,594)
Total accumulated depreciation	(32,575,704)	(3,505,360)	175,206	(35,905,858)
Total capital assets being depreciated	32,285,332	5,637,254	-	37,922,586
Capital assets, net of depreciation	$ 45,356,439	$ 8,998,648	$ (8,716,351)	$ 45,638,736

NOTE 6 LONG-TERM DEBT

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. In May, 2020 the District issued general obligation refunding bonds, series 2020 with an interest rate of 4% to refund the higher rate of the 2010 series outstanding general obligation bonds payable from a $10,950,000 issuance of callable bonds dated May 13, 2010 which had an interest rates ranging from 4.00-6.12%. The 2010 issuance of $10,950,000 was a single issuance split between Build America Bonds ($8,000,000) and tax-exempt bonds ($2,950,000). Additionally, in November, 2019, the District issued the 2019A series general obligation of $5,000,000 with an interest rates ranging from 3% to 4%. The District also has the $8,215,000 issuance of 2014 refunding bonds dated December 3, 2014 with interest rates ranging from 2.00-4.00%, an $8,300,000 issuance of 2016 refunding bonds dated June 9, 2016 with interest rates ranging from 2.00-4.00%, and a $12,780,000 issuance dated August 3, 2017 with interest rates ranging from 2.00%-5.00%.

NOTE 6 LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

Principal and interest on all long-term debt is paid semi-annually. The bonds are repaid from limited property taxes and used to fund station construction projects.

On November 8, 2016, voters of the District approved and authorized the issuance of general obligation bonds in an amount not to exceed $23,610,000. As of June 30, 2020, $19,110,000 has been issued in relation to this additional capacity, leaving $4,500,000 available to be issued in future years.

	Bond Category
Amount of refunding bonds issued	6,575,000
Amount of notes refunded	6,990,000
Reduction in debt service payments	415,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Governmental Activities Fiscal Year Ending June 30,	***Principal***	***Interest***	***Total***
2021	$ 2,405,000	$ 1,280,325	$ 3,685,325
2022	2,505,000	1,203,025	3,708,025
2023	2,610,000	1,113,175	3,723,175
2024	2,710,000	1,019,375	3,729,375
2025	2,335,000	917,600	3,252,600
2026-30	9,600,000	3,233,775	12,833,775
2031-35	8,340,000	1,463,850	9,803,850
2036	1,425,000	71,250	1,496,250
	$ 31,930,000	$ 10,302,375	$ 42,232,375

NOTE 6 LONG-TERM DEBT (Continued)

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2020, was as follows:

	Outstanding July 1, 2019	*Issued*	*Matured/ Redeemed During Year*	*Outstanding June 30, 2020*	*Due Within One Year*
Governmental activities					
Series 2010A General Obligation Bonds	$ 6,990,000	$ -	$ (6,990,000)	$ -	$ -
Series 2014 Refunding Bonds	4,655,000	-	(870,000)	3,785,000	745,000
Series 2016 Refunding Bonds	6,675,000	-	(725,000)	5,950,000	100,000
Series 2017 General Obligation Bonds	12,020,000	-	(100,000)	11,920,000	150,000
Series 2019 General Obligation Bonds	-	5,000,000	(670,000)	4,330,000	515,000
Series 2020 Refunding Bonds	-	6,575,000	(630,000)	5,945,000	895,000
Unamortized premium amounts	2,329,439	1,427,142	(343,256)	3,413,325	-
	32,669,439	13,002,142	(10,328,256)	35,343,325	2,405,000
Compensated absences	3,899,006	1,803,446	(1,489,118)	4,213,334	1,500,000
Net opeb liability	279,093	-	(210,700)	68,393	-
Net pension liability	38,922,404	3,428,353	-	42,350,757	-
	$ 75,769,942	$ 18,233,941	$ (12,028,074)	$ 81,975,809	$ 3,905,000

The General Fund and Wildland Fund have typically been used to liquidate the liability for pensions/OPEB in prior years.

NOTE 7 OPERATING LEASE

During the year, the District utilized five-year operating leases for its non-response vehicles. The total cost for the leases was $156,010 for the year ended June 30, 2020. Future minimum lease payments for the leases are as follows:

Year Ending June 30	*Amounts Due*
2021	$ 156,130
2022	156,130
2023	156,130
2024	156,130
Total	$ 624,521

NOTE 8 TRANSFERS

Interfund transfer activity for fiscal year ended June 30, 2020 is as follows:

	Transfers In	*Transfers Out*
General	$ -	$ 1,389,000
Capital Improvements	1,389,000	450,000
Capital Reserve	450,000	-
	$ 1,839,000	$ 1,839,000

The transfers from the General Fund were made to record budgeted contributions to the Capital Improvement Fund. The transfers from the Capital Improvement Fund were made to record budgeted contributions to the Capital Reserve Fund.

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The District carries commercial insurance for all such risks of loss, including workers' compensation and employees' health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District is self-insured for employee health coverage and reduces its ultimate risk through specific excess reinsurance. Reinsurance coverage is for specific losses more than $150,000 and aggregate losses in excess of 125% of estimated costs. Losses exceeding specific policy limits are the responsibility of the carrier. The District establishes a liability for claims that have been reported but not settled, as well as incurred but not reported; however, the District has not established a claim liability based on estimates of the ultimate cost of claims.

NOTE 10 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Plan Descriptions

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

Arizona State Retirement System

Plan Description. District employees not covered by the other pension plan described after this section participate 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 the ASRS website at www.azasrs.gov.

At June 30, 2020, the ASRS net other postemployment benefit (OPEB) liability has not been recorded or further disclosed in accordance with GASB Statement No. 75 due to the relative insignificance to the District's financial statements. At June 30, 2020, 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		
Net pension and OPEB liability	$	42,419,150
Deferred outflows of resources related to pensions and OPEB		13,411,958
Deferred inflows of resources related to pensions and OPEB		3,931,853
Pension and OPEB expense		6,740,928

NOTE 10 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:

ASRS	Retirement Initial membership date:	
	Before July 1, 2011	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 members' death. For retired members, the retirement benefit 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.

NOTE 10 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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.

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 cost of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2020, statute required active ASRS members to contribute at the actuarially determined rate of 12.11 percent (11.94 percent for retirement and 0.17 percent for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.11 percent (11.45 percent for retirement, 0.49 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the members' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 10.41 percent (10.29 percent for retirement, .05 percent for health insurance premium benefit, and 0.07 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS. District contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2020, were $307,684, $13,167, and $4,568, respectively.

During fiscal year 2020, the District paid for ASRS pension and OPEB contributions from the General Fund.

Liability. At June 30, 2020, the District reported a liability of $3,135,776 for its proportionate share of the ASRS net pension liability. The net liability was measured as of June 30, 2019. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2018, to the measurement date of June 30, 2019. The District proportion of the 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, 2019. The District's proportion measured as of June 30, 2019, was .02155 percent, which was an increase of .00032 percent from its proportion measured as of June 30, 2018.

NOTE 10 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2020, the District recognized pension expense for ASRS of $200,026, and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 56,649	$ 590
Changes in assumptions or other inputs	13,255	124,873
Net difference between projected and actual earnings on pension plan investments	-	70,481
Changes in proportion and differences between contributions and proportionate share of contributions	30,863	123,638
Contributions subsequent to the measurement date	307,684	-
Total	$ 408,451	$ 319,582

The deferred outflows of resources related to ASRS pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2021	$ (155,241)
2022	(68,916)
2023	(13,535)
2024	18,877
2025	-
Thereafter	-

NOTE 10 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions. The significant actuarial assumptions used to measure the total ASRS pension liability are as follows:

ASRS	
Actuarial valuation date	June 30, 2018
Actuarial roll forward date	June 30, 2019
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Projected salary increases	2.7-7.2% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pension/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 rate	Not applicable

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016.

NOTE 10 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 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 of ASRS are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	6.09%
Fixed income	20%	5.36%
Interest rate sensitive bonds	10%	1.62%
Real estate	20%	5.85%
Total	100%	

Discount Rate. The discount rate used to measure the ASRS total pension liability was 7.5 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 plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total liability.

Sensitivity of the Proportionate Share of the Net Liability to Changes in the Discount Rate. The following table presents the District's proportionate share of the net liability calculated using the discount rate of 7.5 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
District proportionate share of the net pension liability	$ 4,462,935	$ 3,135,776	$ 2,026,612

NOTE 10 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Pension Plan Fiduciary Net Position. Detailed information about the plans' fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

Public Safety Personnel Retirement System

Plan Descriptions. District employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

District public safety employees who became PSPRS members before July 1, 2017 participate in the agent plans, and those who became members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the District's financial statements.

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

NOTE 10 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.

Retirement and disability	**Before January 1, 2012**	**On or after January 1, 2012 and before July 1, 2017**
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% for each year of credited service less than 20 years OR plus 2-2.5% for each year of credited service over 20 years, not to exceed 80%	1.5-2.5% per year of credited service not to exceed 80%
Accidental disability retirement	50% of 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%-100% of retired member's pension benefit	
Active members	80%-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 10 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, 2020, the following employees were covered by the agent plans' benefit terms:

	PSPRS	
	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	39	39
Inactive employees entitled to but not yet receiving benefits	32	15
Active employees	173	173
Total	244	227

Contributions and Annual OPEB Cost. State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with State statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2020, are indicated below. Rates are a percentage of active members' annual covered payroll.

Active member Pension	Health insurance premium benefit
7.65%	
32.05%	0.42%
9.80%	0.21%

In addition, State statute required the District to contribute at the actuarially determined rate of 10.01 percent (9.80 percent for pension and .21 percent for health insurance premium benefit) of the annual covered payroll of employees who were PSPRS Tier 3 Risk Pool members, in addition to the required contributions to the PSPRS Tier 3 Risk Pool.

NOTE 10 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

District contributions to the plans for the year ended June 30, 2020, were:

	Pension		Health insurance premium benefit
$	5,125,476	$	67,167

Pension Liability. At June 30, 2020, the District reported the following assets and liabilities.

	Net pension (asset) liability		Net OPEB (asset) liability
$	39,214,981	$	68,393

The net assets and net liabilities were measured as of June 30, 2019, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2019, reflect changes of actuarial assumptions to decrease the investment rate of return from 7.4 percent to 7.3 percent and update the mortality rates.

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

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	7.30%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.75% for pensions/not applicable for OPEB
Mortality rates	PubS-2020 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

NOTE 10 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

The long-term expected rate of return on PSPRS plan investments was determined to be 7.3 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Short-term investments	2%	0.25%
Risk parity	4%	4.01%
Fixed income	5%	3.00%
Real assets	9%	6.75%
GTS	12%	4.01%
Private equity	16%	5.36%
Real estate	10%	4.50%
Private equity	12%	8.40%
Non-U.S. equity	14%	5.00%
U.S. equity	16%	4.75%
Total	100%	

Discount Rates. At June 30, 2019, the discount rate of used to measure the PSPRS total pension/OPEB liabilities was 7.3 percent, which was a decrease of 0.1 from the discount rate used as of June 30, 2018. The projection of cash flows used to determine the PSPRS discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

NOTE 10 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the net pension/OPEB liability - PSPRS.

	Pension Increase/(Decrease)			Health insurance premium benefit Increase/(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2019	$ 102,852,009	$ 66,890,443	$ 35,961,566	$ 2,229,888	$ 1,950,795	$ 279,093
Changes for the year:						
Service cost	3,077,709	-	3,077,709	42,467	-	42,467
Interest on the total liability	7,736,963	-	7,736,963	166,167	-	166,167
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total liability	(977,728)	-	(977,728)	(252,562)	-	(252,562)
Changes of assumptions or other inputs	2,621,935	-	2,621,935	28,018	-	28,018
Contributions - employer	-	4,493,956	(4,493,956)	-	57,265	(57,265)
Contributions - employee	-	1,031,068	(1,031,068)	-	-	-
Net investment income	-	3,688,346	(3,688,346)	-	105,608	(105,608)
Benefit payments, including refunds of employee contributions	(2,752,321)	(2,752,321)	-	(53,701)	(53,701)	-
Administrative expense	-	(65,093)	65,093	-	(1,826)	1,826
Other	-	90,731	(90,731)	-	-	-
Net changes	9,706,558	6,486,687	3,219,871	(69,611)	107,346	(176,957)
Adjustment to Beginning of Year	-	(33,544)	33,544	-	33,545	(33,545)
Balances at June 30, 2020	$ 112,558,567	$ 73,343,586	$ 39,214,981	$ 2,160,277	$ 2,091,686	$ 68,591

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following table presents the District net pension/OPEB liabilities calculated using the discount rate of 7.3 percent, as well as what the net pension/OPEB liability would be if calculated using a discount rate that is 1-percentage-point lower (6.3 percent) or 1-percentage-point higher (8.3 percent) than the current rate:

PSPRS	1% Decrease (6.3%)	Current Discount Rate (7.3%)	1% Increase (8.3%)
Net pension liability	$ 57,279,621	$ 39,214,981	$ 24,708,207
Net OPEB liability	340,810	68,393	(159,637)

Plan Fiduciary Net Position. Detailed information about the plans' fiduciary net position is available in the separately issued PSPRS financial report. The report is available on the PSPRS website at www.psprs.com.

Expense for the year ended June 30, 2020, the District recognized $6,534,242 as pension expense and $6,660 as OPEB expense.

NOTE 10 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Pension Deferred Outflows/Inflows of Resources. At June 30, 2020, 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	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 570,366	$ 3,232,123	$ -	$ 302,755
Changes of assumptions or other inputs	6,578,315	-	24,514	77,393
Net difference between projected and actual earnings on pension plan investments	1,102,248	-	7,877	-
Contributions subsequent to the measurement date	4,654,916	-	65,271	-
Total	$ 12,905,845	$ 3,232,123	$ 97,662	$ 380,148

The amounts reported as deferred outflows of resources related to pension and OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year Ending June 30:	Pension Net Deferred Outflows of Resources	OPEB Net Deferred Inflows of Resources
2021	$ 1,438,987	$ (59,379)
2022	703,716	(59,378)
2023	1,155,422	(45,417)
2024	1,034,714	(47,053)
2025	487,240	(54,776)
Thereafter	198,727	(81,754)
Total	$ 5,018,806	$ (347,757)

PSPDCRP plan. District employees who are regularly assigned hazardous duty and aren't members of PSPRS participate in the PSPDCRP. The PSPDCRP is a defined contribution pension plan. The PSPRS Board of Trustees governs the PSPDCRP according to the provisions of ARS Title 38, Chapter 5, Article 4.1. Benefit terms, including contribution requirements, are established by State statute.

NOTE 10 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

For the year ended June 30, 2020, active PSPDCRP members were required by statute to contribute at least 9 percent of the members' annual covered payroll, and the District was required to by statute to contribute 9 percent of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the earnings on those contributions. Employees vest in a portion of the District's contributions each year as set forth in statute. The plan retains nonvested District contributions when forfeited because of employment terminations.

REQUIRED SUPPLEMENTARY INFORMATION

NORTHWEST FIRE DISTRICT
SCHEDULE OF CHANGES IN THE NET PENSION/OPEB LIABILITY AND RELATED RATIOS – AGENT PLANS (PSPRS)
LAST TEN FISCAL YEARS*

Fiscal Year Measurement Date	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Total pension liability						
Service cost	$ 3,077,709	$ 3,094,619	$ 3,472,275	$ 2,811,831	$ 2,617,288	$ 2,668,263
Interest	7,736,963	7,168,188	6,536,478	5,383,157	4,955,203	4,439,431
Changes of benefit terms	-	-	636,888	7,594,973	-	358,350
Differences between expected and actual experience	(977,728)	(1,610,172)	(265,508)	1,076,494	(285,514)	(2,412,025)
Changes of assumptions	2,621,935	1	1,907,557	3,546,513	-	3,348,983
Benefit payments, including refunds of employee contributions	(2,752,321)	(2,241,459)	(2,527,515)	(1,803,276)	(2,061,936)	(1,552,405)
Net change in total pension liability	9,706,558	6,411,177	9,760,175	18,609,692	5,225,041	6,850,597
Total pension liability - beginning	102,852,009	96,440,832	86,680,657	68,070,965	62,845,924	55,995,327
Total pension liability - ending (a)	$ 112,558,567	$ 102,852,009	$ 96,440,832	$ 86,680,657	$ 68,070,965	$ 62,845,924
Plan fiduciary net position						
Contributions - employer	$ 4,493,956	$ 4,812,301	$ 3,100,361	$ 3,036,705	$ 2,398,854	$ 2,246,073
Contributions - employee	1,031,068	1,318,032	1,789,724	1,741,594	1,637,449	1,429,528
Net investment income	3,688,346	4,277,334	6,285,132	290,856	1,691,663	5,314,867
Benefit payments, including refunds of employee contributions	(2,752,321)	(2,241,459)	(2,527,515)	(1,803,276)	(2,061,936)	(1,552,405)
Administrative expense	(65,093)	(65,800)	(56,013)	(42,253)	(41,661)	(42,804)
Other	90,731	(2,353,861)	35,139	444,170	(63,639)	126,681
Net change in plan fiduciary net position	6,486,687	5,746,547	8,626,828	3,667,796	3,560,730	7,521,940
Plan fiduciary net position - beginning	66,890,443	61,143,896	52,517,068	48,849,272	45,288,542	37,766,602
	(33,544)	-	-	-	-	-
Plan fiduciary net position - ending (b)	$ 73,343,586	$ 66,890,443	$ 61,143,896	$ 52,517,068	$ 48,849,272	$ 45,288,542
District net pension liability - ending (a)-(b)	39,214,981	35,961,566	35,296,936	34,163,589	19,221,693	17,557,382
Plan fiduciary net position as a percentage of the total pension liability	65.16%	65.04%	63.40%	60.59%	71.76%	72.06%
Covered payroll	$ 13,530,659	$ 13,699,065	$ 14,832,442	$ 14,382,769	$ 13,502,977	$ 13,421,021
District net pension liability as a percentage of covered employee payroll	289.82%	262.51%	237.97%	237.53%	142.35%	130.82%

*- Fiscal year 2015 was the 1st year of implementation, therefore only six years are displayed.

See accompanying notes to the schedule of contributions – agent retirement plan (PSPRS)

NORTHWEST FIRE DISTRICT
SCHEDULE OF CHANGES IN THE NET PENSION/OPEB LIABILITY AND RELATED RATIOS - AGENT PLANS (PSPRS)
LAST TEN FISCAL YEARS*

Fiscal Year	2020	2019	2018
Measurement Date	(2019)	(2018)	(2017)
Total OPEB liability			
Service cost	$ 42,467	$ 42,467	$ 45,981
Interest	166,167	158,601	160,815
Changes of benefit terms	-	-	2,012
Differences between expected and actual experience	(252,562)	(69,333)	(43,536)
Changes of assumptions	28,018	-	(118,400)
Benefit payments, including refunds of employee contributions	(53,701)	(47,750)	(44,355)
Net change in total OPEB liability	(69,611)	83,985	2,517
Total OPEB liability - beginning	2,229,888	2,145,903	2,143,386
Total OPEB liability - ending (a)	$ 2,160,277	$ 2,229,888	$ 2,145,903
Plan fiduciary net position			
Contributions - employer	$ 57,265	$ 37,905	$ 57,048
Contributions - employee	-	-	-
Net investment income	105,806	127,209	192,595
Benefit payments, including refunds of employee contributions	(53,701)	(47,750)	(44,355)
Administrative expense	(1,826)	(1,936)	(1,705)
Other	-	-	-
Net change in plan fiduciary net position	107,544	115,428	203,583
Plan fiduciary net position - beginning	1,950,795	1,835,367	1,631,784
Adjustment to Beginning of Year	33,545	-	-
Plan fiduciary net position - ending (b)	$ 2,091,884	$ 1,950,795	$ 1,835,367
District net OPEB liability - ending (a)-(b)	68,393	279,093	310,536
Plan fiduciary net position as a percentage of the total OPEB liability	96.83%	87.48%	85.53%
Covered payroll	$ 13,530,659	$ 13,699,065	$ 14,832,442
District net OPEB liability as a percentage of covered employee payroll	0.51%	2.04%	2.09%

*- Fiscal year 2018 was the 1st year of implementation, therefore only three years are displayed.

See accompanying notes to the schedule of contributions – agent retirement plan (PSPRS)

NORTHWEST FIRE DISTRICT
SCHEDULE OF CONTRIBUTIONS – AGENT RETIREMENT PLAN (PSPRS)
LAST TEN FISCAL YEARS*

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2017	$ 57,048	$ 57,048	-	$ 14,832,442	0.38%
2018	37,905	37,905	-	13,699,065	0.28%
2019	57,265	57,265	-	13,530,659	0.42%
2020	67,167	67,167	-	15,992,125	0.42%

*- Fiscal year 2017 was the 1st year of implementation, therefore only three years are displayed.

NORTHWEST FIRE DISTRICT
NOTES TO THE SCHEDULE OF CONTRIBUTIONS –
AGENT RETIREMENT PLAN (PSPRS)
LAST TEN FISCAL YEARS*

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

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percent-of-pay, closed
Remaining amortization period as of the 2018 actuarial valuation:	PSPRS members with initial membership date before July 1, 2017: Level percent-of-pay, closed PSPRS members with initial membership on or after July 1, 2017: Level dollar closed
Asset valuation method:	PSPRS members with initial membership date before July 1, 2017: 7-year smoothed market value; 80%/120% market corridor. PSPRS members with initial membership on or after July 1,
Actuarial assumptions:	
Investment rate of return	PSPRS members with initial membership date before July 1, 2017: 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%. PSPRS members with initial membership on or after July 1, 2017: 7%
Wage growth:	In the 2017 actuarial valuation, wage growth was decreased from 4.0% to 3.50%. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0%.

NORTHWEST FIRE DISTRICT
NOTES TO THE SCHEDULE OF CONTRIBUTIONS –
AGENT RETIREMENT PLAN (PSPRS) (Continued)
LAST TEN FISCAL YEARS*

Projected Salary Increases:	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0% - 8.0% to 3.5% - 7.5%. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5% - 8.5% to 4.0% - 8.0%.
Investment rate of return:	PSPRS members with initial membership date before July 1, 2017: 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%. PSPRS members with initial membership on or after July 1, 2017: 7%.
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 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).

Arizona courts have ruled that provisions of a 2011 law changing 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, 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 pension contributions were less than the actuarially or statutorily determined contributions for 2018 and 2019.

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NORTHWEST FIRE DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASRS)
LAST TEN FISCAL YEARS*

	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.022%	0.021%	0.024%	0.024%	0.024%	0.024%
District's proportionate share of the net pension liability (asset)	$ 3,135,776	$ 2,960,838	$ 3,667,073	$ 3,838,331	$ 3,712,840	$ 3,536,641
District's covered payroll	$ 2,219,310	$ 2,080,148	$ 2,317,699	$ 2,233,032	$ 2,202,819	$ 2,068,738
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	141.30%	142.34%	158.22%	171.89%	168.55%	170.96%
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

*- Fiscal year 2015 was the 1st year of implementation, therefore only six years are displayed.

NORTHWEST FIRE DISTRICT
SCHEDULE OF CONTRIBUTIONS – COST SHARING RETIREMENT PLAN (ASRS)
LAST TEN FISCAL YEARS*

Year Ended June 30	Statutorial Required Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	$ 248,970	$ 248,970	$ -	$ 2,068,738	12.03%
2016	242,284	242,284	-	2,202,819	11.00%
2017	249,848	249,848	-	2,233,032	11.19%
2018	247,527	247,527	-	2,317,699	10.68%
2019	230,010	230,010	-	2,080,148	11.06%
2020	254,111	254,111	-	2,219,310	11.45%

*- Fiscal year 2015 was the 1st year of implementation, therefore only six years are displayed.

NORTHWEST FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes and assessments	$ 33,486,395	$ 33,486,395	$ 32,857,057	$ (629,338)
Charges for services	1,366,800	1,366,800	1,338,810	(27,990)
Intergovernmental	55,000	55,000	286,419	231,419
Donations	-	-	552	552
Interest earned	50,000	50,000	185,899	135,899
Miscellaneous	-	-	2,757	2,757
Total Revenues	34,958,195	34,958,195	34,671,494	(286,701)
EXPENDITURES				
Public safety				
Administration	2,989,019	2,980,710	2,719,620	261,090
Emergency operations	22,720,092	22,700,327	23,528,319	(827,992)
Community safety services	1,524,470	1,512,410	1,482,566	29,844
Support resources	6,322,614	6,362,748	6,068,367	294,381
Capital outlay	13,000	13,000	12,496	504
Contingency	5,000,000	5,000,000	-	5,000,000
Total Expenditures	38,569,195	38,569,195	33,811,368	4,757,827
REVENUES OVER (UNDER) EXPENDITURES	(3,611,000)	(3,611,000)	860,126	4,471,126
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,389,000)	(1,389,000)	(1,389,000)	-
NET CHANGE IN FUND BALANCE	(5,000,000)	(5,000,000)	(528,874)	4,471,126
FUND BALANCE, Beginning of year	7,000,000	7,000,000	8,625,407	1,625,407
FUND BALANCE, End of year	$ 2,000,000	$ 2,000,000	$ 8,096,533	$ 6,096,533

See note to required supplementary information

NORTHWEST FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – WILDLAND FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Intergovernmental	$ 750,000	$ 750,000	$ 694,925	$ (55,075)
EXPENDITURES				
Personnel services	614,000	614,000	578,006	35,994
Materials and services	136,000	136,000	108,664	27,336
Total Expenditures	750,000	750,000	686,670	63,330
NET CHANGE IN FUND BALANCE	-	-	8,255	8,255
FUND BALANCE, Beginning of year	-	-	562,772	562,772
FUND BALANCE, End of year	$ -	$ -	$ 571,027	$ 571,027

See note to required supplementary information

NORTHWEST FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – AMBULANCE FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Charges for services	$ 3,000,000	$ 3,000,000	$ 2,377,263	$ (622,737)
Intergovernmental	-	-	51,265	51,265
Total Revenues	3,000,000	3,000,000	2,428,528	(571,472)
EXPENDITURES				
Personnel services	2,267,304	2,267,304	1,725,500	541,804
Materials and services	732,696	732,696	760,462	(27,766)
Total Expenditures	3,000,000	3,000,000	2,485,962	514,038
NET CHANGE IN FUND BALANCE	-	-	(57,434)	(57,434)
FUND BALANCE, Beginning of year	-	-	49,734	49,734
FUND BALANCE, End of year	$ -	$ -	$ (7,700)	$ (7,700)

See note to required supplementary information

NORTHWEST FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GRANT PROGRAM FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Intergovernmental	$ 6,000,000	$ 6,000,000	$ 496,262	$ (5,503,738)
EXPENDITURES				
Personnel services	-	-	63	(63)
Contingency	6,950,000	6,950,000	-	6,950,000
Total Expenditures	6,950,000	6,950,000	63	6,949,937
NET CHANGE IN FUND BALANCE	(950,000)	(950,000)	496,199	1,446,199
FUND BALANCE, Beginning of year	950,000	950,000	427,549	(522,451)
FUND BALANCE, End of year	$ -	$ -	$ 923,748	$ 923,748

NORTHWEST FIRE DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2020

BUDGETARY BASIS OF ACCOUNTING

The adopted budget of the District is prepared on the modified accrual basis of accounting.

OTHER SUPPLEMENTARY INFORMATION

NORTHWEST FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – CAPITAL IMPROVEMENTS FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Charges for services	$ 85,000	$ 85,000	$ 104,957	$ 19,957
Investment income	100,000	100,000	173,490	73,490
Miscellaneous	-	-	12,286	12,286
Total Revenues	185,000	185,000	290,733	105,733
EXPENDITURES				
Materials and services	128,000	128,000	104,240	23,760
Capital outlay	4,883,000	9,839,960	3,911,385	5,928,575
Debt service	-	-	152,284	(152,284)
Contingency	1,088,000	1,088,000	-	1,088,000
Total Expenditures	6,099,000	11,055,960	4,167,909	6,888,051
REVENUES OVER (UNDER) EXPENDITURES	(5,914,000)	(10,870,960)	(3,877,176)	6,993,784
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	-	-	5,000,000	5,000,000
Premium/Discount on general obligation bonds	-	-	627,208	627,208
Sale of capital assets	1,475,000	1,475,000	54,237	(1,420,763)
Transfers in	1,389,000	1,389,000	1,389,000	-
Transfers out	(450,000)	(450,000)	(450,000)	-
Total Other Financing Sources (uses)	2,414,000	2,414,000	6,620,445	4,206,445
NET CHANGE IN FUND BALANCE	(3,500,000)	(8,456,960)	2,743,269	11,200,229
FUND BALANCE, Beginning of year	13,000,000	13,000,000	8,456,960	(4,543,040)
FUND BALANCE, End of year	$ 9,500,000	$ 4,543,040	$ 11,200,229	$ 6,657,189

NORTHWEST FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL OBLIGATION DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes and assessments	$ 3,565,637	$ 3,565,637	$ 3,541,645	$ (23,992)
Intergovernmental	145,000	145,000	130,574	(14,426)
Interest earned	-	-	47,174	47,174
Total Revenues	3,710,637	3,710,637	3,719,393	8,756
EXPENDITURES				
Materials and services	5,000	5,000	4,335	665
Debt service:				
Principal	2,240,000	2,240,000	2,995,000	(755,000)
Interest	1,315,637	1,315,637	1,287,002	28,635
Bond issuance costs	-	-	186,703	(186,703)
Contingency	150,000	150,000	-	150,000
Total Expenditures	3,710,637	3,710,637	4,473,040	(762,403)
OTHER FINANCING SOURCES/(USES)				
General obligation bonds issued	-	-	6,575,000	6,575,000
Premium/Discount on general obligation bonds	-	-	799,934	799,934
Payment to bond refunding escrow agent	-	-	(7,188,231)	(7,188,231)
Total Other Financing Sources (Uses)	-	-	186,703	186,703
NET CHANGE IN FUND BALANCE	-	-	(566,944)	(566,944)
FUND BALANCE, Beginning of year	-	-	1,190,429	1,190,429
FUND BALANCE, End of year	$ -	$ -	$ 623,485	$ 623,485

NORTHWEST FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – CAPITAL RESERVE FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes and assessments	$ -	$ -	$ -	$ -
EXPENDITURES				
Capital outlay	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	450,000	450,000	-
NET CHANGE IN FUND BALANCE	-	450,000	450,000	-
FUND BALANCE, Beginning of year	1,657,493	1,207,493	1,207,493	-
FUND BALANCE, End of year	$ 1,657,493	$ 1,657,493	$ 1,657,493	$ -

OTHER FINANCIAL SCHEDULES

NORTHWEST FIRE DISTRICT
SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2020

Tax Year	*Taxes Uncollected June 30, 2019*	*2019-20 Levy*	*Discounts & Adjustments*	*Turnovers*	*Uncollected Balances June 30, 2020*
2019-2020	$ -	$ 36,295,426	$ -	$ 35,513,874	$ 781,552
2018-2019	574,289	-	56,306	449,254	181,341
2017-2018	147,861	-	20,688	10,841	157,707
2016-2017	155,095	-	2,161	5,345	151,911
2015-2016	85,168	-	1,361	3,035	83,494
2014-2015	99,178	-	11	2,507	96,683
2013-2014	87,511	-	594	1,512	86,593
Prior	594,348	-	553	831	594,070
	$ 1,743,450	$ 36,295,426	$ 81,673	$ 35,987,200	$ 2,133,349

Reconciliation to tax revenues on combined financial statements:	*General Fund*	*Debt Service Fund*	*Total*
Property tax collections above	$ 32,443,155	$ 3,544,045	$ 35,987,200
Other taxes (FDAT) and adjustments	403,672	-	403,672
Property taxes susceptible to accrual at June 30, 2020	223,580	23,776	247,356
Property taxes susceptible to accrual at June 30, 2019	(129,638)	(16,281)	(145,919)
	$ 32,940,769	$ 3,551,540	$ 36,492,309

NORTHWEST FIRE DISTRICT
SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST TRANSACTIONS
YEAR ENDED JUNE 30, 2020

Schedule of Debt Transactions

	Interest Rates	*Date of Issue*	*Fiscal Year of Maturity*
PRINCIPAL TRANSACTIONS			
General Obligations			
2010A GO Bonds	4.00 - 6.12%	2010	2028-29
2014 Refunding Bonds	2.00 - 4.00%	2014	2023-24
2016 Refunding Bonds	2.00 - 4.00%	2016	2026-27
2017A GO Bonds	2.00 - 5.00%	2017	2035-36
2019 GO Bonds	3.00 - 4.00%	2019	2033-34
2020 Refunding Bonds	4.00 - 4.00%	2020	2028-29

	Interest Rates	*Date of Issue*	*Fiscal Year of Maturity*
INTEREST TRANSACTIONS			
General Obligations			
2010A GO Bonds	4.00 - 6.12%	2010	2028-29
2014 Refunding Bonds	2.00 - 4.00%	2014	2023-24
2016 Refunding Bonds	2.00 - 4.00%	2016	2026-27
2017A GO Bonds	2.00 - 5.00%	2017	2035-36
2019 GO Bonds	3.00 - 4.00%	2019	2033-34
2020 Refunding Bonds	4.00 - 4.00%	2020	2028-29

Outstanding July 1, 2019	*Issued*	*Paid*	*Outstanding June 30, 2020*
$ 6,990,000	$ -	$ 6,990,000	$ -
4,655,000	-	870,000	3,785,000
6,675,000	-	725,000	5,950,000
12,020,000	-	100,000	11,920,000
-	5,000,000	670,000	4,330,000
-	6,575,000	630,000	5,945,000
$ 30,340,000	$ 11,575,000	$ 9,985,000	$ 31,930,000

Unmatured Interest July 1, 2019	*New Issues*	*Interest Coupons Paid/ Refunded*	*Unmatured Interest June 30, 2020*
$ 2,428,507	$ -	$ 2,428,507	$ -
545,200	-	168,550	376,650
1,098,225	-	216,100	882,125
6,796,075	-	534,525	6,261,550
	1,628,135	128,685	1,499,450
-	1,323,511	40,911	1,282,600
$ 10,868,007	$ 2,951,646	$ 3,517,278	$ 10,302,375

NORTHWEST FIRE DISTRICT
SCHEDULE OF FUTURE BONDED DEBT REQUIREMENTS
YEAR ENDED JUNE 30, 2020

Fiscal Year Ending	2014 Refunding Bonds			2016 Refunding Bonds			201 7 GO Bonds		
June 30,	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2021	895,000	142,450	1,037,450	745,000	201,600	946,600	100,000	532,525	632,525
2022	925,000	115,600	1,040,600	765,000	179,250	944,250	100,000	529,525	629,525
2023	965,000	78,600	1,043,600	785,000	156,300	941,300	100,000	526,525	626,525
2024	1,000,000	40,000	1,040,000	865,000	132,750	997,750	-	523,525	523,525
2025	-	-	-	895,000	102,475	997,475	540,000	523,525	1,063,525
2026	-	-	-	930,000	71,150	1,001,150	450,000	496,525	946,525
2027	-	-	-	965,000	38,600	1,003,600	410,000	474,025	884,025
2028	-	-	-	-	-	-	455,000	453,525	908,525
2029	-	-	-	-	-	-	460,000	430,775	890,775
2030	-	-	-	-	-	-	1,225,000	407,775	1,632,775
2031	-	-	-	-	-	-	1,255,000	364,900	1,619,900
2032	-	-	-	-	-	-	1,325,000	314,700	1,639,700
2033	-	-	-	-	-	-	1,330,000	261,700	1,591,700
2034	-	-	-	-	-	-	1,325,000	208,500	1,533,500
2035	-	-	-	-	-	-	1,420,000	142,250	1,562,250
2036	-	-	-	-	-	-	1,425,000	71,250	1,496,250
	$ 3,785,000	$ 376,650	$ 4,161,650	$ 5,950,000	$ 882,125	$ 6,832,125	$ 11,920,000	$ 6,261,550	$ 18,181,550

201 9 GO Bonds			2020 Refunding Bonds			Totals		
Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
150,000	165,950	315,950	515,000	237,800	752,800	2,405,000	1,280,325	3,685,325
170,000	161,450	331,450	545,000	217,200	762,200	2,505,000	1,203,025	3,708,025
175,000	156,350	331,350	585,000	195,400	780,400	2,610,000	1,113,175	3,723,175
230,000	151,100	381,100	615,000	172,000	787,000	2,710,000	1,019,375	3,729,375
250,000	144,200	394,200	650,000	147,400	797,400	2,335,000	917,600	3,252,600
275,000	134,200	409,200	690,000	121,400	811,400	2,345,000	823,275	3,168,275
295,000	123,200	418,200	735,000	93,800	828,800	2,405,000	729,625	3,134,625
355,000	111,400	466,400	780,000	64,400	844,400	1,590,000	629,325	2,219,325
365,000	97,200	462,200	830,000	33,200	863,200	1,655,000	561,175	2,216,175
380,000	82,600	462,600	-	-	-	1,605,000	490,375	2,095,375
395,000	67,400	462,400	-	-	-	1,650,000	432,300	2,082,300
415,000	51,600	466,600	-	-	-	1,740,000	366,300	2,106,300
430,000	35,000	465,000	-	-	-	1,760,000	296,700	2,056,700
445,000	17,800	462,800	-	-	-	1,770,000	226,300	1,996,300
-	-	-	-	-	-	1,420,000	142,250	1,562,250
-	-	-	-	-	-	1,425,000	71,250	1,496,250
$ 4,330,000	$ 1,499,450	$ 5,829,450	$ 5,945,000	$ 1,282,600	$ 7,227,600	$ 31,930,000	$ 10,302,375	$ 42,232,375

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STATISTICAL SECTION

This part of the comprehensive annual financial report of the District presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial health of the District.

This section contains the following tables and information:

Financial Trends – These schedules contain trend information to help the reader understand how the financial performance and well-being of the District have changed over time.

Revenue Capacity – These schedules contain information to help the reader assess the most significant local revenue source of the District – the property tax.

Debt Capacity – These schedules present information to help the reader assess the affordability of the current levels of outstanding debt of the District and its ability to issue additional debt in the future.

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the financial activities of the District take place.

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the financial report of the District relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

NORTHWEST FIRE DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (accrual basis of accounting)

	2020	2019	2018	2017
Governmental Activities:				
Net investment in capital assets	$ 20,078,387	$ 20,259,409	$ 7,126,330	$ 19,286,564
Restricted	2,964,486	1,787,295	2,188,440	1,995,585
Unrestricted	(24,649,035)	(21,261,894)	(8,261,452)	(20,350,803)
Total primary government net position	$ (1,606,162)	$ 784,810	$ 1,053,318	$ 931,346

2016	*2015*	*2014*	*2013*	*2012*	*2011*
$ 17,218,346	$ 16,176,516	$ 14,956,884	$ 15,549,975	$ 15,286,788	$ 17,213,277
2,351,605	2,300,240	2,989,141	2,983,301	2,882,157	2,473,572
(8,869,151)	(8,795,879)	12,481,770	11,318,560	11,640,020	9,725,396
$ 10,700,800	$ 9,680,877	$ 30,427,795	$ 29,851,836	$ 29,808,965	$ 29,412,245

NORTHWEST FIRE DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (accrual basis of accounting)

	2020	*2019*	*2018*	*2017*
Expenses				
Governmental activities:				
Public safety	$ 43,278,851	$ 41,061,066	$ 37,067,135	$ 45,119,860
Interest on long-term debt	1,328,680	1,167,555	1,186,250	808,138
Total primary government expenses	44,607,531	42,228,621	38,253,385	45,927,998
Program Revenues				
Governmental activities:				
Charges for services	3,855,233	3,900,953	2,477,942	2,915,582
Operating grants and contributions	1,251,026	2,561,029	2,595,746	1,859,470
Capital grants and contributions	-	-	-	-
Total primary government program revenues	5,106,259	6,461,982	5,073,688	4,775,052
Net (expense)/revenue:				
Total primary government net expense	$ (39,501,272)	$ (35,766,639)	$ (33,179,697)	$ (41,152,946)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes	$ 36,285,487	$ 34,663,050	$ 33,127,433	$ 30,905,973
Intergovernmental	403,207	398,493	402,130	398,246
Investment earnings	406,563	433,909	206,572	71,261
Miscellaneous	15,043	2,679	19,336	8,012
Total primary government	37,110,300	35,498,131	33,755,471	31,383,492
Change in Net Position				
Total primary government	$ (2,390,972)	$ (268,508)	$ 575,774	$ (9,769,454)

2016	*2015*	*2014*	*2013*	*2012*	*2011*
$ 33,014,022	$ 32,104,719	$ 30,445,273	$ 30,801,909	$ 30,493,803	$ 27,994,855
1,487,972	1,396,551	1,426,530	1,578,447	1,648,780	1,786,477
34,501,994	33,501,270	31,871,803	32,380,356	32,142,583	29,781,332
4,851,624	1,702,701	1,304,169	904,883	978,950	1,083,979
1,317,763	2,128,289	2,249,185	2,536,916	2,762,769	2,968,198
-	-	-	-	421,498	37,489
6,169,387	3,830,990	3,553,354	3,441,799	4,163,217	4,089,666
$ (28,332,607)	$ (29,670,280)	$ (28,318,449)	$ (28,938,557)	$ (27,979,366)	$ (25,691,666)
$ 28,884,757	$ 28,298,804	$ 28,414,889	$ 28,381,375	$ 28,181,528	$ 28,752,945
394,641	398,891	394,560	397,605	516,341	516,341
72,176	66,526	67,999	157,240	73,829	159,360
956	4,228	16,960	45,208	48,849	43,953
29,352,530	28,768,449	28,894,408	28,981,428	28,820,547	29,472,599
$ 1,019,923	$ (901,831)	$ 575,959	$ 42,871	$ 841,181	$ 3,780,933

NORTHWEST FIRE DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	2020	***2019***	***2018***	***2017***
General fund				
Reserved	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-
Nonspendable	37,039	48,808	76,899	121,124
Assigned	2,083,281	2,088,526	2,088,182	2,088,255
Unassigned	5,976,213	6,488,073	5,164,700	5,329,844
Total general fund	$ 8,096,533	$ 8,625,407	$ 7,329,781	$ 7,539,223
All other governmental funds				
Reserved	$ -	$ -	$ -	$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital project funds	-	-	-	-
Restricted	12,747,462	9,190,387	2,029,957	1,857,406
Assigned	2,228,520	2,704,550	15,036,249	2,154,911
Unassigned	(7,700)	-	-	-
Total all other governmental funds	$ 14,968,282	$ 11,894,937	$ 17,066,206	$ 4,012,317
	23,064,815	20,520,344	24,395,987	11,551,540
	2,544,471	(3,875,643)	12,844,447	(1,068,693)

2016	*2015*	*2014*	*2013*	*2012*	*2011*
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
88,352	41,851	41,618	32,558	60,536	46,313
2,057,411	1,904,439	1,284,406	271,292	543,807	635,817
5,750,826	6,354,350	7,784,984	8,865,044	8,638,855	6,789,421
$ 7,896,589	$ 8,300,640	$ 9,111,008	$ 9,168,894	$ 9,243,198	$ 7,471,551
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
2,227,260	2,181,549	3,091,615	3,461,598	3,707,599	10,504,078
2,496,384	4,180,238	4,448,158	3,386,617	3,449,582	2,182,187
-	394,014	126,524	(315,838)	(722,909)	(991,857)
$ 4,723,644	$ 6,755,801	$ 7,666,297	$ 6,532,377	$ 6,434,272	$ 11,694,408
12,620,233	15,056,441	16,777,305	15,701,271	15,677,470	19,165,959
(2,436,208)	(1,720,864)	1,076,034	23,801	(3,488,489)	(7,773,578)

NORTHWEST FIRE DISTRICT
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	2020	*2019*	*2018*	*2017*
Revenues				
Taxes	$ 36,398,702	$ 34,940,310	$ 33,421,453	$ 31,139,956
Charges for services	3,821,030	3,967,740	3,503,811	3,604,842
Intergovernmental	1,659,445	2,097,216	2,546,993	1,286,412
Donations	552	769	1,215	536,037
Interest	406,563	433,909	206,572	71,261
Miscellaneous	15,043	2,679	19,336	8,012
Total revenues	42,301,335	41,442,623	39,699,380	36,646,520
Expenditures				
Public safety	37,080,142	35,140,705	34,278,478	31,492,717
Capital outlay	3,923,881	6,320,694	3,108,379	2,792,316
Debt service				
Principal	2,995,000	2,470,000	2,380,000	2,550,000
Interest	1,287,002	1,386,867	1,398,820	983,797
Issuance cost on bonds	338,987	-	-	-
Total expenditures	45,625,012	45,318,266	41,165,677	37,818,830
Excess of revenues over (under) expenditures	(3,323,677)	(3,875,643)	(1,466,297)	(1,172,310)
Other financing sources (uses)				
Premium on bonds issued	1,427,142	-	1,530,428	-
Proceeds from debt issuance	11,575,000	-	12,780,000	-
Payment to refunded bond agent	(7,188,231)	-	-	-
Proceeds from sale of capital assets	54,237	-	316	103,617
Capital leases	-	-	-	-
Total other financing sources (uses)	5,868,148	-	14,310,744	103,617
Net change in fund balances	$ 2,544,471	$ (3,875,643)	$ 12,844,447	$ (1,068,693)
Debt service as a percentage of noncapital expenditures	10.27%	9.89%	9.93%	10.09%

2016	*2015*	*2014*	*2013*	*2012*	*2011*
$ 29,211,164	$ 28,747,650	$ 28,565,186	$ 28,847,572	$ 29,281,639	$ 29,201,070
3,004,176	1,702,701	1,304,169	904,883	978,950	1,083,979
1,265,675	2,415,042	2,669,485	2,980,824	3,410,753	2,083,552
542	1,014	886	440	890	1,015
72,176	66,526	67,999	157,240	73,829	159,360
956	4,228	16,960	45,208	48,849	43,953
33,554,689	32,937,161	32,624,685	32,936,167	33,794,910	32,572,929
30,370,341	28,540,781	27,281,172	28,545,390	27,122,488	25,895,667
2,522,752	2,178,537	1,319,617	1,178,971	6,891,859	11,115,191
2,010,000	2,231,560	1,590,000	1,604,222	1,614,273	1,543,873
1,203,879	1,793,719	1,513,509	1,583,783	1,654,779	1,791,775
166,700	153,539	-	-	-	-
36,273,672	34,898,136	31,704,298	32,912,366	37,283,399	40,346,506
(2,718,983)	(1,960,975)	920,387	23,801	(3,488,489)	(7,773,577)
788,774	566,867	-	-	-	-
8,300,000	8,215,000	-	-	-	-
(8,853,234)	(8,608,438)	-	-	-	-
47,235	66,682	155,647	-	-	-
-	-	-	-	-	-
282,775	240,111	155,647	-	-	-
$ (2,436,208)	$ (1,720,864)	$ 1,076,034	$ 23,801	$ (3,488,489)	$ (7,773,577)
9.52%	12.30%	10.21%	10.05%	10.76%	11.41%

NORTHWEST FIRE DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

	Real Property	*Personal Property*	*Public Utility Property*		*Total*			
Fiscal Year Ended June 30,	*Residential & Commercial Property*	*Assessed Value*	*Assessed Value*	*Less: Tax Exempt Real Property*	*Taxable Assessed Value*	*Direct Tax Rate*	*Estimated Net Full Cash Value*	*Assessed Value as a % of Full Cash Value*
2011	1,109,980,353	37,055,165	21,315,691	unavailable	1,168,351,209	2.4646	9,666,454,596	12.09%
2012	992,017,039	33,878,245	21,606,049	unavailable	1,047,501,333	2.7109	8,693,706,845	12.05%
2013	952,695,576	32,078,598	20,997,630	91,415,487	1,005,771,804	2.8383	8,262,755,426	12.17%
2014	893,583,142	28,834,682	20,892,491	103,131,023	943,310,315	3.0213	7,757,731,353	12.16%
2015	917,578,208	31,001,733	25,223,947	105,895,750	973,803,888	2.9272	8,060,872,757	12.08%
2016	942,856,062	26,531,232	24,419,181	103,849,456	993,806,475	2.9138	9,563,358,048	10.39%
2017	981,852,135	25,992,960	27,806,371	98,411,038	1,035,651,466	2.9920	10,304,662,155	10.05%
2018	1,024,216,523	25,783,691	30,073,053	99,596,680	1,080,073,267	3.0734	10,746,182,316	10.05%
2019	1,075,817,115	26,993,172	33,857,668	95,889,348	1,136,667,955	3.0501	11,502,260,357	9.88%
2020	1,144,581,598	28,646,963	33,646,469	93,157,514	1,206,875,030	3.0049	12,430,186,387	9.71%

Source: Pima County

NORTHWEST FIRE DISTRICT
PROPERTY TAX RATES – ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	*Northwest Fire District*			*Overlapping Rates*							*Total Direct & Overlapping Rates*
				Pima County			*Marana Unified School District*				
	General	*Debt Service*	*Total District*	*General*	*Debt Service*	*Total County*	*General*	*Debt Service*	*Total School District*	*Special Districts*	
2011	2.1761	0.2885	2.4646	3.4178	0.7800	4.1978	3.5510	1.6537	5.2047	1.4185	13.2856
2012	2.4103	0.3006	2.7109	3.4178	0.7800	4.1978	3.9419	1.6444	5.5863	1.9550	14.4500
2013	2.5253	0.3130	2.8383	3.4178	0.7800	4.1978	3.9419	1.6444	5.5863	2.4456	15.0680
2014	2.6926	0.3287	3.0213	3.6665	0.7800	4.4465	4.1868	1.8217	6.0085	2.6800	16.1563
2015	2.6083	0.3189	2.9272	4.2779	0.7000	4.9779	4.3493	1.8795	6.2288	2.8193	16.9532
2016	2.6086	0.3052	2.9138	4.3877	0.7000	5.0877	4.4563	1.8807	6.3370	2.9398	17.2783
2017	2.6995	0.2925	2.9920	4.2896	0.7000	4.9896	4.5020	1.8851	6.3871	2.9599	17.3286
2018	2.6995	0.3739	3.0734	4.4596	0.7000	5.1596	4.3830	1.8504	6.2334	2.9312	17.3976
2019	2.7095	0.3406	3.0501	4.0696	0.6900	4.7596	4.1688	1.9152	6.0840	2.9553	16.8490
2020	2.7095	0.2954	3.0049	4.4562	0.6900	5.1462	3.9693	1.8957	5.8650	2.4776	16.4937

Source: Pima County

NORTHWEST FIRE DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO

		June 30, 2020	
Taxpayer	***Type of Business***	***Assessed Value***	***% of Total Assessed Value***
Unisource Energy Corporation	Utility	$ 21,708,635	1.80%
Northwest Hospital LLC	Healthcare	20,827,415	1.73%
HSL Cottonwood RC Hotel LLC	Resort	6,374,667	0.53%
Wal-Mart Stores Inc	Retail	6,302,988	0.52%
Tucson Premium Outlets LLC	Retail	6,110,348	0.51%
Southwest Gas Corp	Utility	5,831,451	0.48%
FHM Partners LLC	Developer	4,481,395	0.37%
Westward Look Resort LLC	Resort	3,409,265	0.28%
AZPAV West LLC	Retail	3,015,020	0.25%
Frys Food Store of Arizona	Retail	2,939,398	0.24%
		$ 81,000,582	6.71%
Total Limited Assessed Value		$ 1,206,875,030	

		June 30, 2011	
Taxpayer	***Type of Business***	***Assessed Value***	***% of Total Assessed Value***
Northwest Hospital LLC	Healthcare	$ 17,389,751	1.49%
Unisource Energy Corp	Utility	10,726,328	0.92%
J Foothills LLC	Shopping Center	8,315,606	0.71%
Wal-Mart Stores Inc	Retail	6,202,057	0.53%
Wal-Mart Stores Inc	Retail	5,808,337	0.50%
Marana 670 Holdings LLC	Developer	3,771,276	0.32%
APHM Westward Look LLC	Resort	2,582,318	0.22%
La Cholla & River Road Assn LLC	Developer	2,303,259	0.20%
Fountains La Cholla SL LLC	Developer	2,155,961	0.18%
Marana Ina Road LLC	Developer	2,113,201	0.18%
		$ 61,368,094	5.25%
Total Secondary Assessed Value		$ 1,168,351,209	

Source: Pima County Assessor

NORTHWEST FIRE DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	*Original Property Tax Levy*	*Tax Roll Corrections*	*Property Tax Levy (Adjusted)*	*Collected within the Fiscal Year of the Levy*		*Collections in Subsequent Years*	*Total Collections to Date*	
				Amount	*% of Levy*		*Amount*	*% of Levy*
2011	28,747,801	-	28,747,801	27,608,735	96.04%	1,115,468	28,724,203	99.92%
2012	28,400,387	-	28,400,387	27,378,367	96.40%	728,740	28,107,107	98.97%
2013	28,792,811	-	28,792,811	27,960,421	97.11%	690,792	28,651,213	99.51%
2014	28,428,353	-	28,428,353	27,659,209	97.29%	681,632	28,340,841	99.69%
2015	28,298,575	-	28,298,575	27,488,510	97.14%	710,887	28,199,397	99.65%
2016	28,884,757	-	28,884,757	28,099,632	97.28%	699,957	28,799,589	99.71%
2017	30,905,972	-	30,905,972	30,244,736	97.86%	506,142	30,750,878	99.50%
2018	33,127,153	-	33,127,153	32,515,316	98.15%	463,976	32,979,292	99.55%
2019	34,661,264	-	34,661,264	34,086,975	98.34%	-	34,086,975	98.34%
2020	36,295,426	-	36,295,426	35,513,874	97.85%	-	35,513,874	97.85%

NORTHWEST FIRE DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	*Governmental Activities*		*Total Primary Government*	*Percentage of Personal Income*	*Per Capita*
	General Obligation Bonds	*Capital Leases*			
2011	34,170,000	233,495	34,403,495	0.10%	311.72
2012	32,710,000	79,222	32,789,222	0.09%	297.09
2013	31,185,000	-	31,185,000	0.09%	282.55
2014	30,554,014	-	30,554,014	0.08%	276.84
2015	27,984,314	-	27,984,314	0.07%	253.55
2016	26,329,301	-	26,329,301	0.07%	225.45
2017	23,640,893	-	23,640,893	0.06%	202.43
2018	35,358,751	-	35,358,751	0.09%	302.76
2019	32,669,439	-	32,669,439	0.08%	266.93
2020	35,343,325	-	35,343,325	0.07%	277.14

NORTHWEST FIRE DISTRICT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	*Population*	*Assessed Value*	*General Obligation Bonds*	*Less Debt Service Monies Available*	*Net Bonded Debt*	*Percentage of Estimated Actual Taxable Value of Property*	*Estimated Net Bonded Debt per Capita*
2011	110,368	1,168,351,209	34,170,000	9,498,342	24,671,658	2.11%	223.54
2012	110,368	1,047,501,333	32,710,000	2,484,404	30,225,596	2.89%	273.86
2013	110,368	1,005,771,804	31,185,000	2,252,063	28,932,937	2.88%	262.15
2014	110,368	943,310,315	30,554,014	1,875,951	28,678,063	3.04%	259.84
2015	110,368	973,803,888	27,984,314	982,237	27,002,077	2.77%	244.65
2016	116,788	993,806,475	26,329,301	969,024	25,360,277	2.55%	217.15
2017	116,788	1,035,651,466	23,640,893	616,921	23,023,972	2.22%	197.14
2018	116,788	1,080,073,267	35,358,751	990,754	34,367,997	3.18%	294.28
2019	122,389	1,136,667,955	32,669,439	1,174,148	31,495,291	2.77%	257.34
2020	127,527	1,206,875,030	35,343,325	534,422	34,808,903	2.88%	272.95

NORTHWEST FIRE DISTRICT
DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT RATIOS
LAST NINE FISCAL YEARS

Fiscal Year Ended June 30,		*Per Capita Bonded Debt*	*As % of District Net Assessed Valuation*	*As % of District Estimated Full Cash Value*
2011	Direct GO Bonded Debt	$ 313.91	2.92%	0.35%
2011	Direct & Overlapping GO Bonded Debt	1,412.86	13.30%	1.61%
2012	Direct GO Bonded Debt	$ 299.93	3.12%	0.38%
2012	Direct & Overlapping GO Bonded Debt	1,521.30	15.93%	1.93%
2013	Direct GO Bonded Debt	$ 286.25	3.10%	0.38%
2013	Direct & Overlapping GO Bonded Debt	1,476.30	16.20%	1.97%
2014	Direct GO Bonded Debt	$ 272.02	3.24%	0.39%
2014	Direct & Overlapping GO Bonded Debt	1,502.53	17.58%	2.14%
2015	Direct GO Bonded Debt	$ 246.70	2.87%	0.35%
2015	Direct & Overlapping GO Bonded Debt	1,320.21	15.59%	1.88%
2016	Direct GO Bonded Debt	$ 225.45	2.65%	0.28%
2016	Direct & Overlapping GO Bonded Debt	1,327.39	15.60%	1.62%
2017	Direct GO Bonded Debt	$ 202.43	2.28%	0.23%
2017	Direct & Overlapping GO Bonded Debt	1,294.07	14.59%	1.47%
2018	Direct GO Bonded Debt	$ 302.76	3.27%	0.33%
2018	Direct & Overlapping GO Bonded Debt	1,491.40	16.13%	1.62%
2019	Direct GO Bonded Debt	$ 266.93	2.87%	0.28%
2019	Direct & Overlapping GO Bonded Debt	1,811.24	19.50%	1.93%
2020	Direct GO Bonded Debt	$ 277.14	2.93%	0.28%
2020	Direct & Overlapping GO Bonded Debt	2,200.16	23.25%	2.26%

NORTHWEST FIRE DISTRICT
NOTE TO DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020

Governmental Unit	*Debt Outstanding*	*Estimated Percentage Applicable*	*Estimated Share of Overlapping Debt*	
Debt repaid with property taxes:				
Pima County	$ 181,428,000	13.82%	$ 25,073,350	
Gladden Farms Community Facilities Dist	7,275,000	100.00%	7,275,000	
Gladden Farms Community Facilities Dist, Phase II	1,245,000	100.00%	1,245,000	
Saguaro Springs Community Facilities Dist	5,695,000	100.00%	5,695,000	
Marana Unified School District	162,372,000	72.11%	117,086,449	
Flowing Wells Unified School District	22,835,000	68.08%	15,546,068	
Amphitheater Unified School District	76,795,000	19.19%	14,736,961	
Tangerine Farms Road Improvement Distrct	9,552,000	100.00%	9,552,000	*
Town of Marana	49,027,000	100.00%	49,027,000	
Subtotal, overlapping debt			245,236,827	
Northwest Fire District direct debt			35,343,325	
Total estimated direct and overlapping debt			$ 280,580,152	

* Tangerine Farms Road Improvement District is a major governm ntal fund and reported as a component unit of the Town of Marana.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Northwest Fire District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

NORTHWEST FIRE DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2020	***2019***	***2018***	***2017***
Assessed Value	$ 1,206,875,030	$ 1,136,667,955	$ 1,080,073,267	$ 1,035,651,466
Debt limit rate	x 6%	x 6%	x 6%	x 6%
Debt limit	72,412,502	68,200,077	64,804,396	62,139,088
Less bonded debt at June 30	(35,343,325)	(32,669,439)	(35,358,751)	(23,640,893)
Legal debt margin	$ 37,069,177	$ 35,530,638	$ 29,445,645	$ 38,498,195
Total net debt applicable to the limit as a percentage of debt limit	48.81%	47.90%	54.56%	38.05%

2016	*2015*	*2014*	*2013*	*2012*	*2011*
$ 993,806,475	$ 973,803,888	$ 943,310,315	$ 1,005,771,804	$ 1,047,501,333	$ 1,168,351,209
x 6%	x 6%	x 6%	x 6%	x 6%	x 6%
59,628,389	58,428,233	56,598,619	60,346,308	62,850,080	70,101,073
(26,329,301)	(27,984,314)	(30,554,014)	(28,932,937)	(30,225,596)	(24,671,658)
$ 33,299,088	$ 30,443,919	$ 26,044,605	$ 31,413,371	$ 32,624,484	$ 45,429,415
44.16%	47.90%	53.98%	47.94%	48.09%	35.19%

NORTHWEST FIRE DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	*(1) Population (Pima County)*	*Personal Income*	*(1) Per Capita Income (Pima County)*	*(2) School Enrollment (Pima County)*	*(1) Unemployment Rate (Pima County)*
2010	980,263	33,361,839	34,034	153,505	9.0%
2011	986,081	34,737,686	35,228	152,234	9.1%
2012	990,380	35,985,709	36,335	151,172	7.6%
2013	992,394	36,453,218	36,733	151,854	7.6%
2014	996,046	37,893,093	38,044	152,088	6.9%
2015	1,007,200	38,922,402	38,644	151,731	5.9%
2016	1,009,371	39,963,300	39,592	151,364	5.3%
2017	1,029,400	41,349,600	40,169	150,316	4.9%
2018	1,026,099	39,240,415	38,242	145,665	4.9%
2019	1,034,201	40,182,115	38,853	unavailable	5.0%
2020	1,044,675	47,827,647	45,782	unavailable	9.9%

NORTHWEST FIRE DISTRICT
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

June 30, 2020

Employer	*Employees*	*Rank*
Marana Unified School District	1,657	1
Northwest Medical Center	1,500	2
Wal-Mart	1,020	3
Afni	1,000	4
Frys Food and Drug	450	5
Top Golf	435	6
Town of Marana	375	7
Marana Health Center	356	8
Ritz Carlton Dove Mountain	320	9
Sargent Aerospace & Defense	313	10
Total	7,426	

June 30, 2011

Employer	*Employees*	*Rank*
Northwest Medical Center	1,758	1
Marana Unified School District	1,606	2
Wal-Mart	600	3
Frys Food and Drug	489	4
Marana Health Center	320	5
Town of Marana	302	6
Costco	296	7
Sundt Construction	283	8
Sargent Controls	256	9
Target	253	10
Total	6,163	

Source: Pima Association of Governments

Note: Percentage of employees employed by principal employers to the total employed District-wide is not available.

NORTHWEST FIRE DISTRICT
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	***2020***	***2019***	***2018***	***2017***
Public safety				
Fire prevention inspections	3,789	2,140	3,495	3,495
Emergency medical service calls	11,601	11,523	11,913	11,913
Fire responses	349	302	289	289
Other Responses - including hazardous materials, mutual aid, public service	155	2,611	2,633	2,633
Miscellaneous - including false alarms, good intent	4,457	1,738	-	-

Sources: Various District Departments

2016	*2015*	*2014*	*2013*	*2012*	*2011*
4,991	6,113	3,982	3,003	3,007	3,097
11,824	10,725	10,417	11,413	10,538	10,301
512	1,032	1,258	1,526	350	230
2,449	1,064	1,292	1,316	1,127	1,889
-	2	2	36	999	1,537

NORTHWEST FIRE DISTRICT
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	***2020***	***2019***	***2018***	***2017***
Public safety				
Fire and rescue service	198	195	198	198
Fire prevention	11	12	11	11
Administrative and support	40	41	36	36
Total	249	248	245	245

Source: District HR Department

2016	*2015*	*2014*	*2013*	*2012*	*2011*
182	177	208	204	206	202
11	12	9	8	9	9
40	40	40	37	37	37
233	229	257	249	252	248

NORTHWEST FIRE DISTRICT
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	***2020***	***2019***	***2018***	***2017***
Public safety				
Stations	11	10	10	10
Equipment:				
Engines	16	16	16	16
Ladder trucks	2	2	2	2
Brush rigs	3	3	3	3
Rescue/Ambulance units	10	10	10	10
Tenders	3	3	3	3
Hazmat squad	1	1	1	1
Squad/support units	2	2	2	2
Technical rescue	1	1	1	1
Heavy squad	1	1	1	1

2016	*2015*	*2014*	*2013*	*2012*	*2011*
10	10	10	10	10	10
15	16	16	16	16	16
2	2	3	3	3	3
3	4	6	6	6	6
10	8	6	6	6	6
3	3	3	3	3	3
1	2	2	2	2	2
2	2	2	2	2	2
1	2	2	2	2	2
1	1	1	1	1	1

Source: District Fleet Department

Compliance Section

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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
Northwest Fire District
Marana, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Northwest Fire District, Arizona, (District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Northwest Fire District's basic financial statements and have issued our report thereon dated November 24, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northwest Fire District's internal control over financial reporting (internal control) as a basis for designing the 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 Northwest Fire District's internal control. Accordingly, we do not express an opinion on the effectiveness of Northwest 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 Northwest 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Report on Compliance with State of Arizona Regulatory Requirements

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

Purpose of this Report

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

Henry + Horne, LLP

Tempe, Arizona
November 24, 2020