NORTHWEST FIRE DISTRICT

★ ARIZONA ★

ANNUAL COMPREHENSIVE FINANCIAL REPORT

for the fiscal year ended June 30, 2022

NORTHWEST FIRE DISTRICT
PIMA COUNTY, ARIZONA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For The Fiscal Year Ended June 30, 2022

Northwest Fire District
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NORTHWEST FIRE DISTRICT

YEAR ENDED JUNE 30, 2022

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NORTHWEST FIRE DISTRICT

YEAR ENDED JUNE 30, 2022

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INTRODUCTORY SECTION

NORTHWEST FIRE DISTRICT

ISO CLASS 1 ★ INTERNATIONALLY ACCREDITED
13535 N Marana Main St. | Marana, AZ 85653
(520) 887-1010 | www.nwfdaz.gov
@NorthwestFire | /NorthwestFireDistrict

November 18, 2022

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 more than $1,000,000 publish a complete set of financial statements within 240 days of the close of the fiscal year. These statements must be presented in conformance with generally accepted accounting principles (GAAP). They also must be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report is published to fulfill this statutory requirement for the fiscal year ended June 30, 2022. Management assumes full responsibility for the completeness and reliability of the information contained in this report, consistent with the comprehensive framework of internal controls established for this purpose. However, the cost of internal controls should not exceed anticipated benefits; therefore, the purpose of this report 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. In support of this belief, BeachFleischman PLLC, a certified public accounting firm, has issued an unmodified ("clean") opinion on the Northwest Fire District financial statements for the year ended June 30, 2022. 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 Northwest Fire District (NWFD) is a special taxing 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 (GFOA) of the United States of America and Canada.

District Profile

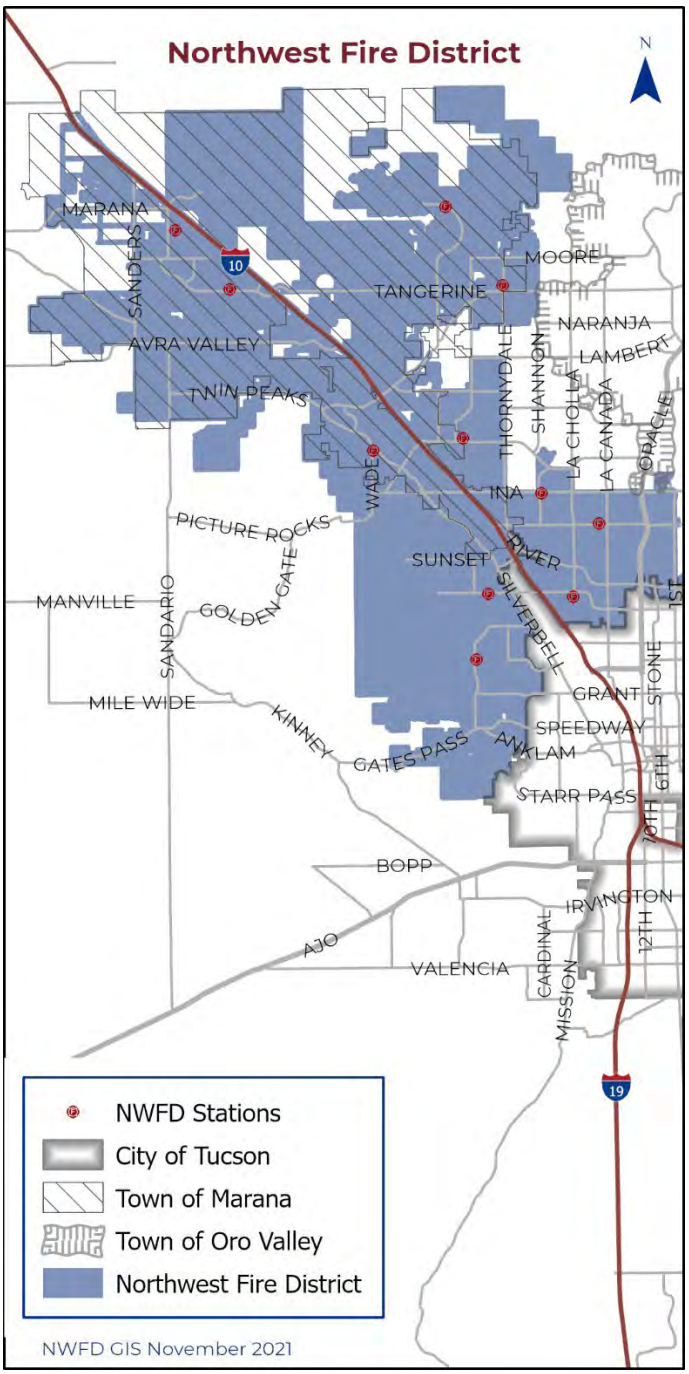
NWFD is the largest fire district in the State of Arizona by population and operates under Arizona Revised Statutes (ARS) Title 48, Chapter 5. The District is a community service organization funded through limited assessed value property taxes. It is governed by a five-member Board of Directors, comprised 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 is responsible for hiring a Fire Chief/Administrator to manage the day-to-day operations of the District. The Board of Directors is also 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.

NWFD was formed in 1983 by residents living in unincorporated Pima County northwest of the City of Tucson. They did so 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 (FWFD).

Within its legal boundaries, NWFD provides fire, emergency medical services (EMS), and special operations response across 156 square miles and to a population of approximately 133,015 residents. Of these residents, approximately 55,207 reside in the Town of Marana, with the remainder residing in unincorporated Pima County.

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 $1.373 billion.



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

Prevention services provided include:

- Fire code and life safety inspections
- Fire cause and origin determination
- Plans review and permitting

Public Education services provided include:

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

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

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

Emergency response services provided include:

- Fire suppression
- Emergency Medical Services at the Paramedic level, to include advanced life support (ALS) ambulance transportation
- Hazardous Materials response at the technician level
- Technical Rescue services at the technician level

NWFD deploys 11 fire engines, five paramedic transport units, two battalion chief trucks, two ladder trucks, and one special operations squad vehicle from 11 strategically located stations on a 24/7 basis. In addition, it also deploys one peak activity engine staffed 10 hours a day four days a week. The District is constantly staffed with 72-76 suppression personnel per day, and has eight support vehicles comprised of the following that are staffed when necessary:

- Two water tenders
- Air Power Light Truck
- Rehab vehicle
- Command Van
- Two Type 3 Engines and One Type 6 Engine

Northwest Fire District's emergency response units are staffed with professionally trained and certified personnel, all selected through competitive processes required for each position. All suppression personnel are minimally required to be certified consistent with State of Arizona standards for Firefighter I and II, Hazardous Materials, Technical Rescue, and NIMS 100, 200, 700 and 800. In addition, all suppression personnel are, at a minimum, required to be certified by the Arizona Department of Health Services as an Emergency Medical Care Technician (EMCT) -Basic. Each fire engine is staffed with a Captain, Engineer, Paramedic and Firefighter. Each paramedic transport (ambulance) 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. 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 exists in a diverse region that has experienced significant growth over the past 20 years, most notably with residential, including single and multi-family dwellings. To support the growing population increase, increases in retail occupancies along with a smaller percentage of warehouses and industrial-type facilities has also occurred. Major industries located within District boundaries include hospitals/healthcare, resorts/hospitality, retail, and aerospace/defense contractors.

Due to the District's varied economic base, unemployment has been relatively stable except for during the 2008 recession and the 2020 COVID-19 pandemic. During the past 10 years, unemployment has fluctuated from a low of 2.8% to a high of 13.2%. Much of the increase was due to the COVID-19 pandemic when unemployment was at its highest in April 2020. The unemployment rate in Pima County as of June 30, 2022, was 3.9% as COVID-19 continues to impact personal income, wages, and employment.

The state of Arizona, including Pima County, is gradually recovering with job, income, population, and sales continuing to grow. The baseline forecast calls for somewhat slowed growth in 2022 and 2023, but Arizona is projected to outpace national growth.

This means the District's population is expected to continue to grow in the next 20 years despite the national growth estimates projecting a slowdown. As a result, District management and staff are working proactively and cooperatively with other government agencies, 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 reviews these to enable their annual approval on a comprehensive set of financial policies, the five-year Capital Improvement Program (CIP), and the five-year Strategic Plan update. Each of these documents provide the framework for financial sustainability and are underpinned by the best practices from the GFOA, CFAI, and other industry leaders.

The five-year Strategic Plan and the CIP serve as the main planning documents to ensure that the strategic direction of the organization is met, while the facilities and equipment are well maintained and operating in peak condition. Under guidance from the CIP and Strategic Planning committees and Board of Directors, these processes give 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. NWFD maintains a vehicle replacement policy which serves as its fleet replacement guide over a ten-year period.

NWFD is accredited by the Commission on Fire Accreditation International (CFAI) through the Center for Public Safety Excellence (CPSE). The District is also Insurance Service Office (ISO) class 1 rated. During the accreditation process, an independent committee of experts perform a comprehensive on-site evaluation to determine if the agency is meeting the needs of the community utilizing industry best practices. The District is one of only 11 agencies in the State of Arizona to achieve accredited status, and the only agency in Southern Arizona to be accredited and ISO class 1. While accreditation lasts for a period of five years, the District is required to file an annual compliance report (ACR) to maintain it accredited status each year. The District received its most recent re-accreditation status in August 2018 and will seek re-accredited status again in July of 2023.

Financial Policies

NWFD has adopted a comprehensive set of financial policies. These policies have been effective at increasing the District's financial resiliency and long-term sustainability,

especially during times of economic downturn. More specially, by requiring the adoption of a balanced budget, not allowing one-time resource inflows to be used for operating purposes, and delineating fund balance targets, each have aided the Governing Board and staff to remain focused on creating internal efficiencies allowing for even greater levels of sustainability to be achieved, especially through the leveraging of technology.

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 annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the 15th 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 annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

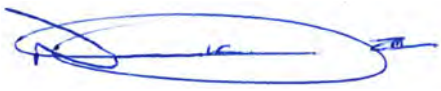
A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements: We would like to extend our sincerest appreciation to the citizens of the Northwest Fire District whose continued support is vital to the financial health and operational effectiveness of the Northwest Fire District. Without their full faith and trust in us, our mission of saving lives, protecting property, and caring for our community could not have been accomplished this past year.

We would like to also express our gratitude to NWFD Board Chair George Carter, and the other members of the Board of Directors for their steadfast leadership and vision towards the strategic direction and management of the organization.

Finally, we would like to provide a special thanks to the members of NWFD's Finance Division who contributed greatly to the preparation of this report, and to the supervisory and management members of NWFD for their daily financial stewardship of the public's critical resources.

Respectfully Submitted,



Norman K. Bradley III
Fire Chief/Administrator

Kim Sotomayor
Business Services Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Northwest Fire District Arizona

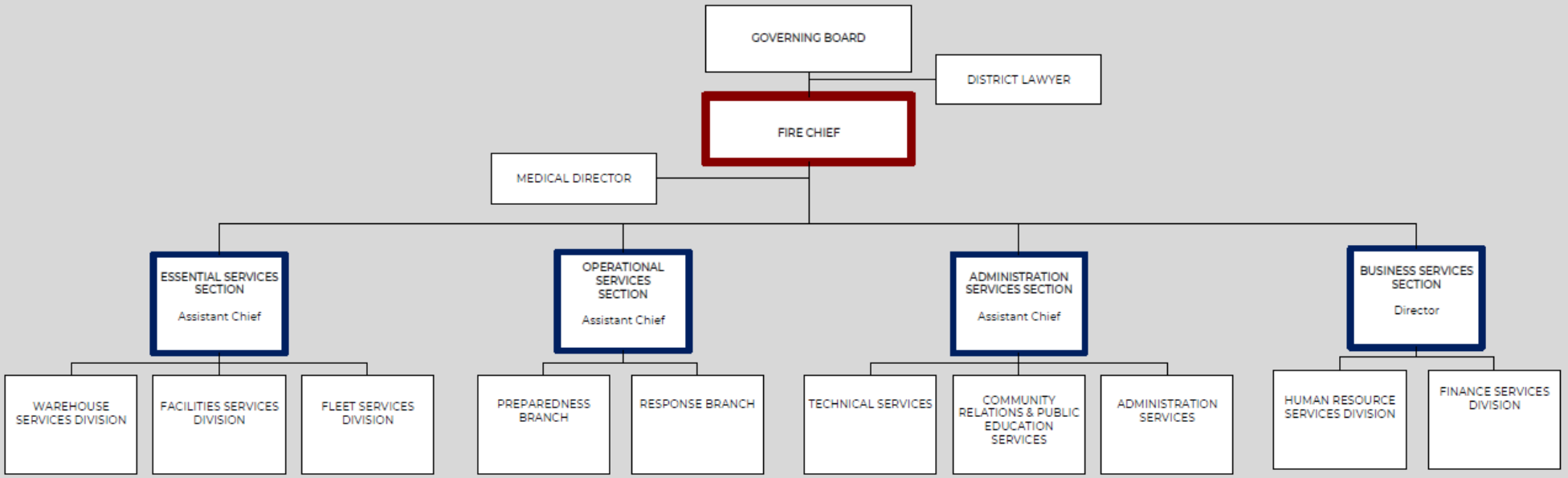
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Executive Director/CEO

NORTHWEST FIRE DISTRICT ORGANIZATIONAL CHART

as of June 30, 2022



NORTHWEST FIRE DISTRICT
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2022

Board of Directors

	Term Expires
George Carter, Chair	*December 31, 2024*
Bruce Kaplan, Vice-Chair	*December 31, 2026*
Peg Green, Clerk	*December 31, 2024*
David Talas	*December 31, 2026*
Cyndell Chanek	*December 31, 2024*

Administrative Offices
13535 N. Marana Main Street
Marana, AZ 85653

Registered Agent
Norman K. Bradley III
Fire Chief/Administrator

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

FINANCIAL SECTION

BeachFleischman

Independent Auditors' Report

Governing Board and Management
Northwest Fire District
Marana, Arizona

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Northwest Fire District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Northwest Fire District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Northwest Fire District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Northwest Fire District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Northwest Fire District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Northwest Fire District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the pension and other post employment benefit (OPEB) plan information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Northwest Fire District's basic financial statements. The other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 other supplementary information as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Northwest Fire District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northwest Fire District's internal control over financial reporting and compliance.

Beach Fleischman PLLC

Tucson, Arizona
November 18, 2022

Management's Discussion and Analysis (MD&A)

(Required Supplementary Information)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FISCAL YEAR ENDED JUNE 30, 2022

INTRODUCTION

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, 2022. 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

- At the close of the most recent fiscal year, the assets and deferred outflows of resources of Northwest Fire District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $4,226,846. The net investment in capital assets equated to $23,559,123 net of related debt.

- Total net position of the District increased by $6,338,908, primarily due to revenues exceeding expenses.

- As of the close of the current fiscal year, the governmental funds of the District reported combined ending fund balances of $16,672,800, a decrease of $4,137,332 in comparison with the prior year. This is primarily due to spending down bond proceeds toward the construction of the New Administration Complex.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $7,878,981, or 19.94% of total General Fund expenditures.

- The total long-term debt of the District decreased by a net amount of $2,834,272. This decrease is due to 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* (pages 25 - 26) 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 (page 69).

The governmental fund financial statements can be found on pages 27 - 30.

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 on pages 31 - 67 of this report.

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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $4,226,846 at the close of the most recent fiscal year.

The largest portion of net position of the District ($23,559,123 or 557%) 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 ($4,582,414 or 108%) 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 ($(23,914,691) or (566)%) 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, 2022 and 2021

	Governmental Activities		
	2022	2021	Increase (decrease)
Cash and investments	$ 17,156,193	$ 21,720,210	$ (4,564,017)
Other assets	6,459,739	3,816,851	2,642,888
Capital assets	53,565,981	46,358,954	7,207,027
Total assets	77,181,913	71,896,015	5,285,898
Total deferred outflows	19,459,574	22,425,076	(2,965,502)
Other liabilities	1,756,986	2,008,870	(251,884)
Long-term liabilities	75,496,390	91,377,763	(15,881,373)
Total liabilities	77,253,376	93,386,633	(16,133,257)
Total deferred inflows	15,161,265	3,046,520	12,114,745
Net investment in capital assets	23,559,123	21,628,546	1,930,577
Restricted	4,582,414	2,663,990	1,918,424
Unrestricted	(23,914,691)	(26,404,598)	2,489,907
Total net position	$ 4,226,846	$ (2,112,062)	$ 6,338,908

Governmental activities. The net position of the District from governmental activities increased 300%, from $(2,112,062) to $4,226,846. Key elements of these activities are as follows:

- Unrestricted net position increased $2,489,907 primarily due to an increase in capital assets due to completion of the New Administration Complex, and a decrease in net pension/OPEB liabilities.

- Restricted net position increased $1,918,424 primarily due to the gain on the sale of capital assets related to the sale of the old administration building and receiving additional grant revenues in the fiscal year.

- Net investment in capital assets increased $1,930,577 primarily due to the increase in capital assets related to the completion of the New Administration Complex, and a decrease in bonds payable.

- Charges for services increased $432,884 primarily due to an increase in plan reviews related to new development in the District, an increase in ambulance revenue due to increased transports, and a State approved increase in the ambulance service rate.

- Operating and capital grants and contributions decreased $2,873,911 due to the completion of the District's Assistance to Firefighters grant.

- Property taxes increased $3,515,948 due to a slight increase in the District's assessed values.

- Investment earnings decreased $91,478 due to lower interest earnings on available cash balances.

- Interest on long-term debt decreased due to scheduled payments for general obligation debt.

- Expenses for public safety decreased $5,029,537 reflecting a reduction in salaries and wages due to retirements and vacancies and a reduction in material and supplies due to a large one-time expense of radios in 2021.

The following table presents a comparative summary of the District's revenues and expenses for the current and preceding fiscal years.

Northwest Fire District
Condensed Statement of Activities
For the Years Ended June 30, 2022 and 2021

	Governmental Activities		
	2022	2021	Increase (decrease)
Program revenues:			
Charges for services	$ 3,961,641	$ 3,528,757	$ 432,884
Operating grants and contributions	2,350,752	2,507,363	(156,611)
Capital grants and contributions	-	2,717,300	(2,717,300)
General revenues:			
Property taxes	41,951,190	38,435,242	3,515,948
Fire District Assistance Tax	394,998	403,712	(8,714)
State shared tax revenue	519,789	-	519,789
Investment earnings	66,792	158,270	(91,478)
Miscellaneous	379,330	126,959	252,371
Total revenues	49,624,492	47,877,603	1,746,889
Expenses:			
Public safety	42,414,894	47,444,431	(5,029,537)
Interest on long-term debt	870,690	939,072	(68,382)
Total expenses	43,285,584	48,383,503	(5,097,919)
Change in net position	6,338,908	(505,900)	6,844,808
Beginning net position	(2,112,062)	(1,606,162)	(505,900)
Ending net position	$ 4,226,846	$ (2,112,062)	$ 6,338,908

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, 2022, Northwest Fire District's governmental funds reported combined fund balances of $16,672,800, a decrease of $4,137,332, or 20%, in comparison with the prior year. Approximately 47% of this amount $7,878,981 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 - $106,311, 2) restricted for particular purposes - $4,582,414, or 3) assigned for particular purposes - $4,105,094.

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, 2022, total fund balance was $10,940,136, of which $106,311 was nonspendable because of prepaid items, $1,970,354 was assigned for medical self-insurance costs, $984,490 was assigned for wildland, and $7,878,981 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 19.9% of the total general fund expenditures, while the total fund balance represents 27.7% of total general fund expenditures. Total fund balance of the fund increased by $2,518,151, resulting from increased revenues and decreased expenditures in materials and supplies.

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, 2022, total fund balance was $2,325,311, which is a decrease of $6,643,347 from the prior year primarily due to the completed construction of the New Administration Complex.

General Obligation (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. At the end of June 30, 2022, total fund balance was $627,915, which is a decrease of $15,929 from the prior year primarily due to the tax levy exceeding debt payments.

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. At the end of June 30, 2022, total fund balance was $1,150,250, which is a decrease of $707,243 from the prior year primarily due to the replacement of cardiac monitors.

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, 2022, total fund balance was $1,629,188, which is an increase of $711,036 from the prior year primarily due to timing of receipt of a grant reimbursement.

Northwest Fire District
Governmental Funds – Fund Balances
As of June 30, 2022 and 2021

	June 30, 2022		June 30, 2021	
Major funds	Amount	%	Amount	%
General	$ 10,940,136	65.6 %	$ 8,421,985	40.5 %
Capital improvements	2,325,311	13.9 %	8,968,658	43.1 %
Debt service	627,915	3.8 %	643,844	3.1 %
Capital reserve	1,150,250	6.9 %	1,857,493	8.9 %
Grant program	1,629,188	9.8 %	918,152	4.4 %
Total fund balance	$ 16,672,800	100.0 %	$ 20,810,132	100.0 %

BUDGETARY HIGHLIGHTS

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 $7,964,997 for expenditures is primarily attributed to not utilizing contingency funds for operations.
- The positive variance of $522,416 for executive services is primarily due to not filling budgeted vacant positions until late in the fiscal year.
- The positive variance of $760,026 for operational services is primarily due to a reduction in overtime due to the completion of an ADOT project that required a dedicated ambulance to maintain response times.
- The positive variance of $348,205 for essential services is primarily due to the change in accounting for leased vehicles, and timely delivery of goods due to supply chain issues.

For more detailed information, see budget to actual comparisons on page 69.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. As of June 30, 2022, the investment in capital assets for governmental activities amounts to $53,565,981 (net of accumulated depreciation). This investment in capital assets includes land and improvements, construction in progress, buildings and improvements, equipment, vehicles, hydrants, and right-to-use leased vehicles. The total increase in capital assets for the current fiscal year net of depreciation/amortization was $6,962,921, or 14.9%.

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

- Completion of New Administration Building
- Purchase of Audio-Visual, Network Equipment, and Furniture for new Administration Building
- Purchase of a New Air/Light/Command Vehicle (not yet in service)
- Purchase of New Radios
- Replacement of Heart Monitor/Defibrillators
- Replacement of Thermal Imaging Cameras
- Purchase of Assetworks Software
- Purchase of New Walkie Stacker for the warehouse
- Purchase of used Aerial Boom lift for facilities

The District depreciates all capital assets except for land and construction in progress. For more detailed information, see page 45 in the notes to the financial statements. The following table is a summarized reconciliation of the changes in capital assets.

Northwest Fire District
Capital Assets (net of depreciation)
As of June 30, 2022 and 2021

	Governmental Activities		
	2022	2021	Increase (decrease)
Land and improvements	$ 7,118,369	$ 7,339,099	$ (220,730)
Construction in progress	-	3,015,658	(3,015,658)
Vehicles not yet in service	799,997	-	799,997
Buildings and improvements	59,742,206	50,130,542	9,611,664
Equipment and hydrants	10,156,412	8,148,482	2,007,930
Vehicles	15,663,040	16,111,132	(448,092)
Right-to-use assets	375,106	244,058	131,048
Accumulated depreciation/amortization	(40,289,149)	(38,385,911)	(1,903,238)
	$ 53,565,981	$ 46,603,060	$ 6,962,921

Long-term liabilities. At the end of the current fiscal year, the District had approximately $75 million in long-term liabilities outstanding, a net decrease of $16,125,431, or 18% from the prior year.

The District continues to retire and manage debt to fund various capital projects which support program services. As of June 30, 2022, the District had total debt outstanding of $30,006,858. This debt currently requires annual debt service payments that consist of principal and interest of approximately $3,723,000. The entire amount of the debt is backed by the full faith and credit of the District.

In accordance with GASB Statements No. 68 and 75, the District is required to include the net pension/OPEB liability (asset) on the financial statements. The net pension/OPEB liability is measured as the total pension/OPEB liability, less the plan's fiduciary net position. Relating to the District's participation in the Public Safety Personnel Retirement System (PSPRS), a net pension/OPEB liability is recorded at June 30, 2022 of $37,661,334 and net pension/OPEB asset of $(704,362). Relating to the District's participation in the Arizona State Retirement System (ASRS), a net pension liability is recorded at June 30, 2022 of $3,299,799 and a net OPEB asset for health insurance premium OPEB plan of $(122,533) and a net OPEB liability for the long-term disability OPEB plan of $5,183.

The following table shows the District's Long-term Liabilities:

Northwest Fire District
Long-term Liabilities
As of June 30, 2022 and 2021

	Governmental Activities		
	2022	2021	Increase (decrease)
General obligation bonds	$ 27,020,000	$ 29,525,000	$ (2,505,000)
Unamortized premium	2,730,819	3,072,072	(341,253)
Leases payable	256,039	244,058	11,981
Compensated absences	4,523,216	4,553,919	(30,703)
Net pension/OPEB liability	40,966,316	54,226,772	(13,260,456)
Total noncurrent liabilities	$ 75,496,390	$ 91,621,821	$ (16,125,431)

Additional information regarding the long-term debt and noncurrent liabilities of the District can be found in the notes to the financial statements on pages 46 - 48 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Arizona's labor market remains tight, unemployment is low, wage increases are rapid, and at the same time there is rising inflation, soaring home prices, and increased mortgage interest rates that have combined to cause a slowdown in the housing market. The housing market is slowing down compared to one year ago when median home prices were up by 30% and in June 2022 median home prices are up by only 13.2%. The District has seen the development over the last fiscal year, but expects growth at a slower pace. Fiscal year 2023 assessed values are estimated at $1.440 billion; a five percent increase over fiscal year 2022 of $1.373 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 rate has increased from $2.7795 in 2021/22 to $2.9110 for 2022/23.

Next year's budget reflects a decrease in the Capital Improvement fund due to the completion of the New Administration Complex funded through a bond issuance. This budget includes anticipated grant activities for a regional grant, a SAFER grant aimed at recruiting and academy costs, and the implementation of a nurse practitioner program.

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 Business Services Director of the District at 13535 N. Marana Main Street, Marana, AZ 85653.

Basic Financial Statements

NORTHWEST FIRE DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2022

	Governmental activities
Assets	
Cash and investments	$ 17,156,193
Property taxes receivable	2,646,296
Accounts receivable, net	1,294,784
Lease receivables	1,585,453
Prepaid items	106,311
Capital assets, non-depreciable	7,918,366
Capital assets, depreciable (net)	45,647,615
Net pension/OPEB assets	826,895
Total assets	77,181,913
Deferred outflows of resources	
Deferred outflows related to pensions/OPEB	19,459,574
Total deferred outflows of resources	19,459,574
Liabilities	
Accounts payable	827,808
Accrued expenses	929,178
Noncurrent liabilities:	
Due within one year:	
Compensated absences	2,000,000
Bonds and leases payable	2,729,513
Due within more than one year:	
Compensated absences	2,523,216
Bonds and leases payable	27,277,345
Net pension/OPEB liabilities	40,966,316
Total liabilities	77,253,376
Deferred inflows of resources	
Deferred inflows related to pensions/OPEB	13,606,498
Deferred inflows related to leases	1,554,767
Total deferred inflows of resources	15,161,265
Net position	
Net investment in capital assets	23,559,123
Restricted:	
Debt service	627,915
Capital projects	2,325,311
Grants	1,629,188
Unrestricted	(23,914,691)
Total net position	$ 4,226,846

See notes to financial statements.

NORTHWEST FIRE DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

	Governmental activities
Expenses:	
Public safety:	
Depreciation/amortization	$ 2,912,746
Insurance	232,975
Material and supplies	1,886,862
Payroll taxes and employee benefits	11,127,251
Professional services	1,107,757
Repairs and maintenance	1,605,086
Salaries and wages	22,126,735
Utilities and communications	1,415,482
Interest	870,690
Total program expenses	43,285,584
Program revenues:	
Charges for services	3,961,641
Operating grants and contributions	2,350,752
Total program revenues	6,312,393
Net program expense	36,973,191
General revenues:	
Property taxes	41,951,190
Fire district assistance tax	394,998
State shared tax revenue	519,789
Investment earnings	66,792
Gain on sale of capital assets	233,935
Other	145,395
Total general revenues	43,312,099
Change in net position	6,338,908
Net position, beginning of year	(2,112,062)
Net position, end of year	$ 4,226,846

See notes to financial statements.

NORTHWEST FIRE DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2022

	General	Capital improvements	Debt service	Capital reserve	Grant program	Total governmental funds
Assets:						
Cash and investments	$ 11,518,392	$ 2,757,301	$ 611,682	$ 1,152,931	$ 1,115,887	$ 17,156,193
Property taxes receivable	2,391,947	-	254,349	-	-	2,646,296
Accounts receivable, net	691,056	1,323	-	-	602,405	1,294,784
Lease receivables	-	1,585,453	-	-	-	1,585,453
Prepaid items	106,311	-	-	-	-	106,311
Total assets	$ 14,707,706	$ 4,344,077	$ 866,031	$ 1,152,931	$ 1,718,292	$ 22,789,037
Liabilities:						
Accounts payable	$ 361,128	$ 463,999	$ -	$ 2,681	$ -	$ 827,808
Accrued expenses	900,232	-	-	-	28,946	929,178
Total liabilities	1,261,360	463,999	-	2,681	28,946	1,756,986
Deferred inflows of resources:						
Unavailable revenue - property taxes	2,222,908	-	238,116	-	-	2,461,024
Unavailable revenue - ambulance	283,302	-	-	-	-	283,302
Unavailable revenue - intergovernmental	-	-	-	-	60,158	60,158
Deferred inflows related to leases	-	1,554,767	-	-	-	1,554,767
Total deferred inflows of resources	2,506,210	1,554,767	238,116	-	60,158	4,359,251
Fund balances:						
Nonspendable	106,311	-	-	-	-	106,311
Restricted	-	2,325,311	627,915	-	1,629,188	4,582,414
Assigned	2,954,844	-	-	1,150,250	-	4,105,094
Unassigned	7,878,981	-	-	-	-	7,878,981
Total fund balances	10,940,136	2,325,311	627,915	1,150,250	1,629,188	16,672,800
Total liabilities, deferred inflows of resources and fund balances	$ 14,707,706	$ 4,344,077	$ 866,031	$ 1,152,931	$ 1,718,292	$ 22,789,037

See notes to financial statements.

NORTHWEST FIRE DISTRICT

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

JUNE 30, 2022

Total fund balances - governmental funds	$	16,672,800
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		53,565,981
Some receivables are not available to pay for current period expenditures and, therefore, are reported as deferred inflows in the funds.		2,804,484
Net pension/OPEB assets held in trust for future benefits are not available for District operations and, therefore, are not reported in the funds.		826,895
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences payable		(4,523,216)
Leases payable		(256,039)
Bonds payable		(29,750,819)
Net pension/OPEB liability		(40,966,316)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, are not reported in the funds:		
Deferred outflows of resources related to pensions/OPEB		19,459,574
Deferred inflows of resources related to pensions/OPEB		(13,606,498)
Net position of governmental activities	$	4,226,846

See notes to financial statements.

NORTHWEST FIRE DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2022

	General	Capital improvements	Debt service	Capital reserve	Grant program	Total governmental funds
Revenues:						
Property taxes	$ 37,920,006	$ -	$ 3,685,647	$ -	$ -	$ 41,605,653
Fire district assistance tax	394,998	-	-	-	-	394,998
State shared tax revenue	519,789	-	-	-	-	519,789
Intergovernmental	766,703	-	-	-	1,826,238	2,592,941
Charges for services	3,833,576	119,756	-	-	-	3,953,332
Investment income	43,157	15,707	7,928	-	-	66,792
Miscellaneous	114,709	30,686	-	-	-	145,395
Total revenues	43,592,938	166,149	3,693,575	-	1,826,238	49,278,900
Expenditures:						
Public safety:						
Executive services	5,128,583	-	1,479	-	-	5,130,062
Operational services	29,785,033	14,782	-	-	1,093,700	30,893,515
Essential services	4,045,961	-	-	-	-	4,045,961
Capital outlay	418,273	9,180,986	-	1,157,243	21,502	10,778,004
Debt service:						
Principal	119,067	-	2,505,000	-	-	2,624,067
Interest	8,918	-	1,203,025	-	-	1,211,943
Total expenditures	39,505,835	9,195,768	3,709,504	1,157,243	1,115,202	54,683,552
Revenues over (under) expenditures	4,087,103	(9,029,619)	(15,929)	(1,157,243)	711,036	(5,404,652)
Other financing sources:						
Transfers in (out)	(1,700,000)	1,250,000	-	450,000	-	-
Lease agreements	131,048	-	-	-	-	131,048
Proceeds from sale of capital assets	-	1,136,272	-	-	-	1,136,272
Total other financing sources	(1,568,952)	2,386,272	-	450,000	-	1,267,320
Net change in fund balances	2,518,151	(6,643,347)	(15,929)	(707,243)	711,036	(4,137,332)
Fund balances, beginning of year	8,421,985	8,968,658	643,844	1,857,493	918,152	20,810,132
Fund balances, end of year	$ 10,940,136	$ 2,325,311	$ 627,915	$ 1,150,250	$ 1,629,188	$ 16,672,800

See notes to financial statements.

NORTHWEST FIRE DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

Net change in fund balances - governmental funds	$ (4,137,332)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:	
Capital outlay	10,778,052
Depreciation/amortization expense	(2,912,746)
In the statement of activities, only the gain/loss on the sale of capital assets is reported, whereas, in the governmental funds, the proceeds from the sale increase financial resources.	
Gain on sale of capital assets	233,935
Proceeds from sale of capital assets	(1,136,272)
Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	111,657
District pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the statement of activities.	
Pension/OPEB contributions	6,154,485
Pension/OPEB expense	(5,617,847)
Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Change in compensated absences	30,704
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the statement of net position. In the current year, the amount consists of:	
Principal paid	2,624,067
Amortization of premium	341,253
Leases issued	(131,048)
Change in net position of governmental activities	$ 6,338,908

See notes to financial statements.

NORTHWEST FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

1. Description of organization and summary of significant accounting policies:

The accounting policies of Northwest Fire District (the District) conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units as promulgated by the Governmental Accounting Standards Board (GASB).

For the year ended June 30, 2022, the District implemented the provisions of GASB Statement No. 87, Leases, as amended, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. As a result, the District's financial statements have been modified to reflect the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows of resources based on the contract payment provisions. Implementation of this standard had no impact on beginning net position or fund balances.

Reporting entity:

Northwest Fire 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 and 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.

1. Description of organization and summary of significant accounting policies (continued):

Government-wide and fund financial statements:

The basic financial statements include both government-wide financial statements and fund financial statements. The government-wide financial statements report information on all of the governmental activities of the District. Eliminating entries have been posted 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. The government-wide financial statements include a statement of net position and a statement of activities.

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 classified as program revenues, are presented as general revenues.

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, whereby all assets and liabilities are included in the statement of net position. The increases and decreases in the net position are presented in the government-wide statement of activities. These statements are reported on the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The governmental fund financial statements are accounted for using a current financial resources measurement focus, whereby only current assets and current liabilities generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balances present increases and decreases in those net current assets. These funds use the modified accrual basis of accounting whereby revenues are recorded only when susceptible to accrual (both measurable and available). “Measurable” means that the amount of the transaction can be determined. “Available” is defined as being collectible within the current period or soon enough thereafter (60 days) to be used to liquidate liabilities of the current 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.

1. Description of organization and summary of significant accounting policies (continued):

Measurement focus, basis of accounting and financial statement presentation (continued):

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.

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.

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 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.

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.

1. Description of organization and summary of significant accounting policies (continued):

Estimates:

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Management evaluates its estimates and assumptions on an ongoing basis. Actual results could differ from those estimates and assumptions.

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 these pools is the same as the value of the pool shares.

Investment income is comprised primarily of interest earnings.

Fair value measurements:

Fair value is defined as the price to sell an asset between market participants in an orderly exchange in the principal or most advantageous market for that asset. The fair value for the commingled funds and qualifying alternative investments is determined based on the investment's net asset value as a practical expedient. Considerable judgment is required in interpreting market data used to develop the estimates of fair value. Accordingly, the estimates presented in the financial statements are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and estimation methodologies may have a material effect on the estimated fair value.

Receivables:

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 June 30, 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.

1. Description of organization and summary of significant accounting policies (continued):

Receivables (continued):

Revenue from emergency medical and transportation services are recognized as charges for services. These charges for services are reported at their estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement allowances with third-party payers, provisions for bad debt and uncompensated care. The allowance for doubtful accounts, including contractual adjustments, at June 30, 2022 is approximately $506,759. Amounts not collected by the District within 60 days subsequent to June 30 are recorded as deferred inflows of resources in the fund financial statements.

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 June 30, are recorded as unavailable revenues.

All other revenues are recognized when earned.

Prepaid items:

Payments to vendors for services that will benefit future accounting periods are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital assets:

Capital assets are stated at cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the 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 expense as incurred. Major additions, improvements and replacements are capitalized. Gains or losses from sales or retirements of capital assets are included in the results of operations.

Capital assets include land and improvements, construction in progress, buildings and improvements, vehicles, equipment, and other tangible assets costing over $5,000 and that have initial useful lives extending beyond a single reporting period. Depreciation/amortization is computed on assets in service, using the straight-line method over their estimated useful lives:

Land and construction in progress	Not depreciated
Buildings and improvements	5 to 50 years
Vehicles and equipment	5 to 15 years
Hydrants	5 years
Right-to-use leased assets:	
Vehicles	5 years

1. Description of organization and summary of significant accounting policies (continued):

Capital assets (continued):

Intangible right-to-use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Deferred outflows and inflows of resources:

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has deferred outflows related to pension and OPEB. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In the government-wide financial statements, the District reports deferred amounts related to leases and deferred amounts related to pension and OPEB. In the governmental funds balance sheet, the District reports deferred amounts related to leases and unavailable revenue. The governmental funds report unavailable revenues primarily from the following sources: property taxes and charges for services. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated absences:

It is the District's policy 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 has 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, lease liabilities, and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts, are amortized over the life of the bonds using the straight-line method.

1. Description of organization and summary of significant accounting policies (continued):

Long-term debt (continued):

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

Leases:

Lessee:

The District is a lessee for various noncancelable vehicle leases**.** The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of $5,000 or more.

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

Key estimates and judgments related to leases include how the District determines the discount rate it uses to discount the expected lease payments to present value, the lease term, and the lease payments. The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor:

The District is a lessor for noncancelable leases of land and cell towers. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

1. Description of organization and summary of significant accounting policies (continued):

Leases (continued):

Lessor (continued):

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines the discount rate it uses to discount the expected lease receipts to present value, the lease term, and the lease receipts. The District uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

Postemployment benefits:

For purposes of measuring the net pension and other postemployment benefits (OPEB) liabilities or assets, 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. The plan's investments are reported at fair value.

Interfund activity:

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the statement of activities. Interfund transfers in the fund financial statements are reported as other financing sources (uses) in governmental funds.

Fund balance:

The District’s 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:

1. Description of organization and summary of significant accounting policies (continued):

Fund balance (continued):

- Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or 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.

- Restricted – The 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, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the District to assess, levy, charge, or otherwise mandates 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 formal 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 through formal action, 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. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, 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.

1. Description of organization and 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.

The table below provides detail of the major components of the District's fund balance classifications at June 30, 2022.

	General fund	Capital improvements	Debt service	Capital reserve	Grant program
Fund balances:					
Nonspendable	$ 106,311	$ -	$ -	$ -	$ -
Restricted:					
Debt service	-	-	627,915	-	-
Capital projects	-	2,325,311	-	-	-
Grant expenditures	-	-	-	-	1,629,188
Assigned:					
Medical self insurance	1,970,354	-	-	-	-
Wildland	984,490	-	-	-	-
Capital expenditures	-	-	-	1,150,250	-
Unassigned	7,878,981	-	-	-	-
	$ 10,940,136	$ 2,325,311	$ 627,915	$ 1,150,250	$ 1,629,188

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.

1. Description of organization and summary of significant accounting policies (continued):

Net position (continued):

In the government-wide fund financial statements, the District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

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, 2022, the District had expenditures in funds that exceeded the budget; however, this does not constitute a violation of any legal provisions.

2. 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, 2022:

Deposits:	
Cash on hand	$ 500
Operating accounts	4,591,227
Investments:	
Pima County Treasurer investment pool	11,952,784
Pima County Treasurer investment pool - debt service	611,682
	$ 17,156,193

2. Cash and investments (continued):

The Arizona Revised Statutes authorize the District to invest public monies in the State or County Treasurer's investment pool; interest-bearing savings accounts, certificates of deposit and repurchase agreements in eligible depositories; bonds or other obligations of the United States government that are guaranteed as to principal and interest by the United States government; and bonds of the State of Arizona's counties, cities, towns, school districts and special districts as specified by statute.

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 101 percent of all deposits not covered by federal depository insurance. At June 30, 2022, deposits with financial institutions have a book value of $4,591,227 and a bank balance of $5,059,663. The difference of $468,436 represents deposits in transit, outstanding checks, and other reconciling items at June 30, 2022. At June 30, 2022, the entire bank balance was insured or covered by collateral held by the pledging financial institution in the District's name.

Investments:

Currently, monies levied by the District are invested with the Pima County Treasurer's Office and included in the Local Government Investment Pool (LGIP). The District's investment in the County's LGIP represents a proportionate interest in the pool's portfolio; however, the District's portion is not identified with specific investments. No oversight is provided for the Pima County investment pool, nor does the structure of the pool provide for shares. Participation in the pool is involuntary.

The District's investments at June 30, 2022 were as follows:

	Rating	Rating agency	Average maturities	Amount
Local Government investment pools	Unrated	Not applicable	270 days	$ 12,564,466

The fair value of the investment pool is discussed in note 3.

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

2. Cash and investments (continued):

Investments (continued):

Credit risk - The Arizona Revised Statutes have the following requirements for credit risk:

- Commercial Paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency.
- Specified bonds, debentures and notes must be rated A or better at the time of purchase by at least two nationally recognized rating agencies.
- 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 these services rates the security, it must carry the highest rating of that service.

Custodial credit risk - the District's investment in the County Treasurer's investment pool 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 - The Arizona Revised Statutes do not include any requirements for concentration of credit risk.

Interest rate risk - Interest rate risk is the risk that changes in interest rates will adversely affect an investment's fair value. The Arizona Revised Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years. Investments in repurchase agreements must have a maximum maturity of 180 days.

Foreign currency risk - The Arizona Revised Statutes do not allow foreign investments unless the investment is denominated in the United States dollars.

3. Fair value:

The District measures and categorizes its investments using fair value measurement guidelines established by GAAP. These guidelines establish a three-tier hierarchy of inputs to valuation techniques used to measure fair value, as follows:

Level 1 - Inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 - Inputs, other than quoted market prices included within Level 1, are observable, either directly or indirectly.

Level 3 - Inputs are unobservable and significant to the fair value measurement.

3. Fair value (continued):

Other investments at fair value - Investments for which fair value is measured at net asset value per share (or its equivalent). Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed.

At June 30, 2022, the fair value of investments measured on a recurring basis is as follows:

	Fair value	Other investments at fair value	Level 1	Level 2	Level 3
External investment pools:					
Pima County Treasurer	$ 12,564,466	$ 12,564,466	$ -	$ -	$ -

The fair value of a participant's portion in the Pima County Treasurer's investment pool approximates the value of that participant's pool shares and the participant's shares are not identified with specific investments. The investment pools are not registered with the Securities and Exchange Commission as an investment company and there is no regulatory oversight of their operations. There are no unfunded commitments or redemption restrictions related to these investments.

The Pima County Treasurer's investment pool invests primarily in the State Treasurer's Local Government Investment Pool, corporate bonds, U.S. Treasury notes, and agency bonds.

4. Lease receivables:

The District leases land and cell towers to third parties under the provisions of various lease agreements. During the fiscal year ended June 30, 2022, the District recognized total lease-related revenues of $98,910.

5. Capital assets:

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning balance (restated)	Increases	Decreases	Ending balance
Capital assets, not depreciated:				
Land and improvements	$ 7,339,099	$ -	$ (220,730)	$ 7,118,369
Construction in progress	3,015,658	7,459,350	(10,475,008)	-
Vehicles not yet in service	-	799,997	-	799,997
Total capital assets, not depreciated	10,354,757	8,259,347	(10,695,738)	7,918,366
Capital assets, depreciated:				
Buildings and improvements	50,130,542	10,475,008	(863,344)	59,742,206
Equipment	7,918,283	2,354,590	(352,376)	9,920,497
Vehicles	16,111,132	27,303	(475,395)	15,663,040
Hydrants	230,199	5,716	-	235,915
Right-to-use leased vehicles	244,058	131,048	-	375,106
Total capital assets, depreciated	74,634,214	12,993,665	(1,691,115)	85,936,764
Less accumulated depreciation for:				
Buildings and improvements	(17,885,478)	(1,667,339)	243,216	(19,309,601)
Equipment	(6,926,091)	(470,659)	290,897	(7,105,853)
Vehicles	(13,361,120)	(642,763)	475,395	(13,528,488)
Hydrants	(213,222)	(10,324)	-	(223,546)
Less accumulated amortization for leased assets	-	(121,661)	-	(121,661)
Total accumulated depreciation and amortization	(38,385,911)	(2,912,746)	1,009,508	(40,289,149)
Total capital assets, depreciated, net	36,248,303	10,080,919	(681,607)	45,647,615
Total capital assets, net	$ 46,603,060	$ 18,340,266	$ (11,377,345)	$ 53,565,981

6. Changes in noncurrent liabilities:

A summary of the changes in noncurrent liabilities for the year ended June 30, 2022 was as follows:

	Beginning balance (restated)	Additions	Reductions	Ending balance	Due within one year
Bonds payable:					
Series 2014 Refunding Bonds	$ 2,890,000	$ -	$ (925,000)	$ 1,965,000	$ 965,000
Series 2016 Refunding Bonds	5,205,000	-	(765,000)	4,440,000	785,000
Series 2017 GO Bonds	11,820,000	-	(100,000)	11,720,000	100,000
Series 2019 GO Bonds	4,180,000	-	(170,000)	4,010,000	175,000
Series 2020 Refunding Bonds	5,430,000	-	(545,000)	4,885,000	585,000
Unamortized premium	3,072,072	-	(341,253)	2,730,819	-
Total bonds payable	32,597,072	-	(2,846,253)	29,750,819	2,610,000
Leases payable	244,058	131,048	(119,067)	256,039	119,513
Net pension liability	54,107,575	-	(13,146,442)	40,961,133	-
Net OPEB liability	119,197	-	(114,014)	5,183	-
Compensated absences payable	4,553,919	2,279,648	(2,310,351)	4,523,216	2,000,000
	$ 91,621,821	$ 2,410,696	$ (18,536,127)	$ 75,496,390	$ 4,729,513

The general fund has typically been used to liquidate the liability for pensions/OPEB in prior years.

7. General obligation bonds:

General obligation bonds are direct obligations and pledge the full faith and credit of the District.

Series 2014, Series 2016 and Series 2020:

The District has outstanding general obligation bonds payable from the issuance of $8,215,000 of refunding bonds dated December 2, 2014 with interest rates ranging from 2% to 4%, $8,300,000 of refunding bonds dated June 9, 2016 with interest rates ranging from 2% to 4%, and $6,575,000 of refunding bonds dated April 16, 2020 with an interest rate of 4%.

7. General obligation bonds (continued):

Series 2017 and Series 2019:

The District, pursuant to a special bond election, received voter approval to issue up to $23,610,000 in general obligation debt to finance various capital improvements. The Series 2017 General Obligation Bonds were issued by the District in the amount of $12,780,000. The interest rate ranges from 2% - 5% and the bonds mature July 1, 2036. The Series 2019 General Obligation Bonds were issued by the District in the amount of $5,000,000. The interest rate ranges from 3% - 4% and the bonds mature July 1, 2030.

Principal and interest on all long-term debt is paid semi-annually. The bonds are repaid from general fund secondary property taxes and used to fund construction projects, purchase capital equipment and fire apparatus. The various bonds were issued with a premium that is being amortized over the life of the respective debt.

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

Year ending June 30,	Principal	Interest	Total
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	2,345,000	823,275	3,168,275
2027	2,405,000	729,625	3,134,625
2028 - 2032	8,240,000	2,479,475	10,719,475
2033 - 2037	6,375,000	736,500	7,111,500
	$ 27,020,000	$ 7,819,025	$ 34,839,025

8. Leases payable:

The District has acquired vehicles under the provisions of various lease agreements. At June 30, 2022, the total amount of lease assets and the related accumulated amortization are as follows:

Total right-to-use lease assets	$ 375,106
Less accumulated amortization	121,661
Carrying value	$ 253,445

8. Leases payable (continued):

The following schedule details minimum lease payments to maturity for the District's lease payable at June 30, 2022.

Year ending June 30,	Principal	Interest	Total
2023	$ 119,513	$ 9,035	$ 128,548
2024	54,901	4,914	59,815
2025	42,001	2,919	44,920
2026	24,153	1,385	25,538
2027	15,471	396	15,867
	$ 256,039	$ 18,649	$ 274,688

9. Transfers:

Interfund transfer activity for the year ended June 30, 2022 is as follows:

	Transfers in	Transfers out
General	$ -	$ 1,700,000
Capital improvements	1,700,000	450,000
Capital reserve	450,000	-
	$ 2,150,000	$ 2,150,000

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.

10. 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.

10. Risk management (continued):

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. All claims handling procedures are performed by a third-party claims administrator. Reported unpaid claims, have been accrued as a liability based upon monthly claims summary reports. These claims are expected to be fully paid within one year of the financial statement date.

11. Commitments and contingencies:

Intergovernmental agreements:

The District is party to a variety of intergovernmental agreements entered into in the ordinary course of business pursuant to which it may be obligated to provide services outside of its geographic boundaries and/or receive assistance from other parties. As part of these agreements, the District is obligated to indemnify other parties for certain liabilities that arise out of, or relate to, the subject matter of the agreements.

Legal:

From time to time, the District may be party to certain pending or threatened lawsuits arising out of or incident to the ordinary course of business for which it carries general liability and other insurance coverages. In the opinion of management and based upon consultation with legal counsel, resolution of any pending or threatened lawsuits will not have a material adverse effect on the District's financial statements.

12. Pension and other postemployment benefits:

The District contributes to the Arizona State Retirement System (ASRS) and the Public Safety Personnel Retirement System (PSPRS). These plans are component units of the State of Arizona.

At June 30, 2022, the District reported on the Statement Net Position and Statement of Activities the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

12. Pension and other postemployment benefits (continued):

	Net pension/ OPEB liability	Net pension/ OPEB asset	Deferred outflows of resources	Deferred inflows of resources	Pension/ OPEB expense
Pension plans:					
ASRS	$ 3,299,799	$ -	$ 1,069,902	$ 1,045,348	$ 506,301
PSPRS - Tier 1 & 2	37,661,334	-	17,527,667	11,578,806	5,097,308
PSPRS - Tier 3 Risk Pool	-	(196,070)	760,975	131,421	108,730
OPEB plans:					
ASRS - health insurance premium benefit	-	(122,533)	12,869	93,442	(14,289)
ASRS - long-term disability	5,183	-	10,754	11,021	4,416
PSPRS - Tier 1 & 2	-	(486,409)	74,155	740,497	(76,435)
PSPRS - Tier 3 Risk Pool	-	(21,883)	3,252	5,963	(8,184)
	$ 40,966,316	$ (826,895)	$ 19,459,574	$ 13,606,498	$ 5,617,847

The District's accrued payroll and related benefits includes approximately $211,000 of outstanding pension and OPEB contribution amounts payable to the plan for the year ended June 30, 2022.

The District reported $6,154,485 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

Arizona State Retirement System (ASRS):

Plan description - District employees not covered by the other pension plan described below 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 its website at www.azasrs.gov.

Although an ASRS net OPEB asset/liability has been recorded at June 30, 2022, the ASRS OPEB plans have not been further disclosed due to the relative insignificance to the District's financial statements.

12. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

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

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

* with actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013 are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013 are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the retirement 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.

Contributions - In accordance with State statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2022, statute required active ASRS members to contribute at the actuarially determined rate of 12.41% (12.22% for retirement and 0.19% for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.41% (12.01% for retirement, 0.21% for health insurance premium benefit, and 0.19% for long-term disability) of the active members' annual covered payroll.

The District's contributions to the pension plan for the year ended June 30, 2022 were $388,565. During fiscal year 2022, the District paid for the ASRS pension contributions from the general fund.

12. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

Pension liability - At June 30, 2022, the District reported a liability of $3,299,799 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2020, to the measurement date of June 30, 2021. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5% to 7.0% and changing the projected salary increases from 2.7–7.2% to 2.9–8.4%.

The District's proportion of the net pension 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, 2021. The District's proportion measured as of June 30, 2021 was 0.02511%, which was an increase of 0.00064 from its proportion measured as of June 30, 2020.

Pension expense and deferred outflows/inflows of resources - For the year ended June 30, 2022, the District recognized pension expense for ASRS of $506,301. At June 30, 2022, the District 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	$ 50,295	$ -
Changes in assumptions or other inputs	429,436	-
Net difference between projected and actual earnings on pension plan investments	-	1,045,348
Changes in proportion and differences between employer contributions and proportionate share of contributions	201,606	-
Contributions subsequent to the measurement date	388,565	-
	$ 1,069,902	$ 1,045,348

The $388,565 reported as deferred outflows of resources related to ASRS pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

12. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

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,	
2023	$ 184,182
2024	42,488
2025	(230,446)
2026	(360,235)
	$ (364,011)

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

Actuarial valuation date	June 30, 2020
Actuarial roll forward date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9% - 8.4%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP

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

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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.

12. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

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
Equity	50 %	4.90 %
Fixed income - credit	20 %	5.20 %
Fixed income - interest rate sensitive	10 %	0.70 %
Real estate	20 %	5.70 %
	100 %	

Discount rate - At June 30, 2021, the discount rate used to measure the ASRS total pension liability was 7.0%, which was a decrease of 0.5 from the discount rate used as of June 30, 2020. 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 pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% decrease (6.0%)	Current discount rate (7.0%)	1% increase (8.0%)
District's proportionate share of the net pension liability	$ 5,189,589	$ 3,299,799	$ 1,723,400

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

12. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS):

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

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

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

	Initial membership date:		
	Tier 1	Tier 2	Tier 3
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017	On or after 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	15 years of credited service, age 52.5*; 15 or more years of service, age 55
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years	Highest 60 consecutive months of last 15 years
Benefit percent:			
Normal retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%	

12. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

	Initial membership date:		
	Tier 1	Tier 2	Tier 3
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017	On or after July 1, 2017
Accidental disability retirement	50% or normal retirement, whichever is greater		
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater		
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20		
Survivor benefit:			
Retired members	80% to 100% of retired member's pension benefit		
Active member	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job		

* with actuarially reduced benefits

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

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

12. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

Employees covered by benefit terms - At June 30, 2022, the following employees were covered by the agent plans' benefit terms:

	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	58	58
Inactive employees entitled to but not yet receiving benefits	27	17
Active employees	155	155
	240	230

Contributions - State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with State statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates are a percentage of active members' annual covered payroll. Contribution rates for the year ended June 30, 2022 are indicated below:

	Tier 1 & 2	Tier 3
Active members - pension	7.65% - 11.65%	9.94 %
District:		
Pension	37.05 %	9.81 %
Health insurance	0.39 %	0.13 %
Legacy cost - Tiers 1 & 2 unfunded liabilities	- %	23.10 %

In addition, the District is required to contribute at the actuarially determined rate of 23.10% of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the PSPRS would typically fill and of employees participating in the PSPRS Tier 3 Risk Pool and PSPDCRP members in addition to the District's required contributions to the PSPRS Tier 3 Risk Pool and PSPDCRP.

The District's contributions to the pension and OPEB plans for the year ended June 30, 2022 were:

	Tier 1 & 2	Tier 3
Pension	$ 5,381,300	$ 315,034
Health insurance	56,645	-

12. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

The District's pension and OPEB contributions are paid by the same funds as the employee's salary, with the largest component coming from the general fund.

PSPRS agent multiple employer plans (Tier 1 & 2):

Liability - At June 30, 2022, the District reported net pension liability of $37,661,334 and a net OPEB liability (asset) of $(486,409). The net assets and net liabilities were measured as of June 30, 2021, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

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

Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
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-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.3% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

12. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

PSPRS agent multiple employer plans (Tier 1 & 2) (continued):

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected geometric real rate of return
U.S. public equity	24 %	4.08 %
International public equity	16 %	5.20 %
Global private equity	20 %	7.67 %
Other assets (capital appreciation)	7 %	5.43 %
Core bonds	2 %	0.42 %
Private credit	20 %	5.74 %
Diversifying strategies	10 %	3.99 %
Cash - Mellon	1 %	(0.31)%
	100 %	

Discount rate - At June 30, 2021, the discount rate used to measure the total pension/OPEB liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate 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.

12. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

PSPRS agent multiple employer plans (Tier 1 & 2) (continued):

Changes in the net pension liability -

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) - (b)
Balances at June 30, 2021	$ 126,210,278	$ 76,348,902	$ 49,861,376
Changes for the year:			
Service cost	3,149,980	-	3,149,980
Interest on the total pension liability	9,286,166	-	9,286,166
Differences between expected and actual experience in the measurement of the pension liability	3,712,160	-	3,712,160
Contributions - employer	-	5,320,793	(5,320,793)
Contributions - employee	-	1,322,037	(1,322,037)
Net investment income	-	21,807,369	(21,807,369)
Benefit payments, including refunds of employee contributions	(4,305,017)	(4,305,017)	-
Administrative expense	-	(101,851)	101,851
Net changes	11,843,289	24,043,331	(12,200,042)
Balances at June 30, 2022	$ 138,053,567	$ 100,392,233	$ 37,661,334

12. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

PSPRS agent multiple employer plans (Tier 1 & 2) (continued):

Changes in the net OPEB liability -

	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB liability (asset) (a) - (b)
Balances at June 30, 2021	$ 2,205,759	$ 2,105,125	$ 100,634
Changes for the year:			
Service cost	64,891	-	64,891
Interest on the total OPEB liability	163,901	-	163,901
Differences between expected and actual experience in the measurement of the OPEB liability	(174,096)	-	(174,096)
Contributions - employer	-	69,080	(69,080)
Net investment income	-	575,023	(575,023)
Benefit payments, including refunds of employee contributions	(50,864)	(50,864)	-
Administrative expense	-	(2,364)	2,364
Net changes	3,832	590,875	(587,043)
Balances at June 30, 2022	$ 2,209,591	$ 2,696,000	$ (486,409)

Sensitivity of the District's net pension/OPEB (asset) liability to changes in the discount rate - The following table presents the District's net pension/OPEB (assets) liabilities calculated using the discount rate of 7.3%, as well as what the District's net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.3%) or 1 percentage point higher (8.3%) than the current rate:

	1% decrease (6.3%)	Current discount rate (7.3%)	1% increase (8.3%)
District's net pension liability	$ 59,386,496	$ 37,661,334	$ 20,154,250
District's net OPEB (asset) liability	$ (212,854)	$ (486,409)	$ (715,861)

12. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

PSPRS agent multiple employer plans (Tier 1 & 2) (continued):

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

Expense - For the year ended June 30, 2022, the District recognized the following as pension and OPEB expense:

	Expense
Pension	$ 5,097,308
Health insurance	(76,435)

Deferred outflows/inflows of resources - At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 8,243,992	$ 1,948,601	$ -	$ 446,589
Changes in assumptions	3,902,375	-	17,510	50,055
Net difference between projected and actual earnings on plan investments	-	9,630,205	-	243,853
Contributions subsequent to the measurement date	5,381,300	-	56,645	-
	$ 17,527,667	$ 11,578,806	$ 74,155	$ 740,497

12. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

PSPRS agent multiple employer plans (Tier 1 & 2) (continued):

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ending June 30, 2023. 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	Health
2023	$ 141,612	$ (143,186)
2024	20,904	(144,822)
2025	(526,570)	(152,545)
2026	(1,886,154)	(171,453)
2027	1,496,654	(72,139)
Thereafter	1,321,115	(38,842)
	$ 567,561	$ (722,987)

PSPRS cost-sharing multiple-employer plans (Tier 3 Risk Pool):

Pension and OPEB assets/liabilities - At June 30, 2022, the District reported the following asset and liabilities for its proportionate share of the PSPRS Tier 3 Risk Pool net pension/OPEB asset or liability.

	Net pension/OPEB (asset) liability
Pension	$ (196,070)
Health insurance premium benefit	(21,883)

12. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

PSPRS cost-sharing multiple-employer plans (Tier 3 Risk Pool) (continued):

The net asset and net liabilities were measured as of June 30, 2021. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2020, to the measurement date of June 30, 2021. The District's proportion of the net asset or net liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The District's proportion measured as of June 30, 2021, and the change in proportions measured as of June 30, 2020, were:

	Proportion	Increase (decrease)
Pension	2.11768 %	(0.01891)
Health insurance premium benefit	2.25546 %	0.00304

Pension/OPEB expense - For the year ended June 30, 2022, the District recognized pension and OPEB expense (income) for PSPRS Tier 3 Risk Pool as follows:

	Expense
Pension	$ 108,730
Health insurance premium benefit	(8,184)

12. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

PSPRS cost-sharing multiple-employer plans (Tier 3 Risk Pool) (continued):

Deferred outflows/inflows of resources - At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 358,276	$ -	$ 668	$ 974
Net difference between projected and actual earnings on pension plan investments	-	131,421	-	4,972
Changes in assumptions	1,519	-	-	7
Changes in proportion and differences between employer contributions and proportionate share of contributions	86,146	-	2,584	10
Contributions subsequent to the measurement date	315,034	-	-	-
	$ 760,975	$ 131,421	$ 3,252	$ 5,963

12. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

PSPRS cost-sharing multiple-employer plans (Tier 3 Risk Pool) (continued):

The amounts reported as deferred outflows of resources related to PSPRS Tier 3 Risk Pool pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase of the net asset and a reduction of the net liability in the year ending June 30, 2023. 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	Health
2023	$ 7,110	$ (1,046)
2024	7,106	(1,046)
2025	7,344	(1,030)
2026	4,342	(1,145)
2027	39,331	176
Thereafter	249,287	1,380
	$ 314,520	$ (2,711)

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

Valuation (measurement) date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	3.5% - 7.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Future benefit increases	1.75% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables

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

The long-term expected rate of return on PSPRS Tier 3 Risk Pool pension plan investments was determined to be 7% 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.

12. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

PSPRS cost-sharing multiple-employer plans (Tier 3 Risk Pool) (continued):

The target allocation and best estimates of geometric real rates of return for each major asset class are consistent with the allocations disclosed for the PSPRS agent multiple-employer plans (Tier 1 & 2).

Discount rate - The discount rate used to measure the PSPRS Tier 3 Risk Pool total pension/OPEB liability was 7.0%. 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 those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the District's proportionate share of the PSPRS Tier 3 Risk Pool net pension/OPEB (asset) liability to changes in the discount rate - The following table presents the District's proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.0%, as well as what the District's proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% decrease (6.0%)	Current discount rate (7.0%)	1% increase (8.0%)
Net pension liability (asset)	$ 55,212	$ (196,070)	$ (383,079)
Net health insurance premium liability (asset)	$ (18,163)	$ (21,883)	$ (24,806)

PSPDCRP plan:

District employees who are regularly assigned hazardous duty and are not 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 A.R.S. Title 38, Chapter 5, Article 4.1. Benefit terms, including contribution requirements, are established by State statute.

For the year ended June 30, 2022, active PSPDCRP members were required by statute to contribute at least 9 percent of the members' annual covered payroll, and the District was required 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 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2022

	Budgeted amounts			Variance with final budget positive
	Original	Final	Actual	(negative)
Revenues:				
Property taxes	$ 37,803,012	$ 37,803,012	$ 37,920,006	$ 116,994
Fire district assistance tax	390,000	390,000	394,998	4,998
State shared tax revenue	-	-	519,789	519,789
Intergovernmental	1,067,218	1,067,218	766,703	(300,515)
Charges for services	3,150,602	3,150,602	3,833,576	682,974
Investment income	90,000	90,000	43,157	(46,843)
Miscellaneous	-	-	114,709	114,709
Total revenues	42,500,832	42,500,832	43,592,938	1,092,106
Expenditures:				
Public safety:				
Executive services	6,170,363	5,650,999	5,128,583	522,416
Operational services	30,067,216	30,545,059	29,785,033	760,026
Essential services	4,530,253	4,394,166	4,045,961	348,205
Capital outlay	33,000	210,608	418,273	(207,665)
Debt service:				
Principal	-	-	119,067	(119,067)
Interest	-	-	8,918	(8,918)
Contingency	6,670,000	6,670,000	-	6,670,000
Total expenditures	47,470,832	47,470,832	39,505,835	7,964,997
Revenues over (under) expenditures	(4,970,000)	(4,970,000)	4,087,103	9,057,103
Other financing sources (uses):				
Transfers out	(1,700,000)	(1,700,000)	(1,700,000)	-
Lease agreements	-	-	131,048	131,048
Total other financing uses	(1,700,000)	(1,700,000)	(1,568,952)	131,048
Change in fund balance	(6,670,000)	(6,670,000)	2,518,151	9,188,151
Fund balance, beginning of year	6,670,000	6,670,000	8,421,985	1,751,985
Fund balance, end of year	$ -	$ -	$ 10,940,136	$ 10,940,136

See accompanying notes to required supplementary information.

NORTHWEST FIRE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - COST SHARING PLAN (ASRS)

YEAR ENDED JUNE 30, 2022
(schedule to be built prospectively from 2015; 2014 - 2013 information not available)

Reporting date (Measurement date)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	2013 (2012)
District's proportion of the net pension liability	0.025 %	0.024 %	0.022 %	0.021 %	0.024 %	0.024 %	0.024 %	0.024 %	- %	- %
District's proportionate share of the net pension liability	$ 3,299,799	$ 4,239,799	$ 3,135,776	$ 2,960,838	$ 3,667,073	$ 3,838,331	$ 3,712,840	$ 3,536,641	$ -	$ -
District's covered payroll	$ 2,884,609	$ 2,068,738	$ 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 as a percentage of its covered payroll	114 %	205 %	141 %	142 %	158 %	172 %	169 %	171 %	- %	- %
Plan fiduciary net position as a percentage of total pension liability	79 %	69 %	73 %	73 %	70 %	67 %	68 %	69 %	- %	- %

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

NORTHWEST FIRE DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - AGENT RETIREMENT PLAN (PSPRS)

YEAR ENDED JUNE 30, 2022
(schedule to be built prospectively from 2015; 2014 - 2013 information not available)

Reporting date (Measurement date)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	2013 (2012)
Total pension liability										
Service cost	$ 3,149,980	$ 3,010,578	$ 3,077,709	$ 3,094,619	$ 3,472,275	$ 2,811,831	$ 2,617,288	$ 2,668,263	$ -	$ -
Interest	9,286,166	8,291,398	7,736,963	7,168,188	6,536,478	5,383,157	4,955,203	4,439,431	-	-
Benefit changes	-	6,326,444	-	-	636,888	7,594,973	-	358,350	-	-
Difference between expected and actual experience	3,712,160	-	(977,728)	(1,610,172)	(265,508)	1,076,494	(285,514)	(2,412,025)	-	-
Assumption changes	-	-	2,621,935	1	1,907,557	3,546,513	-	3,348,983	-	-
Benefit payments, including refunds of employee contributions	(4,305,017)	(3,976,709)	(2,752,321)	(2,241,459)	(2,527,515)	(1,803,276)	(2,061,936)	(1,552,405)	-	-
Net change in total pension liability	11,843,289	13,651,711	9,706,558	6,411,177	9,760,175	18,609,692	5,225,041	6,850,597	-	-
Total pension liability, beginning	126,210,278	112,558,567	102,852,009	96,440,832	86,680,657	68,070,965	62,845,924	55,995,327	-	-
Total pension liability, ending (a)	$ 138,053,567	$ 126,210,278	$ 112,558,567	$ 102,852,009	$ 96,440,832	$ 86,680,657	$ 68,070,965	$ 62,845,924	$ -	$ -
Plan fiduciary net position										
Contributions - employer	$ 5,320,793	$ 4,836,950	$ 4,493,956	$ 4,812,301	$ 3,100,361	$ 3,036,705	$ 2,398,854	$ 2,246,073	$ -	$ -
Contributions - employee	1,322,037	1,271,261	1,031,068	1,318,032	1,789,724	1,741,594	1,637,449	1,429,528	-	-
Pension plan net investment income	21,807,369	951,390	3,688,346	4,277,334	6,285,132	290,856	1,691,663	5,314,867	-	-
Benefit payments, including refunds of employee contributions	(4,305,017)	(3,976,709)	(2,752,321)	(2,241,459)	(2,527,515)	(1,803,276)	(2,061,936)	(1,552,405)	-	-
Administrative expense	(101,851)	(77,580)	(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 fiduciary net position	24,043,331	3,005,312	6,486,687	5,746,547	8,626,828	3,667,796	3,560,730	7,521,940	-	-
Plan fiduciary net position, beginning	76,348,902	73,343,586	66,890,443	61,143,896	52,517,068	48,849,272	45,288,542	37,766,602	-	-
Adjustment to beginning of year	-	4	(33,544)	-	-	-	-	-	-	-
Plan fiduciary net position, ending (b)	$ 100,392,233	$ 76,348,902	$ 73,343,586	$ 66,890,443	$ 61,143,896	$ 52,517,068	$ 48,849,272	$ 45,288,542	$ -	$ -
Net pension liability (asset), ending (a) - (b)	$ 37,661,334	$ 49,861,376	$ 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 total pension liability	72.72 %	60.49 %	65.16 %	65.04 %	63.40 %	60.59 %	71.76 %	72.06 %	- %	- %
Covered valuation payroll	$ 14,388,032	$ 13,993,746	$ 13,530,659	$ 13,699,065	$ 14,832,442	$ 14,382,769	$ 13,502,977	$ 13,421,021	$ -	$ -
Net pension liability as a percentage of covered valuation payroll	261.75 %	356.31 %	289.82 %	262.51 %	237.97 %	237.53 %	142.35 %	130.82 %	- %	- %

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

NORTHWEST FIRE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - COST SHARING PLAN (PSPRS TIER 3 RISK POOL)

YEAR ENDED JUNE 30, 2022
(schedule to be built prospectively from 2019; 2018 - 2013 information not available)

PSPRS Tier 3 Risk Pool - Pension

Reporting date (Measurement date)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	2013 (2012)
District's proportion of the net pension liability	2.118 %	2.137 %	3.028 %	6.998 %	- %	- %	- %	- %	- %	- %
District's proportionate share of the net pension liability (asset)	$ (196,070)	$ 6,400	$ (43,482)	$ 13,794	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 1,572,909	$ 1,233,872	$ 1,233,872	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's proportionate share of the net pension liability as a percentage of its covered payroll	(12.5)%	0.5 %	(3.5)%	DIV/0 %	- %	- %	- %	- %	- %	- %
Plan fiduciary net position as a percentage of total pension liability	122 %	99 %	118 %	89 %	- %	- %	- %	- %	- %	- %

See accompanying notes to required supplementary information.

NORTHWEST FIRE DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

YEAR ENDED JUNE 30, 2022
(schedule to be built prospectively from 2015; 2014 - 2013 information not available)

ASRS - Pension

Reporting fiscal year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	$ 388,565	$ 331,324	$ 248,970	$ 242,284	$ 249,848	$ 247,527	$ 230,010	$ 254,111	$ -	$ -
Contributions in relation to the contractually required contribution	388,565	331,324	248,970	242,284	249,848	247,527	230,010	254,111	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 3,309,541	$ 2,884,609	$ 2,068,738	$ 2,202,819	$ 2,233,032	$ 2,317,699	$ 2,080,148	$ 2,219,310	$ -	$ -
Contributions as a percentage of covered payroll	11.74 %	11.49 %	12.03 %	11.00 %	11.19 %	10.68 %	11.06 %	11.45 %	- %	- %

PSPRS - Pension

Reporting fiscal year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	$ 5,381,300	$ 5,167,322	$ 4,493,956	$ 4,812,301	$ 3,100,361	$ 3,036,705	$ 2,398,854	$ 2,246,073	$ -	$ -
Contributions in relation to the actuarially determined contribution	5,381,300	5,167,322	4,493,956	4,812,301	3,100,361	3,036,705	2,398,854	2,246,073	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 16,203,810	$ 14,388,032	$ 13,993,746	$ 13,530,659	$ 13,699,065	$ 14,832,442	$ 14,382,769	$ 13,502,977	$ -	$ -
Contributions as a percentage of covered payroll	33.21 %	31.21 %	32.11 %	35.57 %	22.63 %	20.47 %	16.68 %	16.63 %	- %	- %

PSPRS Tier 3 Risk Pool - Pension

Reporting fiscal year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	$ 315,034	$ 142,191	$ 111,542	$ 55,160	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	315,034	142,191	111,542	55,160	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 3,484,889	$ 1,572,909	$ 1,233,872	$ 610,177	$ -	$ -	$ -	$ -	$ -	$ -
Contributions as a percentage of covered payroll	9.04 %	9.04 %	9.04 %	9.04 %	- %	- %	- %	- %	- %	- %

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

NORTHWEST FIRE DISTRICT

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS - AGENT RETIREMENT PLAN (PSPRS)

YEAR ENDED JUNE 30, 2022
(schedule to be built prospectively from 2018; 2017 - 2013 information not available)

Reporting date (Measurement date)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	2013 (2012)
Total OPEB liability										
Service cost	$ 64,891	$ 65,675	$ 42,467	$ 42,467	$ 45,981	$ -	$ -	$ -	$ -	$ -
Interest on total OPEB liability	163,901	162,111	166,167	158,601	160,815	-	-	-	-	-
Benefit changes	-	-	-	-	2,012	-	-	-	-	-
Difference between expected and actual experience	(174,096)	(111,771)	(252,562)	(69,333)	(43,536)	-	-	-	-	-
Assumption changes	-	-	28,018	-	(118,400)	-	-	-	-	-
Benefit payments	(50,864)	(70,533)	(53,701)	(47,750)	(44,355)	-	-	-	-	-
Net change in total OPEB liability	3,832	45,482	(69,611)	83,985	2,517	-	-	-	-	-
Total OPEB liability, beginning	2,205,759	2,160,277	2,229,888	2,145,903	2,143,386	-	-	-	-	-
Total OPEB liability, ending (a)	$ 2,209,591	$ 2,205,759	$ 2,160,277	$ 2,229,888	$ 2,145,903	$ -	$ -	$ -	$ -	$ -
Plan fiduciary net position										
Contributions - employer	$ 69,080	$ 59,796	$ 57,265	$ 37,905	$ 57,048	$ -	$ -	$ -	$ -	$ -
Contributions - employee	-	-	-	-	-	-	-	-	-	-
Net investment income	575,023	26,101	105,806	127,209	192,595	-	-	-	-	-
Benefit payments	(50,864)	(70,533)	(53,701)	(47,750)	(44,355)	-	-	-	-	-
Administrative expenses	(2,364)	(2,123)	(1,826)	(1,936)	(1,705)	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net change in fiduciary net position	590,875	13,241	107,544	115,428	203,583	-	-	-	-	-
Plan fiduciary net position, beginning	2,105,125	2,091,884	1,950,795	1,835,367	1,631,784	-	-	-	-	-
Adjustment to beginning of year	-	-	33,545	-	-	-	-	-	-	-
Plan fiduciary net position, ending (b)	$ 2,696,000	$ 2,105,125	$ 2,091,884	$ 1,950,795	$ 1,835,367	$ -	$ -	$ -	$ -	$ -
Net OPEB liability (asset), ending (a) - (b)	$ (486,409)	$ 100,634	$ 68,393	$ 279,093	$ 310,536	$ -	$ -	$ -	$ -	$ -
Plan fiduciary net position as a percentage of total OPEB liability	122.01 %	95.44 %	96.83 %	87.48 %	85.53 %	- %	- %	- %	- %	- %
Covered valuation payroll	$ 14,388,032	$ 13,993,746	$ 13,530,659	$ 13,699,065	$ 14,832,442	$ -	$ -	$ -	$ -	$ -
Net OPEB liability as a percentage of covered valuation payroll	(3.38)%	0.72 %	0.51 %	2.04 %	2.09 %	- %	- %	- %	- %	- %

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

NORTHWEST FIRE DISTRICT

SCHEDULE OF OPEB CONTRIBUTIONS

YEAR ENDED JUNE 30, 2022
(schedule to be built prospectively from 2018; 2017 - 2013 information not available)

PSPRS Health insurance premium benefit

Reporting date (Measurement date)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	2013 (2012)
Actuarially determined contribution	$ 56,645	$ 72,888	$ 67,167	$ 57,265	$ 37,905	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the actuarially determined contribution	56,645	72,888	67,167	57,265	37,905	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 16,203,810	$ 14,388,032	$ 13,993,746	$ 13,530,659	$ 13,699,065	$ -	$ -	$ -	$ -	$ -
Contributions as a percentage of covered payroll	0.35 %	0.51 %	0.48 %	0.42 %	0.28 %	- %	- %	- %	- %	- %

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

NORTHWEST FIRE DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2022

1. Budgetary basis of accounting:

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

2. Pension and OPEB plan schedules:

Actuarially determined contribution rates:

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 2020 actuarial valuation	16 years
Asset valuation method	7-year smoothed market; 80%/120% corridor
Actuarial assumptions:	
Investment rate of return	In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Salary increase	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0% - 8.0% to 3.5% - 7.5%. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5% – 8.5% to 4.0% – 8.0%. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0% – 9.0% to 4.5% – 8.5%.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5%. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0%. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5%.

2. Pension and OPEB plan schedules (continued):

Actuarially determined contribution rates (continued):

Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females).

Factors that affect trends:

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

Other Supplementary Information

NORTHWEST FIRE DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - CAPITAL IMPROVEMENTS FUND

YEAR ENDED JUNE 30, 2022

	Budgeted amounts Original & Final	Actual	Variance with final budget positive (negative)
Revenues:			
Charges for services	$ 101,000	$ 119,756	$ 18,756
Investment income	59,265	15,707	(43,558)
Miscellaneous	-	30,686	30,686
Total revenues	160,265	166,149	5,884
Expenditures:			
Public safety:			
Operational services	-	14,782	(14,782)
Capital outlay	11,662,865	9,180,986	2,481,879
Contingency	1,600,400	-	1,600,400
Total expenditures	13,263,265	9,195,768	4,067,497
Revenues over (under) expenditures	(13,103,000)	(9,029,619)	4,073,381
Other financing sources (uses):			
Transfers in	1,700,000	1,700,000	-
Transfers out	(450,000)	(450,000)	-
Proceeds from sale of capital assets	-	1,136,272	1,136,272
Total other financing sources	1,250,000	2,386,272	1,136,272
Net change in fund balance	(11,853,000)	(6,643,347)	5,209,653
Fund balance, beginning of year	11,853,000	8,968,658	(2,884,342)
Fund balance, end of year	$ -	$ 2,325,311	$ 2,325,311

NORTHWEST FIRE DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2022

	Budgeted amounts Original & Final	Actual	Variance with final budget positive (negative)
Revenues:			
Property taxes	$ 3,663,025	$ 3,685,647	$ 22,622
Investment income	-	7,928	7,928
Total revenues	3,663,025	3,693,575	30,550
Expenditures:			
Public safety:			
Executive services	5,000	1,479	3,521
Debt service:			
Principal	2,505,000	2,505,000	-
Interest	1,203,025	1,203,025	-
Contingency	100,000	-	100,000
Total expenditures	3,813,025	3,709,504	103,521
Net change in fund balance	(150,000)	(15,929)	134,071
Fund balance, beginning of year	150,000	643,844	493,844
Fund balance, end of year	$ -	$ 627,915	$ 627,915

NORTHWEST FIRE DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - CAPITAL RESERVE FUND

YEAR ENDED JUNE 30, 2022

	Budgeted amounts Original & Final	Actual	Variance with final budget positive (negative)
Revenues:			
Total revenues	$ -	$ -	$ -
Expenditures:			
Capital outlay	1,500,000	1,157,243	342,757
Total expenditures	1,500,000	1,157,243	342,757
Revenues under expenditures	(1,500,000)	(1,157,243)	342,757
Other financing sources:			
Transfers in	450,000	450,000	-
Total other financing sources	450,000	450,000	-
Net change in fund balance	(1,050,000)	(707,243)	342,757
Fund balance, beginning of year	1,857,493	1,857,493	-
Fund balance, end of year	$ 807,493	$ 1,150,250	$ 342,757

NORTHWEST FIRE DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - GRANT PROGRAM FUND

YEAR ENDED JUNE 30, 2022

	Budgeted amounts Original & Final	Actual	Variance with final budget positive (negative)
Revenues:			
Intergovernmental	$ 805,756	$ 1,826,238	$ 1,020,482
Total revenues	805,756	1,826,238	1,020,482
Expenditures:			
Capital outlay	-	21,502	(21,502)
Contingency	1,755,756	-	1,755,756
Total expenditures	1,755,756	21,502	1,734,254
Net change in fund balance	(950,000)	1,804,736	2,754,736
Fund balance, beginning of year	950,000	918,152	(31,848)
Fund balance, end of year	$ -	$ 2,722,888	$ 2,722,888

Other Financial Information

NORTHWEST FIRE DISTRICT

SCHEDULE OF PROPERTY TAX TRANSACTIONS

YEAR ENDED JUNE 30, 2022

Tax year	Taxes uncollected June 30, 2021	2021 - 2022 levy	Discounts and adjustments	Turnovers	Uncollected balances June 30, 2022
2021 - 2022	$ -	$ 41,956,903	$ -	$ 41,198,235	$ 758,668
2020 - 2021	743,134	-	35,516	585,748	192,902
2019 - 2020	201,307	-	33,659	7,090	227,876
2018 - 2019	210,234	-	6,642	4,445	212,431
2017 - 2018	180,258	-	1,396	2,787	178,867
2016 - 2017	163,814	-	647	1,372	163,089
2015 - 2016	94,941	-	-	266	94,675
Prior	777,065	-	-	637	776,428
	$ 2,370,753	$ 41,956,903	$ 77,860	$ 41,800,580	$ 2,604,936

Reconciliation to tax revenues on combined financial statements:

	General fund	Debt service	Total
Property tax collections above	$ 38,094,540	$ 3,706,040	$ 41,800,580
Other taxes (FDAT) and adjustments	400,254	-	400,254
Property taxes susceptible to accrual at June 30, 2022	169,040	16,233	185,273
Property taxes susceptible to accrual at June 30, 2021	(263,960)	(27,950)	(291,910)
	$ 38,399,874	$ 3,694,323	$ 42,094,197

NORTHWEST FIRE DISTRICT

SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST TRANSACTIONS

YEAR ENDED JUNE 30, 2022

	Interest rates	Date of Issue	Fiscal year of maturity	Outstanding July 1, 2021	Issued	Paid	Outstanding June 30, 2022
Principal Transactions							
General obligations							
2014 Refunding Bonds	2.00 - 4.00%	2014	2023-24	$ 2,890,000	$ -	$ 925,000	$ 1,965,000
2016 Refunding Bonds	2.00 - 4.00%	2016	2026-27	5,205,000	-	765,000	4,440,000
2017A GO Bonds	2.00 - 5.00%	2017	2035-36	11,820,000	-	100,000	11,720,000
2019 GO Bonds	3.00 - 4.00%	2019	2033-34	4,180,000	-	170,000	4,010,000
2020 Refunding Bonds	4.00 - 4.00%	2020	2028-29	5,430,000	-	545,000	4,885,000
				$ 29,525,000	$ -	$ 2,505,000	$ 27,020,000

	Interest rates	Date of Issue	Fiscal year of maturity	Unmatured interest July 1, 2021	New issues	Interest coupons paid/ refunded	Unmatured interest June 30, 2022
Interest Transactions							
General obligations							
2014 Refunding Bonds	2.00 - 4.00%	2014	2023-24	$ 234,200	$ -	$ 115,600	$ 118,600
2016 Refunding Bonds	2.00 - 4.00%	2016	2026-27	680,525	-	179,250	501,275
2017A GO Bonds	2.00 - 5.00%	2017	2035-36	5,729,025	-	529,525	5,199,500
2019 GO Bonds	3.00 - 4.00%	2019	2033-34	1,333,500	-	161,450	1,172,050
2020 Refunding Bonds	4.00 - 4.00%	2020	2028-29	1,044,800	-	217,200	827,600
				$ 9,022,050	$ -	$ 1,203,025	$ 7,819,025

NORTHWEST FIRE DISTRICT

SCHEDULE OF FUTURE BONDED DEBT REQUIREMENTS

YEAR ENDED JUNE 30, 2022

	2014 Refunding Bonds			2016 Refunding Bonds			2017 GO Bonds		
Fiscal year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
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
	$ 1,965,000	$ 118,600	$ 2,083,600	$ 4,440,000	$ 501,275	$ 4,941,275	$ 11,720,000	$ 5,199,500	$ 16,919,500

NORTHWEST FIRE DISTRICT

SCHEDULE OF FUTURE BONDED DEBT REQUIREMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

	2019 GO Bonds			2020 Refunding Bonds			Totals		
Fiscal year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	$ 175,000	$ 156,350	$ 331,350	$ 585,000	$ 195,400	$ 780,400	$ 2,610,000	$ 1,113,175	$ 3,723,175
2024	230,000	151,100	381,100	615,000	172,000	787,000	2,710,000	1,019,375	3,729,375
2025	250,000	144,200	394,200	650,000	147,400	797,400	2,335,000	917,600	3,252,600
2026	275,000	134,200	409,200	690,000	121,400	811,400	2,345,000	823,275	3,168,275
2027	295,000	123,200	418,200	735,000	93,800	828,800	2,405,000	729,625	3,134,625
2028	355,000	111,400	466,400	780,000	64,400	844,400	1,590,000	629,325	2,219,325
2029	365,000	97,200	462,200	830,000	33,200	863,200	1,655,000	561,175	2,216,175
2030	380,000	82,600	462,600	-	-	-	1,605,000	490,375	2,095,375
2031	395,000	67,400	462,400	-	-	-	1,650,000	432,300	2,082,300
2032	415,000	51,600	466,600	-	-	-	1,740,000	366,300	2,106,300
2033	430,000	35,000	465,000	-	-	-	1,760,000	296,700	2,056,700
2034	445,000	17,800	462,800	-	-	-	1,770,000	226,300	1,996,300
2035	-	-	-	-	-	-	1,420,000	142,250	1,562,250
2036	-	-	-	-	-	-	1,425,000	71,250	1,496,250
	$ 4,010,000	$ 1,172,050	$ 5,182,050	$ 4,885,000	$ 827,600	$ 5,712,600	$ 27,020,000	$ 7,819,025	$ 34,839,025

STATISTICAL SECTION

Statistical Section

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and financial activities have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate revenue.

Debt Capacity

These schedules present information to help the reader evaluate the District's current levels of outstanding debt as well as assess the District's ability to make debt payments and/or issue additional debt in the future.

Demographic and Economic Information

These schedules present various demographic and economic indicators to help the reader understand the environment in which the District's financial activities take place and to help make comparisons with other school districts.

Operating Information

These schedules contain information about the District's operations and various resources to help the reader draw conclusions as to how the District's financial information relates to the services provided by the District.

Note: 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

(Accrual Basis)

	Fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net investments in capital assets	$ 23,559,123	$ 21,628,546	$ 20,078,387	$ 12,687,000	$ 7,126,330	$ 19,286,564	$ 17,218,346	$ 16,176,516	$ 14,956,884	$ 15,549,975
Restricted	4,582,414	2,663,990	2,964,486	1,787,295	2,188,440	1,995,585	2,351,605	2,300,240	2,989,141	2,983,301
Unrestricted	(23,914,691)	(26,404,598)	(24,649,035)	(13,689,485)	(8,261,452)	(20,350,803)	(8,869,151)	(8,795,879)	12,481,770	11,318,560
Total primary government net position	$ 4,226,846	$ (2,112,062)	$ (1,606,162)	$ 784,810	$ 1,053,318	$ 931,346	$ 10,700,800	$ 9,680,877	$ 30,427,795	$ 29,851,836

Source: District financial records.
Note: The decrease in net position in fiscal year 2015 is due to the implementation of the pension standards.

NORTHWEST FIRE DISTRICT

CHANGES IN NET POSITION

(Accrual Basis)

	Fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental activities:										
Public safety	$ 42,414,894	$ 47,444,431	$ 43,278,851	$ 41,061,066	$ 37,067,135	$ 45,119,860	$ 33,014,022	$ 32,104,719	$ 30,445,273	$ 30,801,909
Interest on long-term debt	870,690	939,072	1,328,680	1,167,555	1,186,250	808,138	1,487,972	1,396,551	1,426,530	1,578,447
Total primary government expenses	43,285,584	48,383,503	44,607,531	42,228,621	38,253,385	45,927,998	34,501,994	33,501,270	31,871,803	32,380,356
Program revenues:										
Governmental activities:										
Charges for services	3,961,641	3,528,757	3,855,233	3,900,953	2,477,942	2,915,582	4,851,624	1,702,701	1,304,169	904,883
Operating grants & contributions	2,350,752	2,507,363	1,251,303	2,561,029	2,595,746	1,859,470	1,317,763	2,128,289	2,249,185	2,536,916
Capital grants & contributions	-	2,717,300	-	-	-	-	-	-	-	-
Total primary government revenues	6,312,393	8,753,420	5,106,536	6,461,982	5,073,688	4,775,052	6,169,387	3,830,990	3,553,354	3,441,799
Total primary government net expenses	(36,973,191)	(39,630,083)	(39,500,995)	(35,766,639)	(33,179,697)	(41,152,946)	(28,332,607)	(29,670,280)	(28,318,449)	(28,938,557)
General revenues & other changes in net position										
Property taxes	41,951,190	38,435,242	36,285,487	34,663,050	33,127,433	30,905,973	28,884,757	28,298,804	28,414,889	28,381,375
Fire district assistance tax	394,998	403,712	403,207	398,493	402,130	398,246	394,641	398,891	394,560	397,605
State shared tax revenue	519,789	-	-	-	-	-	-	-	-	-
Investment income	66,792	158,270	406,563	433,909	206,572	71,261	72,176	66,526	67,999	157,240
Miscellaneous	379,330	126,959	15,043	2,679	19,336	8,012	956	4,228	16,960	45,208
Total primary government	43,312,099	39,124,183	37,110,300	35,498,131	33,755,471	31,383,492	29,352,530	28,768,449	28,894,408	28,981,428
Change in net position										
Total primary government	$ 6,338,908	$ (505,900)	$ (2,390,695)	$ (268,508)	$ 575,774	$ (9,769,454)	$ 1,019,923	$ (901,831)	$ 575,959	$ 42,871

Source: District financial records.

NORTHWEST FIRE DISTRICT

FUND BALANCES - GOVERNMENTAL FUNDS

(Modified Accrual Basis)

	Fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General fund										
Nonspendable	$ 106,311	$ 58,400	$ 37,039	$ 48,808	$ 76,899	$ 121,124	$ 88,352	$ 41,851	$ 41,618	$ 32,558
Assigned	2,954,844	2,743,185	2,083,281	2,088,526	2,088,182	2,088,255	2,057,411	1,904,439	1,284,406	271,292
Unassigned	7,878,981	5,620,400	5,976,213	6,488,073	5,164,700	5,329,844	5,750,826	6,354,350	7,784,984	8,865,044
Total general fund	$ 10,940,136	$ 8,421,985	$ 8,096,533	$ 8,625,407	$ 7,329,781	$ 7,539,223	$ 7,896,589	$ 8,300,640	$ 9,111,008	$ 9,168,894
All other governmental funds										
Restricted	$ 4,582,414	$ 10,530,654	$ 12,747,462	$ 9,190,387	$ 2,029,957	$ 1,857,406	$ 2,227,260	$ 2,181,549	$ 3,091,615	$ 3,461,598
Assigned	1,150,250	1,857,493	2,228,520	2,704,550	15,036,249	2,154,911	2,496,384	4,180,238	4,448,158	3,386,617
Unassigned	-	-	(7,700)	-	-	-	-	394,014	126,524	(315,838)
Total all other governmental funds	$ 5,732,664	$ 12,388,147	$ 14,968,282	$ 11,894,937	$ 17,066,206	$ 4,012,317	$ 4,723,644	$ 6,755,801	$ 7,666,297	$ 6,532,377

Source: District financial records.

NORTHWEST FIRE DISTRICT

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS AND DEBT SERVICE RATIO

(Modified Accrual Basis)

	Fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Property taxes	$ 42,000,651	$ 38,644,027	$ 36,398,702	$ 34,940,310	$ 33,421,453	$ 31,139,956	$ 29,211,164	$ 28,747,650	$ 28,565,186	$ 28,847,572
State shared tax revenue	519,789	-	-	-	-	-	-	-	-	-
Charges for services	3,953,332	3,671,529	3,821,030	3,967,740	3,503,811	3,604,842	3,004,176	1,702,701	1,304,169	904,883
Intergovernmental	2,592,941	4,769,983	1,659,445	2,097,216	2,546,993	1,286,412	1,265,675	2,415,042	2,669,485	2,980,824
Donations	28,235	227	552	769	1,215	536,037	542	1,014	886	440
Interest	66,792	158,270	406,563	433,909	206,572	71,261	72,176	66,526	67,999	157,240
Miscellaneous	117,160	126,732	15,043	2,679	19,336	8,012	956	4,228	16,960	45,208
Total revenues	49,278,900	47,370,768	42,301,335	41,442,623	39,699,380	36,646,520	33,554,689	32,937,161	32,624,685	32,936,167
Expenditures:										
Public safety	40,069,538	42,194,883	37,080,142	35,140,705	34,278,478	31,492,717	30,370,341	28,540,781	27,281,172	28,545,390
Capital outlay	10,778,004	3,773,274	3,923,881	6,320,694	3,108,379	2,792,316	2,522,752	2,178,537	1,319,617	1,178,971
Debt service:										
Principal	2,624,067	2,405,000	2,995,000	2,470,000	2,380,000	2,550,000	2,010,000	2,231,560	1,590,000	1,604,222
Interest	1,211,943	1,280,325	1,287,002	1,386,867	1,398,820	983,797	1,203,879	1,793,719	1,513,509	1,583,783
Debt issuance costs	-	-	338,987	-	-	-	166,700	153,539	-	-
Total expenditures	54,683,552	49,653,482	45,625,012	45,318,266	41,165,677	37,818,830	36,273,672	34,898,136	31,704,298	32,912,366
Excess of revenues over (under) expenditures	(5,404,652)	(2,282,714)	(3,323,677)	(3,875,643)	(1,466,297)	(1,172,310)	(2,718,983)	(1,960,975)	920,387	23,801
Other financing sources (uses):										
Premium on bonds issued	-	-	1,427,142	-	1,530,428	-	788,774	566,867	-	-
Proceeds from debt issuance	-	-	11,575,000	-	12,780,000	-	8,300,000	8,215,000	-	-
Payment to refunded bond agent	-	-	(7,188,231)	-	-	-	(8,853,234)	(8,608,438)	-	-
Lease agreements	131,048	-	-	-	-	-	-	-	-	-
Proceeds from the sale of capital assets	1,136,272	28,031	54,237	-	316	103,617	47,235	66,682	155,647	-
Total other financing sources	1,267,320	28,031	5,868,148	-	14,310,744	103,617	282,775	240,111	155,647	-
Net change in fund balance	$ (4,137,332)	$ (2,254,683)	$ 2,544,471	$ (3,875,643)	$ 12,844,447	$ (1,068,693)	$ (2,436,208)	$ (1,720,864)	$ 1,076,034	$ 23,801
Debt service as a percentage of noncapital expenditures	8.74 %	8.03 %	10.27 %	9.89 %	9.93 %	10.09 %	9.52 %	12.30 %	10.21 %	10.05 %

Source: District financial records.

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	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
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 %
2021	1,217,657,268	19,451,095	34,264,438	92,876,441	1,271,372,801	2.9995	13,218,364,723	9.62 %
2022	1,359,269,722	40,388,299	40,679,943	96,914,248	1,440,337,964	3.0495	14,839,492,474	9.71 %

Source: Pima County

NORTHWEST FIRE DISTRICT

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

				Overlapping rates							
	Northwest Fire District			Pima County			Marana Unified School District				
Fiscal year	General	Debt service	Total District	General	Debt service	Total County	General	Debt service	Total school district	Special Districts	Total direct and overlapping rates
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
2021	2.7095	0.2900	2.9995	4.3646	0.5200	4.8846	3.8563	1.9031	5.7594	2.4363	16.0798
2022	2.7795	0.2700	3.0495	4.3027	0.4500	4.7527	4.1052	1.8439	5.9491	2.3715	16.1228

Source: Pima County

NORTHWEST FIRE DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT AND NINE YEARS AGO

		June 30, 2022	
Taxpayer	Type of business	Assessed value	% of total assessed valuation
Unisource Energy Corporation	Utility	26,133,667	1.81 %
Northwest Hospital LLC	Healthcare	22,884,983	1.59 %
Arizona Port Cement Company	Cement Manufacturing	12,233,365	0.85 %
Southwest Gas Corp	Utility	7,175,127	0.50 %
HSL Cottonwood RC Hotel LLC	Resort	6,897,038	0.48 %
Tucson Premium Outlets LLC	Retail	6,710,519	0.47 %
Wal-Mart Stores Inc	Retail	6,001,350	0.42 %
FHM Partners LLC	Developer	4,821,058	0.33 %
Westward Look Resort LLC	Resort	3,360,890	0.23 %
HSL Encantada Continential Reserve	Apartment Complex	3,093,041	0.21 %
		$ 99,311,038	6.89 %
Total assessed value		$ 1,440,337,964	

		June 30, 2013	
Taxpayer	Type of business	Assessed value	% of total assessed valuation
Northwest Hospital LLC	Healthcare	16,979,994	1.69 %
Unisource Energy Corp	Utility	11,346,751	1.13 %
J Foothills LLC	Shopping Center	7,161,202	0.71 %
Wal-Mart Stores Inc	Retail	5,939,107	0.59 %
Qwest Communications Group	Telecommunication	3,591,371	0.36 %
Smiths Food and Drug Centers	Retail	3,370,126	0.34 %
APHM Westward Look LLC	Resort	3,163,526	0.31 %
Marana Marketplace Partners LLC	Developer	2,293,174	0.23 %
Southwest Gas Corp	Utility	2,260,781	0.22 %
Fountains La Cholla SL LLC	Developer	2,155,961	0.21 %
		$ 58,261,993	5.79 %
Total assessed value		$ 1,005,771,804	

Source: Pima County Assessor

NORTHWEST FIRE DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal year	Operating 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
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 %	449,254	34,536,229	99.64 %
2020	36,295,426	-	36,295,426	35,513,874	97.85 %	587,605	36,101,479	99.47 %
2021	38,436,740	-	38,436,740	37,693,606	98.07 %	585,748	38,279,354	99.59 %
2022	41,956,903	-	41,956,903	41,198,235	98.19 %	-	41,198,235	98.19 %

Source: Pima County

NORTHWEST FIRE DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

	Governmental activities				
Fiscal year	General obligation bonds	Leases payable	Total primary government	Percentage on personal income	Per capita
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
2021	32,597,072	-	32,597,072	0.07 %	250.47
2022	29,750,819	256,039	30,006,858	0.06 %	225.59

NORTHWEST FIRE DISTRICT

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal year	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
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
2021	130,145	1,271,372,801	32,597,072	618,144	31,978,928	2.52 %	245.72
2022	133,015	1,440,337,964	29,750,819	611,682	29,139,137	2.02 %	219.07

NORTHWEST FIRE DISTRICT

DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT RATIOS

LAST TEN FISCAL YEARS

Fiscal year		Per capita bonded debt	As % of District net assessed valuation	As % of District estimated full cash value
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 %
2021	Direct GO Bonded Debt	$ 250.47	2.56 %	0.25 %
2021	Direct & Overlapping GO Bonded Debt	$ 2,291.55	23.46 %	2.26 %
2022	Direct GO Bonded Debt	$ 223.67	2.07 %	0.20 %
2022	Direct & Overlapping GO Bonded Debt	$ 2,012.62	18.59 %	1.80 %

NORTHWEST FIRE DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Governmental unit	Debt outstanding	Estimated percentage applicable	Estimated share of overlapping debt
Debt repaid with property taxes:			
Pima County	$ 95,961,000	13.64 %	$ 13,089,798
Gladden Farms Community Facilities Dist	10,600,000	100.00 %	10,600,000
Gladden Farms Community Facilities Dist, Phase II	5,295,000	100.00 %	5,295,000
Saguaro Springs Community Facilities Dist	8,105,000	100.00 %	8,105,000
Marana Unified School District	137,850,000	72.11 %	99,403,635
Flowing Wells Unified School District	28,040,000	68.08 %	19,089,632
Amphitheater Unified School District	78,225,000	19.19 %	15,011,378
Tangerine Farms Road Improvement District*	5,695,000	100.00 %	5,695,000
Town of Marana	61,413,000	100.00 %	61,413,000
Subtotal, overlapping debt			237,702,443
Direct:			
Northwest Fire District direct debt			30,006,858
Total direct and overlapping debt			$ 267,709,301

*Tangerine Farms Road Improvement District is a major governmental 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

COMPUTATION OF LEGAL DEBT MARGIN

LAST TEN FISCAL YEARS

	Fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Assessed value	1,440,337,964	1,271,372,801	1,206,875,030	1,136,667,955	1,080,073,267	1,035,651,466	993,806,475	973,803,888	943,310,315	1,005,771,804
Debt limit rate (Article IX, Sect 8)	6 %	6 %	6 %	6 %	6 %	6 %	6 %	6 %	6 %	6 %
Debt limit	86,420,278	76,282,368	72,412,502	68,200,077	64,804,396	62,139,088	59,628,389	58,428,233	56,598,619	60,346,308
Less bond obligations	(29,750,819)	(32,597,072)	(35,343,325)	(32,669,439)	(35,358,751)	(23,640,893)	(26,329,301)	(27,984,314)	(30,554,014)	(31,185,000)
Legal debt margin	56,669,459	43,685,296	37,069,177	35,530,638	29,445,645	38,498,195	33,299,088	30,443,919	26,044,605	31,413,371
Total net debt applicable to the limit as a percent of total debt limit	34.43 %	42.73 %	48.81 %	47.90 %	54.56 %	38.05 %	44.16 %	47.90 %	53.98 %	51.68 %

NORTHWEST FIRE DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal year	Population (Pima County)	Personal income	Per capita personal income (Pima County)	School enrollment (Pima County)	Unemployment rate - (Pima County)
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	-	5.0 %
2020	1,044,675	47,827,647	45,782	-	9.9 %
2021	1,052,375	49,751,027	47,275	144,276	7.3 %
2022	1,058,318	54,190,180	51,204	145,153	3.9 %

Source: Pima County Association of Governments, University of Arizona

NORTHWEST FIRE DISTRICT

PRINCIPAL EMPLOYERS

CURRENT AND NINE YEARS AGO

	June 30, 2022	
Employer	Employees	Rank
Marana Unified School District	1,781	1
Northwest Medical Center	1,400	2
Wal-Mart	1,000	3
Afni	900	4
Fry's Food and Drug	430	5
Town of Marana	404	6
Sargent Aerospace & Defense	380	7
Ritz Carlton Dove Mountain	320	8
Tucson Hauling & Transfer (WM)	300	9
Costco	275	10
Total	7,190	

	June 30, 2013	
Employer	Employees	Rank
Northwest Medical Center	1,757	1
Marana Unified School District	1,657	2
Wal-Mart	650	3
Fry's Food and Drug	489	4
Ritz Carlton Dove Mountain	350	5
Marana Health Center	320	6
Town of Marana	313	7
Sargent Aerospace & Defense	313	8
FL Smith Krebs	306	9
Costco	264	10
Total	6,419	

Source: Pima County Association of Governments

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

NORTHWEST FIRE DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

	Fiscal year									
Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public safety										
Fire and rescue	213	214	198	195	198	198	182	177	208	204
Fire prevention	10	10	11	12	11	11	11	12	9	8
Administrative and support	43	41	40	41	36	36	40	40	40	37
Total	266	265	249	248	245	245	233	229	257	249

Source: District HR Department

NORTHWEST FIRE DISTRICT

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

	Fiscal year									
Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public safety										
Fire prevention inspections	4,828	4,867	3,789	2,140	3,495	3,495	4,991	6,113	3,982	3,003
Emergency medical service calls	13,251	11,152	11,601	11,523	11,913	11,913	11,824	10,725	10,417	11,413
Fire responses	340	330	349	302	289	289	512	1,032	1,258	1,526
Other responses - including hazardous materials, mutual aid, public service	2,752	1,051	155	2,611	2,633	2,633	2,449	1,064	1,292	1,316
Miscellaneous - including false alarms, good intent	2,692	1,773	4,457	1,738	-	-	-	2	2	36
Total	23,863	19,173	20,351	18,314	18,330	18,330	19,776	18,936	16,951	17,294

Source: Various District Departments

NORTHWEST FIRE DISTRICT

CAPITAL ASSETS BY FUNCTION

LAST TEN FISCAL YEARS

	Fiscal year									
Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public safety										
Number of Stations	11	11	11	10	10	10	10	10	10	10
Equipment:										
Engines	20*	16	16	16	16	16	15	16	16	16
Ladder trucks	2	2	2	2	2	2	2	2	3	3
Brush rigs	3	3	3	3	3	3	3	4	6	6
Rescue/Ambulance units	11	13	10	10	10	10	10	8	6	6
Tenders	2	3	3	3	3	3	3	3	3	3
Hazmat squad	1	1	1	1	1	1	1	2	2	2
Squad/support units	3	3	2	2	2	2	2	2	2	2
Technical rescue	-	-	1	1	1	1	1	2	2	2
Heavy squad	1	1	1	1	1	1	1	1	1	1

Source: District records.

* No new engines were procured. This number represents all engines owned by Northwest Fire District regardless of their status, i.e. reserve, out of service, or awaiting auction.