



**DAISY MOUNTAIN
FIRE & MEDICAL**
HONORABLE • COMPASSIONATE • EXCEPTIONAL

DAISY MOUNTAIN FIRE DISTRICT ARIZONA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the fiscal year ended June 30, 2022



DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Issued by:
The James Vincent Group

Daisy Mountain Fire District, Arizona
Table of Contents

	Page
I. Introductory Section	
Letter of Transmittal	i
Organizational Chart	vii
List of Elected and Appointed Officers	viii
GFOA	ix
II. Financial Section	
Independent Auditors' Report	1
Management's Discussion & Analysis	5
A. Basic Financial Statements	
Government - wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Governmental Funds Financial Statements	
Balance Sheet - Government Funds	15
Reconciliation of Total Government Fund Balances to Net Position of Government Activities	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Fiduciary Financial Statements	
Statement of Fiduciary Net Position - Fiduciary Fund	20
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	21
Notes to the Financial Statements	22
B. Required Supplementary Information	
Budgetary Comparison Schedules	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	51
Note to Budgetary Comparison Schedule	52
Schedule of Changes in the Net OPEB Liability and Related Ratios	54
Schedule of Pension/OPEB Contributions	56
Notes to Pension/OPEB Plan Schedules	57

	<u>Page</u>
III. Statistical Section	
1. Net Position by Component	61
2. Changes in Net Position	62
3. Fund Balances - Governmental Funds	63
4. Changes in Fund Balances - Governmental Funds	64
5. Assessed and Estimated Actual Value of Taxable Property	65
5. Property Tax Rates - Direct and Overlapping Governments	66
6. Principal Property Taxpayers	67
7. Property Tax Levies and Collections	68
9. Ratio of Total Outstanding Debt by Type	69
10. Ratio of General Bonded Debt Outstanding	70
11. Direct and Overlapping Governmental Activities Debt	71
12. Legal Debt Margin Information	72
13. Demographic and Economic Statistics	73
14. Principal Employers	74
15. Operating Indicators by Function	75
16. Full-time Equivalent Employees by Function	76
17. Capital Asset Statistics by Function	77
IV. Report on Internal Control and Compliance	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	79

INTRODUCTORY SECTION

January 23, 2023

To the Honorable Board and Citizens of Daisy Mountain Fire District:

The following is the Annual Comprehensive Financial Report (ACFR) of Daisy Mountain Fire District (DMFD) for the fiscal year ending June 30, 2022. The Government of Finance Officers Association (GFOA) established the Certificate of Achievement for Excellence in Financial Reporting Program (ACFR Program) to encourage local governments to go beyond the minimum reporting requirements of generally accepted accounting principles. In this endeavor GFOA recognizes the agencies that prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure. These goals are perfectly aligned with the goals of Daisy Mountain Fire District (DMFD).

Arizona Revised Statutes §48-253 and 48-805(9) require that all special districts with annual budgets in excess of \$1,000,000 publish within 240 days of the close of their fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill that requirement for the fiscal year ended June 30, 2022.

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

Baker Tilly US, LLP, a certified public accounting firm, has issued an unmodified (“clean”) opinion on the Daisy Mountain Fire District (DMFD) financial statements for the year ended June 30, 2022.

The independent auditors' report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditors' 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.

District Profile

The Daisy Mountain Fire District was founded in February of 1989 after the Maricopa County Board of Supervisors approved the citizens petition to form a fire district. The official name was the Daisy Mountain Fire District. The District was tasked with handling the community's emergency service needs out of 1 fire station, located at 2428 W New River Road. In June of 1990, the district acquired property in New River to relocate the fire station and for a new station location in Desert Hills. Daisy Mountain also began providing emergency medical transportation in 1996. Over the years the district addressed the changing community needs by adding fulltime employees for 24/7/365 response and implementing basic emergency medical services. The changes from the early volunteers operating out of a single fire station were the foundation for growth and development of the professional services delivered today. The Daisy Mountain Fire District provides all hazard emergency services staffed daily by at least 22 fulltime firefighters, 6 full time Ambulance personnel from five modern, strategically located fire stations. The District has 5 major divisions: Administration, Emergency Medical Services, Fire Prevention, Operations and Support Services. All suppression personnel are dual trained in structural/wildland firefighting and are certified EMT's or Paramedics. The district is managed by administrative staff and a five-person elected fire board.

Recognized by the State of Arizona as a special taxing district, DMFD operates under Arizona Revised Statutes (ARS) Title 48, Chapter 5. The District is a community service organization primarily funded through limited assessed value property taxes. Alternative revenue sources including ambulance transportation and wildland fire response services have been developed that have reduced the burden on the primary revenue source and helped to continue to provide the highest level of service to the community it serves. It is governed by a five-member Board elected by the public, comprised of a Board Chair and four members, including a Board Clerk. All board members are elected at large and serve staggered four-year terms. The Board hires and has authority over a Fire Chief who is charged with managing day-to-day operations of the District. The Board is required to adopt an annual budget which serves as the foundation for financial planning and control. The budget is prepared by fund, function, and object. A current organization chart follows:



DMFD is a participant in an automatic aid agreement with multiple other fire departments and fire districts, which provides additional equipment and staffing from other jurisdictions when emergencies exceed the Districts resources. The automatic aid agreement is a system which is used to dispatch the closest and most appropriate fire and life safety units to any address within the system, regardless of the geographical and political boundaries. This sharing of resources is a tremendous cost savings to the citizens within the system. This automatic aid agreement, state requirements and national standards suggest a staffing level of 4 firefighters for engine companies and 2 personnel for ambulances providing medical transport. This level is maintained to provide safe and effective fire suppression activities and life safety for our customers and members.

DMFD proudly serves the communities of New River, Desert Hills, Anthem and Black Canyon City by providing emergency services such as fire suppression, emergency medical services, including ambulance transportation, and hazardous material response. DMFD is also very active in the community providing non-emergency services. These services include but are not limited to, bike safety, CPR classes, citizen emergency response training, burn education, smoke detector installation, fire inspections, and car seat installations.

Emergency Services

Fire - DMFD currently consists of 106 fully trained and certified firefighters and ambulance personnel, staffing five fire stations. The stations are strategically located throughout the fire district to optimize response times. The goal of DMFD is for the first fire company to arrive within five minutes of the initial dispatch. DMFD is dispatched by the Phoenix Alarm Room and is a member of the Phoenix Regional Automatic Aid System. This allows the residents of the fire district to benefit from the support of over twenty contributing fire agencies in the Phoenix metropolitan area.

EMS - DMFD provides an exemplary standard towards emergency medical care. Each DMFD fire engine is staffed with four personnel, each DMFD medic company (Ambulance) is staffed with two personnel. Each fire engine has at least two certified emergency paramedics, as well as one paramedic on each ambulance company ensuring that advanced emergency care is never far away. DMFD is committed to maintaining the highest level of pre-hospital care possible, through continuous training and providing our EMTs and Paramedics with the latest tools and cutting-edge technology to perform their duties. It is DMFD's top priority to deliver the fastest, safest, most comprehensive care to the citizens we serve.

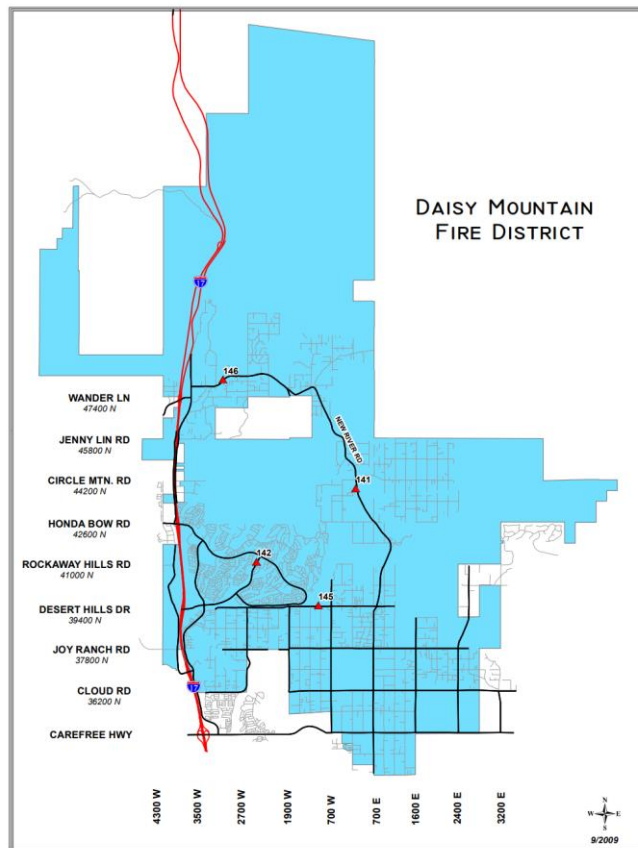
Wildland/Urban Interface – DMFD is made up of a unique mix of suburban and rural communities. The diversity of the area presents DMFD with an Urban Interface approach to wildfires. Each member of the DMFD is trained to fight and manage wildfires. The DMFD Wildland Division is a dynamic and highly trained group of firefighters able to be deployed nationally. These deployments allow for the wildland division members to aid communities in need, while obtaining unique experience and skills to better serve our community.

Hazardous Materials – The DMFD trains all of its fire fighters up to the NFPA 472 standard for “First Responder Operational” level for response. The DMFD also deploys a Hazmat Team which is a very specialized group of highly trained firefighters equipped to handle a vast array of emergencies. These members attend an additional 200-hour Hazardous Materials Technician Course, learning a variety of skills including spill control and mitigation, decontamination, reconnaissance, research and hands on training with specialized tools and equipment. DMFD is the northernmost Hazmat Team in Maricopa County and the southernmost in Yavapai County and has two significant transportation corridors, as well as critical infrastructure to protect.

About the Area

DMFD is one of the largest fire districts in the state, serving the communities of New River, Desert Hills, Anthem, and Black Canyon City; protecting approximately 200 square miles. At an average community elevation of 2000’, July is the hottest month, with an average daily high temperature of 103. December is the coldest month with an average daily low temp of 41. Average annual rain fall in New River is 14 inches. Residents and visitors can take advantage of a vast array of trails for equestrians, mountain biking, trail running, hiking and ATV riding.

Covering approximately 200 square miles the district has grown to serve an estimated 50,000 full time residents. The district provides an all-hazards response to emergency response, providing fire protection and emergency medical services, ambulance transportation, hazardous materials response, public education and fire prevention.



A snapshot of DMFD-Demographics and service levels includes:

District Size	Approx. 200 square miles
Ambulance Transport Service Area	Approx. 200 square miles
Full-time Resident Population	Approx. 50,000
Stations	5
Ambulances	3
Daily Fire and Rescue Service Staffing	28 (minimum)
Staffed Fire Engines/Ladder Truck	5

Budget Overview

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 adopts the general fund budget prior to July 1st, the beginning of the fiscal year of the District. The budget process begins in early January and consists of multiple analysis of historical revenue and expenditures, future projections and numerous meetings and budget workshops with the Board and public. Throughout the budget process the Board reviews the budgeted expenses at the fund, function and object level. This is done to allow the Board, and participating community members, to gain a more detailed understanding of the budget and to be compliant with Arizona Revised Statute 48-805.02(A) which requires a detailed estimate of expenditures. The Board adopts the budget at the fund level which is also the legal level of budgetary control.

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

Local Economy and Outlook

Recent trends in net assessed value growth have been positive and economists predict that the increases in net assessed valuation should continue for the next several years. Increasing interest rates may influence real estate values but more time will be needed to understand that effect and potential effect on assessed value of property.

The District's population is expected to continue to grow in the next 20 years. District management and staff are working proactively and cooperatively with other governments, surrounding fire districts, and regional planning groups to ensure continued ability to serve the ever-changing population it serves.

Long-term financial planning and major initiatives

With the ending of the 2013-2018 five-year strategic plan the districts management team met to set new priorities that will guide the organization for the next five years. After numerous discussions and meetings, the organization was able to present their 2019 -2023 Strategic Plan which outlined the organizations desire to focus on financial long-term sustainability, identified areas to strengthen operations, pursuit of growth, desire to be enterprising and focus on succession planning. One of the major initiatives outlined in the strategic plan was the goal of developing a comprehensive five-year capital improvement plan. The capital improvement plan will sustain and enhance emergency response infrastructure by maintaining and replacing aging facilities and capital assets. This capital improvement plan will forecast the life expectancy and replacement and or maintenance costs for each of the District's long-term assets, as well as define the funding levels needed over each of the five years. This Capital Improvement Plan was completed in fiscal year ending June 2022 and will continue to be updated periodically.

Using focused and detailed financial management, DMFD has increased both its unrestricted fund balance and ability to fund capital needs. Given both the GFOA minimum recommendation and the volatility associated with DMFD revenues and expenses, this increased fund balance is an important piece in providing long term financial sustainability for the organization and its ability to provide the highest level of service to the community it serves. As an organization, DMFD is extremely proud of the fund balance growth it has achieved over recent years.

In October 2021, the district issued \$11,285,000 of direct placement obligation debt in the form of Certificate of Participation (COP). The purpose of this COP is to refinance the PSPRS unfunded liability. The board of directors and management of the district determined that over the term of the COP, with the lower interest rate the district will save a substantial amount of money oppose to paying off the unfunded liability through annual pension contributions directly to PSPRS.

In January of 2022, DMFD started providing emergency services to the Town of Cave Creek. This agreement continues the DMFD focus of working with local partners to increase levels of service to the community it serves

Relevant Financial Policies

DMFD has adopted a comprehensive set of financial policies. The policies are constantly evaluated for their effectiveness and how they keep the Governing Board and staff focused on increased internal controls, reporting and long-term sustainability. The policies implemented have been effective in protecting the District and its focus on maintaining service levels while also providing long term sustainability and success.

Awards and Acknowledgements

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Daisy Mountain Fire District for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the second consecutive year that the government has achieved this prestigious award. Daisy Mountain Fire District submitted their annual comprehensive financial report for the fiscal year that ended June 30, 2021 but are still waiting to hear the results of the review. In order to be awarded a Certificate of Achievement, a government must publish easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only and therefore the 2020 certificate has been omitted from this report. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Brian Tobin
Fire Chief



The James Vincent Group
Finance Director

Daisy Mountain Fire District
List of Elected and Appointed
June 30, 2022

Elected Board Members

	Term Expires
Board Chair Brian Moore	December 2022
Board Clerk Joe Cantelme	December 2022
Board Member Delene Mahoney	December 2024
Board Member Dr. Randy Hancock	December 2022
Board Member Dr. Jonathan Maitem	December 2024

Administrative Offices

41018 N. Daisy Mountain Drive, Anthem, Arizona, 85086

Fire Chief/Administrator

Chief Brian Tobin

Finance Director

The James Vincent Group

Legal Counsel

Mark Robens



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Daisy Mountain Fire District
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

** Fiscal Year 2021 Award is Pending.

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Board Members and Management
Daisy Mountain Fire District
Anthem, Arizona

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Daisy Mountain Fire District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Daisy Mountain 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, each major fund and the aggregate remaining fund information of the Daisy Mountain Fire District, as of June 30, 2022, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 the Daisy Mountain 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.

Change in Accounting Principle

As discussed in Note 1, Note 4 and Note 8 to the financial statements, in 2022 the Daisy Mountain Fire District adopted the new accounting guidance, Government Accounting Standards Board No 87, *Leases*. Our opinions are not modified with respect to this matter.

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 the Daisy Mountain 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 the Daisy Mountain 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 the Daisy Mountain 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, and required supplementary 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.

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 auditor's 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 January 23, 2023 on our consideration of the Daisy Mountain 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 the Daisy Mountain 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 Daisy Mountain Fire District's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Tempe, Arizona
January 23, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Required Supplementary Information)

DAISY MOUNTAIN FIRE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Daisy Mountain Fire District (the "district"), we offer readers of these financial statements, this narrative overview and analysis of the financial activities of the District's performance during the fiscal year ending June 30, 2022. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

Financial Highlights

- The total assets and deferred outflows of the Daisy Mountain Fire District were \$54,797,362 at the close of the fiscal year. The total assets and deferred outflows exceeded liabilities and deferred inflows by \$6,835,457. Of this amount a deficit of \$404,559 represents the balance of the unrestricted net position.
- The District realized a \$2,869,608 increase in fund balances during the fiscal year. The increase consists of a deficiency of revenues under expenditures of \$10,665,392, capital expenditures of \$2,849,270, debt service payments and expenditures of \$1,855,187, and other financing sources of \$13,535,000.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,980,730. The change in fund balance for the general fund was an increase of \$2,791,812 for the fiscal year. The District Board and Administration are working diligently to enhance the financial position of the organization while still providing a high level of service to the community it serves.
- Cash and investments increased by \$1,226,931. This increase of cash was primarily caused by a 6.09% increase of assessed valuation and greater activity in charges for services for out of district responses.
- The long-term liabilities increased by a net amount of \$6,478,839. This increase is due to the issuance of Certificates of Participation to pay off unfunded PSPRS liabilities and leases to purchase multiple apparatuses for district needs.

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 present the financial picture of the District from the economic measurement resources focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets) as well as all liabilities (including long-term debt). They are intended to provide a broad overview in a manner similar to a private sector business.

The *Statement of Net Position* presents information of all the assets and deferred outflows and liabilities and deferred inflows of the District, with the difference between the two being 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. The district, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 evaluating 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 balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three (3) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the capital projects fund, and the debt service fund, which are all considered to be major funds. The District adopts an annual appropriated budget for its general fund. Budgetary comparison statements have been provided for this fund to demonstrate compliance with the budget and can be found on page 51 of this report. The basic governmental fund financial statements can be found on pages 13-15 of this report.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-wide and Governmental fund financial statements.

Other Information

In addition, information on the District's participation in an agent retirement plan can be found in Note 9 of this report.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Daisy Mountain Fire District, assets and deferred outflows exceeded liabilities and deferred inflows by \$6,835,457 at the close of the most recent fiscal year. The largest portion of the District's net position reflects its investment in capital assets (e.g., land, construction in progress, buildings, machinery, vehicles, and equipment); less any related debt still outstanding used to acquire those assets at 47%. The District uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

	Governmental Activities	
	06/30/22	06/30/21
Current and other assets	\$ 17,810,110	\$ 15,529,145
Capital assets	19,955,558	18,692,513
Total assets	37,765,668	34,221,658
Deferred outflows of resources	17,031,694	8,361,996
Long-term liabilities outstanding	40,789,450	34,310,613
Other liabilities	687,062	1,390,900
Total liabilities	41,476,512	35,701,513
Deferred inflows of resources	6,485,393	2,168,632
Net position:		
Net investment in capital assets	3,190,615	5,013,970
Restricted	4,049,401	2,220,620
Unrestricted	(404,559)	(2,521,077)
Total net position	\$ 6,835,457	\$ 4,713,513

During 2022, current assets increased primarily because of an increase in cash and cash equivalents of \$1,226,931 from prior year. The District experienced a 6.09% increase of assessed valuation and greater activity in charges for services for out of district responses. As a result, ambulance operations were over budget in revenues for 2022. The district also budgeted for savings through management of expenditures during the year as well as allocating a surplus to reserves. Capital assets increased \$1,263,045 due to the purchase of apparatuses and other equipment.

The unrestricted net position increased \$2,116,518 due to the issuance of Certificates of Participation (COP) to pay off the unfunded PSRS liability. The issuance of the COP was \$11,285,000 which is reflected in deferred outflows of resources.

Governmental Activities

Governmental activities net position decreased by \$2,121,946. Key elements of this increase are reported below:

	Governmental Activities	
	06/30/22	06/30/21
Revenues		
Program revenues		
Charges for Services	\$ 2,975,640	\$ 3,089,410
Capital grants and contributions	190,071	213,249
General revenues		
Property taxes	17,676,788	16,411,717
Fire District assistance tax	480,173	481,123
Investment earnings	95,173	88,687
Miscellaneous income	2,311,438	335,864
Gain on sale of capital assets	-	(1,396)
Total revenues	\$ 23,729,283	\$ 20,618,654

	Governmental Activities	
	06/30/22	06/30/21
Expenses		
Fire protection and emergency services	\$ 18,896,324	\$ 19,512,385
Administration expenses	2,130,623	2,180,701
Interest on long-term debt	580,392	365,694
Total expenses	21,607,339	22,058,780
Increase (decrease) in net position	2,121,944	(1,440,126)
Net position, beginning	4,713,513	6,153,639
Net position, ending	\$ 6,835,457	\$ 4,713,513

Overall revenues increased by \$3,110,631 while expenses decreased by \$451,441. The revenue increase was due to an increase in property tax revenue of \$1,265,071 which was the result of a 6.09% increase in assessed value. During 2022, the district entered into an agreement to provide emergency services for the Town of Cave Creek which caused an increase in miscellaneous revenue. See Note 8 for more further discussion on this agreement.

Expenses decreased from prior year primarily due to pension expense for PSRPS unfunded liability. When the district issued the COP's there was no longer bi-weekly unfunded liability payments submitted to PSPRS.

DISTRICT FUNDS FINANCIAL ANALYSIS

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

Governmental Funds - The focus of the District's 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's Governing Board.

At June 30, 2022, the governmental funds of the District reported a combined fund balance of \$17,203,773, which is an increase of \$2,869,608 in comparison with the prior year.

General Fund - The general fund accounts for all the financial resources retained by the District not accounted for in any other fund. As of June 30, 2022, total fund balance was \$10,536,067, of which \$555,337 was nonspendable because of prepaid items and \$9,980,730 was unassigned for financial reporting purposes. The district experienced an increase in property tax revenue due to a 6.09% increase in assessed values. During fiscal year 2022, the district had increased charges for services due to out of district responses that also lead to an increase in revenue. As a result of these events, total General Fund balance increased by \$2,791,812.

Capital Projects Fund - The capital projects fund accounts for the accumulation of resources for future construction costs for new and existing facilities and for the purchase of large fire apparatus. As of June 30, 2022, the ending fund balance in the Capital Projects fund was \$3,460,900. The only activity in the capital projects fund was interest received on deposits which resulted in an increase in the fund balance of \$9,521.

Debt Service Fund - The debt service fund accounts for the property tax levy dedicated to the payment of principal and interest on general obligation bonds. The increase in the fund balance was \$68,275 with a balance of \$2,045,670 as of June 30, 2022.

The following statement provides the detail of the District fund balances:

Major funds	June 30, 2022		June 30, 2021	
	Amount	Percent	Amount	Percent
General	\$ 10,536,067	65.68%	\$ 7,744,255	58.79%
Capital	3,460,900	21.57%	3,451,379	26.20%
Debt services	2,045,670	12.75%	1,977,395	15.01%
Total fund balance	\$ 16,042,637	100.00%	\$ 13,173,029	100.00%

Budgetary Highlights

During 2022, total revenues were \$3,266,323 greater than final budgeted revenues while total expenditures were \$14,109,511 under budgeted expenditures prior to depreciation expense and GASB 68 adjustments.

The positive revenue variance resulted primarily from ambulance revenues that were greater than budget due to the district expecting a decrease in interfacility transfers because a new hospital opened within district boundaries. There was also an increase due to the commencing of the Town of Cave Creek agreement for providing emergency services.

The over budget variance of expenditures was primarily due to the issuance of the COP for PSPRS unfunded liability that is reported as expenditures in the fund financial statements. See note for further discussion.

Capital Asset and Debt Administration

Capital assets – The District’s investment in capital assets as of June 30, 2022, totals \$19,955,558 (net of accumulated depreciation). This investment in capital assets includes construction in progress, land, improvements other than buildings, buildings and improvements, vehicles, furniture, and equipment.

Outlays for capital assets during 2022 were \$124,220 which consisted primarily of fire and EMS vehicles and equipment.

Fund balance in the Capital Project fund increased \$9,521 for the year ended June 30, 2022. This increase was caused by interest income.

	Governmental Activities	
	06/30/22	06/30/21
Non-Depreciable Assets	\$ 2,971,098	\$ 495,445
Depreciable Assets	30,617,683	30,244,066
Less: Accumulated depreciation	(13,633,223)	(12,046,998)
Total	\$ 19,955,558	\$ 18,692,513

Additional information on the District’s capital assets can be found in Note 5 to the financial statements.

Long-term liabilities

The District issued \$9,055,000 worth of general obligation bonds, project of 2015, Series A (2016) in May 2016. Repayment of the bonds commences July 1, 2017 and ends on July 1, 2035.

The District issued \$6,620,000 worth of general obligation bonds, project of 2015, Series B (2017). Repayment of the bonds commences July 1, 2018 and ends on July 1, 2037.

The District issued \$11,285,000 of Certificates of Participation (COP) in October 2021. The purpose of this COP was to payoff unfunded PSRPS liability. Repayments on the COP commences January 2022 and ends July 2047.

The District entered into a lease agreement in November 2021 for \$ 2,250,000 to purchase three new E-one pumper trucks. Annual lease payments of \$305,165 commence November 2022 through November 2029.

The fund balance in the Debt Service Fund increased \$68,275 for the year ended June 30, 2022. This increase was due to revenues in excess of expenditures of principal and interest payment on bond obligations.

The District had long-term compensated absences payable of \$4,114,848 as of June 30, 2022.

	Governmental Activities	
	06/30/22	06/30/21
Leases	\$ 2,748,953	\$ 825,696
General Obligation bonds	14,015,990	14,755,695
Certificates of participation	11,095,000	-
Total	<u>\$ 27,859,943</u>	<u>\$ 15,581,391</u>

Additional information on the District's long-term liabilities can be found in Note 6 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The District's total property tax rates including debt service is \$3.4750 for FY 2023 which is a slight increase from prior year. The increase is due to the bond rate increasing from \$.2250 to \$.2364. The bond tax rate is to fulfill debt service obligations and does not affect the operational budget of the district. The district expects net assessed values to continue to increase for Maricopa and Yavapai counties.

2023 will be the first full year that the district is providing services to the Town of Cave Creek. These anticipated revenues and expense are reflected in the 2023 budget. The district does not anticipate or foresee any major project or events that will have a material impact on the financial statements at the moment.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Daisy Mountain Fire District, 41018 N. Daisy Mountain Dr., Anthem, AZ 85086.

BASIC FINANCIAL STATEMENTS

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 13,484,059
Receivables (net of allowances)	1,160,646
Prepaid items	555,337
Investment in joint venture	92,424
Risk Pool Capitalization	148,865
Net pension/OPEB asset	365,048
Restricted cash and cash equivalents	2,003,731
Capital assets, not being depreciated	2,971,098
Capital assets, being depreciated, net	16,984,460
Total assets	<u>37,765,668</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	17,014,327
Deferred outflows related to OPEB	17,367
Total deferred outflows of resources	<u>17,031,694</u>
LIABILITIES	
Accounts payable	147,186
Accrued payroll and other liabilities	277,665
Interest payable	262,211
Noncurrent liabilities:	
Due within one year:	
Compensated absences	755,219
Leases payable	482,114
Certificates of participation payable	345,000
Bonds payable	641,360
Due in more than one year:	
Compensated absences	3,359,629
Leases payable	2,266,839
Certificates of participation payable	10,750,000
Bonds payable	13,374,630
Net pension liability	8,814,659
Total liabilities	<u>41,476,512</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	6,083,286
Deferred inflows related to OPEB	342,343
Deferred inflows related to leases	59,764
Total deferred inflows of resources	<u>6,485,393</u>
NET POSITION	
Net investment in capital assets	3,190,615
Restricted for:	
Capital projects	2,003,731
Debt service	2,045,670
Unrestricted (deficit)	(404,559)
Total net position	<u>\$ 6,835,457</u>

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

	Governmental Activities
Expenses	
Fire protection and emergency services:	
Personnel	\$ 11,576,545
Employee benefits	4,612,497
Stations and utilities	433,188
Vehicles and equipment	1,205,809
Communication	855,164
Meetings and training	151,904
Administration	2,130,623
Grant expense	61,217
Interest on long term debt	580,392
	<hr/>
Total expenses	21,607,339
	<hr/>
Program revenues	
Charges for Services	2,975,640
Capital grants and contributions	190,071
	<hr/>
Total program revenues	3,165,711
	<hr/>
Net program expense	18,441,628
	<hr/>
General revenues	
Property tax	17,676,788
Fire District assistance taxes	480,173
Investment earnings	
Interest income	95,173
Miscellaneous	2,311,438
	<hr/>
Total general revenues	20,563,572
	<hr/>
Change in net position	2,121,944
Net position, beginning of year	4,713,513
	<hr/>
Net position, end of year	\$ 6,835,457
	<hr/> <hr/>

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 9,746,695	\$ 1,457,169	\$ 2,280,195	\$ 13,484,059
Receivables, net:				
Ambulance, net	665,575	-	-	665,575
Property taxes	308,423	-	-	308,423
Leases	60,956	-	-	60,956
Other	125,692	-	-	125,692
Prepaid items	555,337	-	-	555,337
Restricted cash and investments	-	2,003,731	-	2,003,731
Total assets	\$ 11,462,678	\$ 3,460,900	\$ 2,280,195	\$ 17,203,773
LIABILITIES				
Accounts payable	\$ 147,186	\$ -	\$ -	\$ 147,186
Accrued wages and benefits	277,665	-	-	277,665
Accrued liabilities	27,686	-	234,525	262,211
Total liabilities	452,537	-	234,525	687,062
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - charges for service	343,944	-	-	343,944
Unavailable revenue - property taxes	70,366	-	-	70,366
Deferred inflows related to leases	59,764	-	-	59,764
Total deferred inflows of resources	474,074	-	-	474,074
FUND BALANCES				
Nonspendable				
Prepaid items	555,337	-	-	555,337
Restricted				
Capital projects	-	2,003,731	-	2,003,731
Debt service	-	-	2,045,670	2,045,670
Assigned				
Capital projects	-	1,457,169	-	1,457,169
Unassigned	9,980,730	-	-	9,980,730
Total fund balances	10,536,067	3,460,900	2,045,670	16,042,637
Total liabilities, deferred inflows, of resources and fund balance	\$ 11,462,678	\$ 3,460,900	\$ 2,280,195	\$ 17,203,773

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2022

Total governmental funds balances		\$ 16,042,637
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		
Governmental capital assets	33,588,781	
Accumulated depreciation	<u>(13,633,223)</u>	19,955,558
Investment in joint venture is not a current financial resource and therefore is not reported in the governmental funds' balance sheet.		92,424
Risk pool capitaliztaion is not a current financial resource and therefore is not reported in the governmental funds' balance sheet.		148,865
Grant revenues earned but not received within 60 days of year-end are deferred for the governmental statements, but are recognized as revenue for the government-wide statements.		
Ambulatory	343,944	
Property taxes	<u>70,366</u>	414,310
Some liabilities, including net pension liabilities, leases, loans payable, and bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Net pension/OPEB asset	365,048	
Net pension liability	(8,814,659)	
Leases payable	(2,748,953)	
Certificates of participation payable	(11,095,000)	
Bonds payable	(14,015,990)	
Compensated absences	<u>(4,114,848)</u>	(40,424,402)
Deferred outflows and inflows of resources related to pensions and deferred charges on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred outflows of related to pensions/OPEB	17,031,694	
Deferred inflows of resources related to pensions/OPEB	<u>(6,425,629)</u>	<u>10,606,065</u>
Total net position of governmental activities		<u>\$ 6,835,457</u>

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	General	Capital Projects	Debt Service	Total Governmental Funds
REVENUES				
Property taxes	\$ 16,621,061	\$ -	\$ 1,136,667	\$ 17,757,728
Fire district assistance taxes	480,173	-	-	480,173
Charges for services	3,109,997	-	-	3,109,997
Intergovernmental revenues	1,760,226	-	-	1,760,226
Investment earnings				
Interest income	53,820	9,521	31,835	95,176
Grants	190,071	-	-	190,071
Other revenues	551,212	-	-	551,212
Total revenues	<u>22,766,560</u>	<u>9,521</u>	<u>1,168,502</u>	<u>23,944,583</u>
EXPENDITURES				
Public safety				
Emergency services	18,092,298	-	-	18,092,298
Excess pension contribution	11,067,298	-	-	11,067,298
Administration	745,922	-	-	745,922
Capital outlay	2,849,270	-	-	2,849,270
Debt service:				
Principal payments	517,918	-	605,305	1,123,223
Interest and fiscal charges	25,935	-	494,922	520,857
Debt issuance cost	211,107	-	-	211,107
Total expenditures	<u>33,509,748</u>	<u>-</u>	<u>1,100,227</u>	<u>34,609,975</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,743,188)</u>	<u>9,521</u>	<u>68,275</u>	<u>(10,665,392)</u>
OTHER FINANCING SOURCES (USES)				
Certificates of participation issued	11,285,000	-	-	11,285,000
Lease purchase proceeds	2,250,000	-	-	2,250,000
Total other financing sources and (uses)	<u>13,535,000</u>	<u>-</u>	<u>-</u>	<u>13,535,000</u>
Net change in fund balances	2,791,812	9,521	68,275	2,869,608
Fund balances - beginning of year	<u>7,744,255</u>	<u>3,451,379</u>	<u>1,977,395</u>	<u>13,173,029</u>
Fund balances - end of year	<u>\$ 10,536,067</u>	<u>\$ 3,460,900</u>	<u>\$ 2,045,670</u>	<u>\$ 16,042,637</u>

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds		\$ 2,869,608
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlay in the current period.		
Capital outlay	\$ 2,849,270	
Depreciation expense	<u>(1,586,226)</u>	1,263,044
Current year payments for the risk pool capitalization are reclassified from expenditures in the governmental funds to an increase in risk pool capitalization asset on the government-wide statements.		49,621
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Ambulatory revenue	(134,357)	
Property taxes	<u>(80,940)</u>	(215,297)
City pension contributions are reported as expenditures in the governmental governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net position liability is measured a year before the City's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
Pension/OPEB contributions	12,750,535	
Pension/OPEB expense	<u>(1,657,630)</u>	11,092,905
Debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the Statement of Activities.		
Certificates of participation proceeds	(11,285,000)	
Lease proceeds	<u>(2,250,000)</u>	(13,535,000)
Repayment of long-term debt (e.g., bonds, leases) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		1,123,223
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Bond premiums		134,402
Compensated absences 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.		<u>(660,562)</u>
Change in net position of governmental activities		<u>\$ 2,121,944</u>

FINANCIAL SECTION

FIDUCIARY FUND

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
 STATEMENT OF FIDUCIARY NET POSITION
 June 30, 2022

	<u>Pension Trust Fund</u>
ASSETS	
Cash	<u>\$ 29,875</u>
Total Assets	<u>29,875</u>
LIABILITIES	
	<u>-</u>
NET POSITION	
Restricted for:	
Pension pool participants	<u>29,875</u>
Total net position	<u><u>\$ 29,875</u></u>

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2022

	<u>Pension Trust Fund</u>
ADDITIONS	
Investment earnings:	
Interest	<u>\$ 83</u>
Total Additions	<u> 83</u>
DEDUCTIONS	
Distributions to plan participants	<u> -</u>
Total deductions	<u> -</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	83
NET POSITION - BEGINNING	<u> 29,792</u>
NET POSITION - ENDING	<u><u> \$ 29,875</u></u>

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of The Daisy Mountain Fire District (the "District") conform to generally accepted accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principals. The more significant of the District's accounting policies are described below.

Reporting entity

The District was organized in 1989 pursuant to Title 48 of the Arizona Revised Statutes and is a special purpose local government governed by a separately elected governing body. The District provides fire protection and rescue services to residents of the New River, Desert Hills, Anthem, and Black Canyon areas. The District is legally separate and fiscally independent of other state and local governments. As required under generally accepted accounting principles, these financial statements present the activities of the District. Component units are legally separate entities for which the District is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the District's operations. The District has no discretely presented or blended component units.

Basis of presentation

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the District as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between entities to enhance the usefulness of the information.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, state shared revenues, investment income and other items not included among program revenues are reported as general revenues.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund which accounts for all financial resources except those required to be accounted for in another fund.

The *capital projects fund* is used to account for activities related to the acquisition or construction of significant capital assets. The capital projects fund was authorized by the board to provide funds from each year's general fund budget for the replacement, acquisition or construction of major equipment of facilities. It should provide for the replacement of major equipment without the need for assessing large tax increases in any one year.

The *debt service fund* is used for the payment of long-term obligation debt principal, interest and related costs.

The *pension trust fund* is used held on behalf of others, namely the Firefighters' Relief and Pension fund related to Black Canyon firefighters.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classifications

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted (which includes committed, assigned, and unassigned fund balance classifications).

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the District's policy to use restricted fund balance first. For the disbursement of unrestricted fund balances, it is the District's policy to use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

Nonspendable fund balance - amounts that cannot be expended because they are either not in spendable form such as prepaid items, or are legally or contractually required to be maintained intact.

Restricted fund balances - amounts that have externally imposed restrictions on their usage by creditors, such as through debt covenants, grantors, contributors, or laws and regulations.

Committed fund balances - amounts with self-imposed limitations approved by the District's board of directors, which is the highest level of decision-making authority within the District. The constraints placed on committed fund balances can only be removed or changed by the board.

Assigned fund balances - amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned fund balance - the residual classification for the general fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

Assignments and Restrictions of Fund Balance

The District has adopted a policy whereby it will fund the Retirement Paid Time Off account based on amounts provided in the Memorandum of Understanding (MOU) agreement. MOU agreements are renewed every two years and the current MOU agreement is through June 30, 2023. The Retirement Paid Time Off account will be evaluated annually and monies will be assigned based on management's discretion and available funds. Such assignments are not restricted by state statute and can be unassigned upon board approval. As of June 30, 2022, \$1,397,497 was assigned for this purpose.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assignments and Restrictions of Fund Balance (Continued)

The District has adopted a policy whereby it will transfer any unassigned and unencumbered revenues to the capital projects fund to provide for planned future acquisitions of apparatus, vehicles, buildings and improvements. Such transfers are not restricted by statute and can be transferred back to the general fund upon board approved changes to the District's policies. The fund balance amounts are disclosed on the balance sheet as it relates to capital projects and debt service.

The District has adopted a policy whereby it will assign or restrict amounts for the accumulation of financial resources that are restricted, committed, or assigned to expenditures for the payment of long- term obligation debt principal, interest and related costs.

Net Position

In the government-wide financial statements, net position is the difference between assets and deferred outflows and liabilities and deferred inflows. Net assets invested in capital assets are capital assets less accumulated depreciation/amortization and any outstanding debt related to the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by legislation or external restrictions by other governments, creditors or grantors.

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

Cash and Investments

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

Arizona Revised Statutes authorize special districts to invest public monies in the Arizona State Treasurer's local government investment pool, interest bearing savings accounts, certificates of deposit and in accounts of any savings and loan associations insured by an agency of the government of the Unites States, up to the amount of such insurance or pledged collateral. All investments are stated at fair value based on market prices.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Items

Prepaid items are accounted for using the purchase method in the governmental fund financial statements. Using this method, expenditures are reported at the time of purchase and unexpended amounts at year-end are reported on the balance sheet as a prepaid item for informational purposes only and are offset by a fund balance reserve to indicate that they do not constitute "available spendable resources."

In the government-wide financial statements, prepaid purchases are recorded as assets when the goods or services are purchased and expensed over the period consumed.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds". All program service receivables are shown net of an allowance for uncollectible accounts.

The District levies real property taxes on or before the third Monday in August. Such levies, collected by Maricopa and Yavapai Counties, become due and payable in two equal installments; the first is due on the first day of October and the second is due on the first day of March in the subsequent year. There is no allowance for uncollectible accounts on taxes receivables as the District has a subordinated lien on all properties subject to the tax. Collections can occur anytime after the property taxes are levied.

Capital Assets

Capital assets, which include property, equipment and vehicles, including those that are leased by the District, are reported in the general fund in the government-wide financial statements. Purchased assets are recorded at cost, except those assets for which historical costs were not available and estimated costs were used. Donated capital assets or donated works of art and similar items are recorded at acquisition value on the date received. Capital assets received in a service concession arrangement are reported at acquisition value. The threshold for capital assets is equipment that has a useful life greater than a year and costs more than \$5,000. The costs of normal repair and maintenance that do not add to the value of the asset or materially extend the asset's life are not capitalized.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Land and construction in progress are not depreciated. Property, equipment and vehicles of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Buildings and improvements	5 to 30 years
Equipment	3 to 10 years
Vehicles	10 years

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

Leases

As lessee, the District recognizes lease liabilities with an initial, individual value of \$10,000 or more. The District uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The District's estimated incremental borrowing rate is based on the average interest rate of other financing instruments with similar terms and risks as those currently entered into by the District.

As lessor, the District recognizes lease receivables with an initial, individual value of \$50,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The District's estimated incremental borrowing rate is calculated using the same method used on their lessee transactions above.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Post-employment benefits

For purposes of measuring the net pension asset and liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions or deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount and bond issuance costs are expensed when incurred.

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 withheld or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Estimates

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

Intergovernmental Grants and Aid

Monies received from other government agencies in the form of grants or aid based on an entitlement period are recorded as intergovernmental receivables and revenues when entitlement occurs. Reimbursement grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The District's policy regarding compensatory times permits employees to accumulate and roll over time with no maximum limit. Upon retirement, the policy regarding sick leave allows an employee to be paid for 50% of the employee's unused sick leave at the employee's current rate of pay. An employee is deemed eligible to retire by having been employed with the District for at least ten full years or by having been employed in the PSPRS system for at least ten full years and employed by the District for at least five full years. The vacation policy allows any unused vacation to be paid upon termination at 100% of the employee's current rate of pay. The liability for compensated absences is reported in the government-wide statements as a noncurrent liability.

Property Tax Calendar

The District levies real and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May. A lien against real and personal property assessed attaches on the first day of January preceding assessment and levy thereof.

Budgetary Accounting

The District is required, under Arizona Revised Statutes, to adopt a budget each fiscal year and to submit it to the county treasurer and the county board of supervisors no later than the first day of August each year; under statute only the general fund must legally adopt an annual budget. The adopted budget is on the modified accrual basis of accounting, which is a legally allowable basis for budgetary purposes.

All annual appropriations lapse at fiscal year-end. The District is subject to expenditure limitations under Arizona Revised Statutes. Statutes also do not permit the District to incur debt in excess of the tax levy outstanding and to be collected plus the available and unencumbered cash on deposit. The limitation is applied to the total of the combined governmental funds.

Change in Accounting Principle

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 for leases that were previously classified as rental income and recognized as inflows of resources based on the contract payment provisions. The District's current lessee obligations are insignificant to the financial statements and have not been further disclosed.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits – Amounts classified as deposits on June 30, 2022 are described below:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
<i>General Fund</i>		
Maricopa County Treasurer's Investment Pool	\$ 6,841,447	\$ 6,831,530
Yavapai County Treasurer's Investment Pool	1,835,161	1,835,161
Deposits with financial institutions	1,080,004	1,080,004
Total General Fund deposits and investments	<u>\$ 9,756,612</u>	<u>\$ 9,746,695</u>
<i>Capital Projects Fund</i>		
Maricopa County Treasurer's Investment Pool	\$ 1,057,104	\$ 1,057,104
Yavapai County Treasurer's Investment Pool	400,065	400,065
Maricopa County Treasurer's Investment Pool - Bond (Non-interest Bearing Account)	2,003,731	2,003,731
Total Capital Projects Fund Deposits and investments	<u>\$ 3,460,900</u>	<u>\$ 3,460,900</u>
<i>Debt Service Fund</i>		
Maricopa County Treasurer's Investment Pool	\$ 2,281,599	\$ 2,281,599
Yavapai County Treasurer's Investment Pool	(1,404)	(1,404)
Total Capital Projects Fund deposits and investments	<u>\$ 2,280,195</u>	<u>\$ 2,280,195</u>

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

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

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Credit risk—Credit risk is the risk that an issuer or other counterparty to an investment in a debt security will not fulfill its obligations. The District has no investment policy that would further limit its investment choices other than what is in the Arizona Revised Statutes. The MCTIP and YCTIP are external investment pools with no regulatory oversight. The MCTIP and YCTIP are not required to register (and are not registered) with the Securities and Exchange Commission. As of June 30, 2022, the MCTIP and YCTIP had not received a credit quality rating from a national rating agency.

Custodial credit risk—Custodial credit risk is the risk that in the event of a bank failure, the District's deposits (in excess of FDIC insurance) may not be returned to the District. State statutes require that deposits with financial institutions be insured by the Federal Deposit Insurance Corporation (FDIC). FDIC insures deposits up to \$250,000 for all interest-bearing accounts and another \$250,000 for all demand deposit accounts in a given financial institution. Deposits in excess of insured amounts shall be collateralized by approved securities. The District participates in the Arizona State Treasurer's Pooled Collateral Program and does not have any cash that is uninsured or uncollateralized.

Interest rate risk – Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

Foreign currency risk – Arizona Revised Statutes do not allow foreign investments.

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

The restricted amount of \$2,003,731 is held for capital projects as required by the bond series 2017B. This amount was the excess cash held to be used for future projects.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 3 RECEIVABLES

Ambulance Receivable

The ambulance receivable represents the calls invoiced by June 30, 2022. The receivable balance as of June 30, 2022 is \$942,702. The allowance for doubtful accounts as of June 30, 2022 is \$277,127. The portion of the receivable that is not collected within sixty days after the end of the fiscal year is recorded as deferred revenue on the fund financial statements.

Property Taxes

Taxes receivable represents the delinquent tax levied against the property taxes within the District. No reserve is made in the financial statements for doubtful accounts because in the event the taxes are not paid, a lien is placed on the property, which can be subsequently sold to collect the delinquent taxes. The taxes receivable at June 30, 2022 is \$308,423, which represents property taxes outstanding. The portion of taxes receivable that is not collected within sixty days after the end of the fiscal year is recorded as deferred revenue on the fund financial statements.

Leases

As of June 30, 2022, the District is reporting Leases Receivable of \$60,956 and Deferred Inflows Related to Leases of \$59,764. For the fiscal year 2022, the District reported lease revenue of \$2,184 and interest revenue of \$1,348, related to lease payments received. From time to time, the District's lease contracts include variable lease payments, including residual value guarantees, that are not included in the lease receivable because they are not fixed in substance. The District recognized an insignificant amount of revenue related to these variable lease payments and they have not been further disclosed or included in the measurement of the District's lease receivables.

In accordance with the provisions of GASB No. 87, each lease was retroactively measured as of July 1, 2021 at an interest rate of 2.3%, the District's incremental borrowing rate used for lease measurements. The descriptions for each lease are listed below.

American Tower - On November 4, 2018, the District entered into a five-year lease as Lessor for the use of real property. The lessee has five extension options for an additional five years and the District is reasonably certain that the lessee will renew the lease. The lessee is required to make annual fixed payments of \$2,250 with 2% annual increases. The lease has an interest rate of 2.175%. Based on this agreement, the District is receiving payments through 2049.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 3 RECEIVABLES (Continued)

Leases (Continued)

Future payments due to the District are as follows for the years ending June 30:

Fiscal year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 1,059	\$ 1,326	\$ 2,385
2024	1,127	1,303	2,430
2025	1,197	1,278	2,475
2026	1,268	1,252	2,520
2027	1,340	1,225	2,565
2028-2032	7,846	5,654	13,500
2033-2037	9,913	4,712	14,625
2038-2042	12,215	3,535	15,750
2043-2047	14,776	2,099	16,875
2048-2050	10,215	450	10,665
Total	<u>\$ 60,956</u>	<u>\$ 22,834</u>	<u>\$ 83,790</u>

NOTE 4 DUE FROM OTHER GOVERNMENTS

Due from other governments consists mainly of receivables related to medical billing services. There was no balance of this receivable as of June 30, 2022. Currently, there is no provision for an allowance for doubtful accounts as management considers all amounts collectible.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 5 CAPITAL ASSETS

The summary of changes in capital assets is as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 480,066	\$ 225,654	\$ -	\$ 705,720
Construction in progress	15,378	2,250,000	-	2,265,378
Total capital assets not being depreciated	<u>495,444</u>	<u>2,475,654</u>	<u>-</u>	<u>2,971,098</u>
Capital assets being depreciated:				
Buildings and improvements	16,012,984	7,850	-	16,020,834
Vehicles and equipment	12,424,418	365,766	-	12,790,184
Right-to-use asset - vehicles	1,806,665	-	-	1,806,665
Total capital assets being depreciated	<u>30,244,067</u>	<u>373,616</u>	<u>-</u>	<u>30,617,683</u>
Less accumulated depreciation:				
Buildings and improvements	(3,121,755)	(546,471)	-	(3,668,226)
Vehicles and equipment	(8,238,007)	(834,210)	-	(9,072,217)
Right-to-use asset - vehicles	(687,234)	(205,546)	-	(892,780)
Total accumulated depreciation	<u>(12,046,996)</u>	<u>(1,586,227)</u>	<u>-</u>	<u>(13,633,223)</u>
Total capital assets being depreciation, net	<u>18,197,071</u>	<u>(1,212,611)</u>	<u>-</u>	<u>16,984,460</u>
Governmental activities capital assets, net	<u>\$ 18,692,515</u>	<u>\$ 1,263,043</u>	<u>\$ -</u>	<u>\$ 19,955,558</u>

The District used a finance lease to purchase three new fire trucks. Additions for the current fiscal year include front loaders, trucks, and various equipment.

Depreciation/amortization expense of \$1,586,227 was charged to the public safety function.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 6 LONG-TERM DEBT

Long-term obligations are generally paid out of the general fund. Changes in long-term obligations for the year ended June 30, 2022 are as follows:

Governmental activities:	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Compensated absences	\$ 3,454,286	\$ 1,289,201	\$ (628,639)	\$ 4,114,848	\$ 755,219
Leases	825,694	2,250,000	(326,741)	2,748,953	482,114
General obligation bonds	13,768,464	-	(605,305)	13,163,159	641,360
General obligation bond premium	987,231	-	(134,400)	852,831	-
Certificates of participation	-	11,285,000	(190,000)	11,095,000	345,000
Net pension liability	15,274,936	-	(6,460,277)	8,814,659	-
Total long-term debt	<u>\$ 34,310,611</u>	<u>\$ 14,824,201</u>	<u>\$ (8,345,362)</u>	<u>\$ 40,789,450</u>	<u>\$ 2,223,693</u>

Leases

The District acquired the two fire engines, two ambulances, two brush trucks and three fire trucks by granting leasehold interests in the underlying assets to the creditors (the Bank).

The Bank, in turn, leased the property to the District under long-term agreements. Under these agreements, the District is obligated to make lease payments to the Bank, subject to receiving Board appropriations, until the obligation to the Bank is satisfied. Once the obligations to the Bank are satisfied, all rights, title, and interest in the engines or ambulance are transferred to the District. However, if the Board appropriations are not received, the District is relieved of any subsequent obligation and the obligations are considered in default. If the default is not cured, the District has agreed that the Bank may terminate the leases, take possession of, and liquidate, the assets pledged under the agreements.

The District's obligations are accounted for in the Statement of Net Position. Assets under lease totaled \$1,806,665 less accumulated amortization of \$892,780 at June 30, 2022.

In November 2021 the District purchased three new E-One Typhoon E-max Pumper fire trucks for a total of \$2,250,000. These trucks have been financed through a lease with payments of \$305,165 due annually at an interest rate of 1.85%. The lease matures November 2029. This is currently in construction in progress as the trucks have not been completed as of June 30, 2022.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 6 LONG-TERM DEBT

Leases (Continued)

The following is a schedule of future minimum lease payments under leases, together with the net present value of the minimum lease payments as of June 30, 2022:

<u>Year ending June 30,</u>	<u>Governmental Activities</u>
2023	\$ 534,466
2024	461,694
2025	416,595
2026	369,112
2027	305,165
Thereafter	<u>874,740</u>
Total minimum lease payments	2,961,772
Less amount representing Interest	<u>(212,819)</u>
Present value of future minimum payments	<u><u>\$ 2,748,953</u></u>

Bonds

General Obligation(GO) bonds have been issued, after approval by voters at an authorized bond election, to finance construction of new administrative offices, a new fire station, upgrade radio infrastructure, purchase three new fire engines, and pay costs incurred in connection with delivery of the bonds.

The 2015 General Obligation bonds were issued 5/18/2016 are due in annual installments of \$587,100 to \$1,196,000 through 7/1/2035. The interest rate is from 2.0% to 4.0%. The original issue amount was \$9,055,000 principal with a premium of \$730,705.

\$ 6,754,099

The 2015 General Obligation bonds were issued 11/16/2017 are due in annual installments of \$359,050 to \$1,505,600 through 7/1/2037. The interest rate is from 2.0% to 4.0%. The original issue amount was \$6,620,000 principal with a premium of \$717,197.

6,653,731

The 2009 General Obligation bonds were issued 4/1/2009 are due in annual installments through 1/1/2039. The interest rate is 4.125%. The original issue amount was \$861,000.

608,160

\$ 14,015,990

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 6 LONG-TERM DEBT (Continued)

Certificates of Participation

On November 1, 2021, the Daisy Mountain Fire District issued taxable certificates of participation (COP) to provide funds to the Arizona Public Safety Pension Retirement System (PSPRS) to fully fund the pension liability with PSPRS on October 19, 2021. The certificates of participation are secured by tax revenue levied and assets held by Daisy Mountain Fire District. These COPs mature in 25 years and accrue interest at a range of 0.573 to 3.524%.

The future commitments for bonds and certificates of participation are as follows:

Year ending June 30,	Principal	Interest	Net Premium (Discount)	Total
2023	\$ 986,360	\$ 872,752	\$ 125,056	\$ 1,984,168
2024	1,022,460	800,885	113,855	1,937,200
2025	1,053,605	777,902	106,706	1,938,213
2026	1,099,795	748,693	96,565	1,945,053
2027	1,136,035	712,835	70,508	1,919,378
2028-2032	6,305,700	2,961,935	282,032	9,549,667
2033-2037	6,925,500	2,614,114	58,107	9,597,721
2038-2042	2,733,705	763,108	-	3,496,813
2043-2047	2,995,001	275,753	-	3,270,754
Total	\$ 24,258,161	\$ 10,527,978	\$ 852,829	\$ 35,638,968

NOTE 7 NET REVENUE

The District provides emergency medical services within the same geographic region as it provides fire prevention and suppression services. The District provides transportation services. Charges for such emergency medical and transportation services are recognized as charges for services. Net revenue is reported at the 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, and provisions for bad debt.

The District relies on payments from third-party payers, such as Medicare and commercial insurance carriers, to support the emergency medical services provided. Should these third-party payers not cover the entire amount of the services rendered, any remaining amounts are adjusted as uncompensated services with the remaining amounts necessary to support the program funded through tax revenues.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 8 COMMITMENTS

The District has a line of credit with Maricopa County totaling \$3,500,000. The District did not have a balance outstanding on this line of credit as of June 30, 2022.

The District has an intergovernmental agreement to provide medical billing services to the City of Mesa. Payments are based on number of incidents billed. Payments received for these services totaled \$177,768 for the year ended June 30, 2022. The current agreement expired October 31, 2022. This agreement will renew annually.

The District has had an agreement with the City of Phoenix since 1991 to provide dispatch services. Payments made under this agreement totaled \$338,773 for the year ended June 30, 2022.

The District entered into an agreement in December 6, 2021 with the Town of Cave Creek to provide certain fire and emergency medical services for an initial term of twenty five years. The contract amount for \$1,733,930 provides services of three captains, three engineers and nine firefighters. Payments are made quarterly for dedicated employees

NOTE 9 RETIREMENT PLANS

The District and employees contribute to two retirement plans. These plans are a deferred compensation plan and the Public Safety Personnel Retirement System (PSPRS). Benefits for non-public safety personnel are established based on contributions to the plan. For public safety personnel, state statute regulates retirement, death, long-term disability, and survivor insurance premium benefits.

At June 30, 2022 the District reported the following aggregate amounts related to pensions and other post-employment benefits (OPEB) for which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities
Net OPEB asset	\$ 365,048
Net pension liabilities	8,814,659
Deferred outflows of resources related to pensions and OPEB	17,031,694
Deferred inflows of resources related to pensions and OPEB	6,425,629
Pension and OPEB expense	1,738,320

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 9 RETIREMENT PLANS (Continued)

Deferred Compensation Plan

The District has a deferred compensation plan for all personnel. In this plan, employees can designate a percentage of their salary or a specific amount to be deducted from their paychecks. This plan is designed to provide benefits for retirement for any employee who chooses to participate in the plan. The District makes the following contributions: support staff and Civilian EMS personnel receive 6% of their salary, management receives 10% of their salary and operations personnel receive a \$75 match per pay period. District contributions for the year ended June 30, 2022 totaled \$279,734.

Public Safety Personnel Retirement System

Plan Description – Fire service 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 an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan (agent 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), which are not further disclosed because of their relative insignificance to the District's financial statements.

The PSPRS issues a publicly available financial report that include their financial statements and required supplementary information. The reports are available on the PSPRS web site at www.psprs.com.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 9 RETIREMENT PLANS (Continued)

Public Safety Personnel Retirement System (Continued)

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

PSPRS Retirement and Disability	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 months of last 20 years	Highest 60 consecutive months of last 20 years
Benefit percent		
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor Benefits		
Retired Members	80% to 100% of retired member's pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

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

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 9 RETIREMENT PLANS (Continued)

Public Safety Personnel Retirement System (Continued)

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$150 per month to \$260 per month depending on the age of the member and dependents.

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

	<u>PSPRS Fire Pensions</u>	<u>PSPRS Fire Health</u>
Inactive employees or beneficiaries currently receiving benefits	16	16
Inactive employees entitled to but not yet receiving benefits	5	2
Active employees	<u>75</u>	<u>75</u>
Total	<u><u>96</u></u>	<u><u>93</u></u>

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. Employer contribution rates for the year ended June 30, 2022, are indicated below. Rates are a percentage of active members' annual covered payroll.

	<u>PSPRS Active Members</u>	<u>PSPRS Pension</u>	<u>PSPRS Health</u>
PSPRS District Firefighters	7.65% - 11.65%	24.34%	0.18%

In addition, statute required the District to contribute at the actuarially determined rate of 9.05% 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 employees participating in the PSPRS Tier 3 Risk Pool.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 9 RETIREMENT PLANS (Continued)

Public Safety Personnel Retirement System (Continued)

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

	PSPRS Fire
Pension	
Required contributions made	\$ 1,670,880
Excess contributions made	11,067,298
Health Insurance Premium Benefit	
Annual OPEB cost contributions made	12,357

During the fiscal year 2022, the District paid all of the PSPRS pension and OPEB contributions from the general fund.

Liability – At June 30, 2022, the District reported the following assets and liabilities:

	Net pension liability	Net OPEB (asset) liability
PSPRS District Firefighters	\$ 8,814,659	\$ (365,048)

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 liability are as follows:

<u>PSPRS</u>	
Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.3% Tier 1 & 2
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustments	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.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 9 RETIREMENT PLANS (Continued)

Public Safety Personnel Retirement System (Continued)

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

Asset Class - PSPRS	Target Allocation	Long-Term Expected Geometric 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%
Total	100.00%	

Discount Rates – At June 30, 2021, the discount rate used to measure the PSPRS total pension liability was 7.3 percent. The projection of cash flows used to determine the PSPRS discount rates assumed that plan members 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.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 9 RETIREMENT PLANS (Continued)

Public Safety Personnel Retirement System (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
PSPRS Pension			
Balances at June 30, 2021	\$ 51,542,936	\$ 36,268,000	\$ 15,274,936
Changes for the year:			
Service cost	1,756,739	-	1,756,739
Interest on the total liability	3,839,546	-	3,839,546
Differences between expected and actual experience in the measurement of the liability	594,290	-	594,290
Contributions - employer	-	1,883,351	(1,883,351)
Contributions - employee	-	589,426	(589,426)
Net investment income	-	10,225,724	(10,225,724)
Benefit payments, including refunds of employee contributions	(1,406,300)	(1,406,300)	-
Administrative expense	-	(47,649)	47,649
Net changes	4,784,275	11,244,552	(6,460,277)
Balances at June 30, 2022	\$ 56,327,211	\$ 47,512,552	\$ 8,814,659

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 9 RETIREMENT PLANS (Continued)

Public Safety Personnel Retirement System (Continued)

Changes in the Net OPEB (Asset) Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
PSPRS			
Health Insurance Premium Benefit			
Balances at June 30, 2021	\$ 719,288	\$ 863,230	\$ (143,942)
Changes for the year:			
Service cost	33,070	-	33,070
Interest on the total liability	54,856	-	54,856
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the liability	(54,204)	-	(54,204)
Changes of assumptions or other inputs	-	-	-
Contributions - employer	-	17,135	(17,135)
Contributions - employee	-	-	-
Net investment income	-	238,674	(238,674)
Benefit payments, including refunds of employee contributions	(1,800)	(1,800)	-
Hall/Parker Settlement	-	-	-
Administrative expense	-	(981)	981
Other changes	-	-	-
Net changes	31,922	253,028	(221,106)
Balances at June 30, 2022	\$ 751,210	\$ 1,116,258	\$ (365,048)

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 9 RETIREMENT PLANS (Continued)

Public Safety Personnel Retirement System (Continued)

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 liabilities calculated using the discount rate of 7.3 percent, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.3 percent) or 1 percentage point higher (8.3 percent) than the current rate:

PSPRS	1% Decrease 6.30%	Current Discount Rate 7.30%	1% increase 8.30%
Net pension liability	\$ 18,109,148	\$ 8,814,659	\$ 1,308,946
Net OPEB (asset) liability	(267,484)	(365,048)	(447,212)

Plan Fiduciary Net Position - Detailed information about the plans' fiduciary net position is available in the separately issued PSPRS financial reports.

Expense - For the year ended June 30, 2022, the District recognized the following:

	Pension expense	OPEB expense/(revenue)
PSPRS District Firefighters	\$ 1,779,689	\$ (41,369)

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 9 RETIREMENT PLANS (Continued)

Public Safety Personnel Retirement System (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:

PSPRS	Pension		Health Insurance Premium Benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,978,499	\$ 1,576,917	\$ -	\$ 193,532
Changes of assumptions or other inputs	1,297,650	15,973	5,010	45,775
Net difference between projected and actual earnings on pension plan investments	-	4,490,396	-	103,036
District contributions subsequent to the measurement date	12,738,178	-	12,357	-
Total	<u>\$ 17,014,327</u>	<u>\$ 6,083,286</u>	<u>\$ 17,367</u>	<u>\$ 342,343</u>

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net pension liability in the year ended 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,	PSPRS	
	Pension	Health
2023	\$ (388,078)	\$ (61,879)
2024	(407,796)	(62,210)
2025	(511,928)	(65,276)
2026	(1,073,035)	(75,479)
2027	278,141	(37,264)
Thereafter	295,559	(35,225)

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 10 INTERFUND ACTIVITY

There were no significant interfund transfers for the year ended June 30, 2022.

NOTE 11 RISK MANAGEMENT

The District is contingently liable for claims and judgments resulting from lawsuits incidental to normal operations. The District maintains commercial liability insurance to cover losses. Any settled claims resulting from these risks have not exceeded commercial insurance in any of the last three years. In the opinion of the District's management, adverse decisions that might result, to the extent not covered by insurance, would not have a material effect on the financial statements. Consequently, no provision has been made in the financial statements for possible losses of this nature.

NOTE 12 INVESTMENT IN JOINT VENTURE

The District currently participates with several other cities and districts in the Regional Wireless Cooperative (RWC) agreement for the construction, operation and maintenance of a regional communications network. The District is a Maintenance Manager of the Network. As a Maintenance Manager, the District operates and maintains a portion of the network. The District has an ongoing financial responsibility as a result of the agreement to participate in the cost to construct, operate and maintain the network. The District's share of costs is determined based on the proportionate number of subscriber units in use at the time of assessment. The equity interest for the District at June 30, 2022, was \$92,424 per RWC's separately issued annual financial statements.

NOTE 13 RELATED PARTY TRANSACTIONS

The assistant chief of the District is on the board of directors of a self-insured workers' compensation pool in which the District participates. Payments to this pool totaled \$487,397 during the year, which included a contribution for risk pool capitalization of \$49,621.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES

General Fund

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 16,554,417	\$ 16,554,417	\$ 16,621,061	\$ 66,644
Fire district assistance taxes	472,149	472,149	480,173	8,024
Charges for services	2,253,000	2,253,000	3,109,997	856,997
Intergovernmental revenues	16,000	16,000	1,760,226	1,744,226
Investment earnings				
Interest income	50,000	50,000	53,820	3,820
Grants	129,471	129,471	190,071	60,600
Other revenues	25,200	25,200	551,212	526,012
Total revenues	<u>19,500,237</u>	<u>19,500,237</u>	<u>22,766,560</u>	<u>3,266,323</u>
EXPENDITURES				
Public Safety:				
Emergency services	17,546,695	17,546,695	18,092,298	545,603
Excess pension contribution	-	-	11,067,298	11,067,298
Administration	1,098,742	1,098,742	745,922	(352,820)
Capital outlay	754,800	754,800	2,849,270	2,094,470
Debt service:				
Principal payments	-	-	517,918	517,918
Interest and fiscal charges	-	-	25,935	25,935
Debt issuance cost	-	-	211,107	211,107
Total expenditures	<u>19,400,237</u>	<u>19,400,237</u>	<u>33,509,748</u>	<u>14,109,511</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100,000</u>	<u>100,000</u>	<u>(10,743,188)</u>	<u>(10,843,188)</u>
OTHER FINANCING SOURCES (USES)				
Certificates of participation issued	-	-	11,285,000	(11,285,000)
Lease purchase proceeds	-	-	2,250,000	(2,250,000)
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>13,535,000</u>	<u>(13,535,000)</u>
Net change in fund balances	-	-	2,791,812	(2,791,812)
Fund balances - beginning of year	-	-	7,744,255	(7,744,255)
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,536,067</u>	<u>\$ (10,536,067)</u>

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO THE BUDGETARY COMPARISON SCHEDULES
Year Ended June 30, 2022

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Arizona Revised Statutes requires the District to prepare and adopt a balanced budget annually for each governmental fund. The District Board must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. Arizona Revised Statute prohibits expenditures or liabilities in excess of the amounts budgeted. Expenditures may not legally exceed appropriations at the department level. In certain circumstances, transfers of appropriations between departments or from contingency accounts to other departments may be made upon the District Councils approval. With the exceptions of the General Fund, each fund includes only one department. The District's budget is prepared on a basis consistent with generally accepted accounting principles.

REQUIRED SUPPLEMENTARY INFORMATION –
POST EMPLOYMENT BENEFIT SCHEDULES

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NET PENSION/OPEB LIABILITY (ASSET) AND RELATED RATIOS – AGENT PENSION PLAN
Year Ended June 30, 2022

Public Safety Personnel Retirement System Pension	Reporting Fiscal Year (Measurement Date)									
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)		2014 (2013)
Total pension liability										
Service cost	\$ 1,756,739	\$ 1,813,408	\$ 1,794,377	\$ 1,779,912	\$ 1,673,090	\$ 1,403,668	\$ 1,271,270	\$ 1,289,372	Information	
Interest on the total pension liability	3,839,546	3,594,638	3,276,924	2,791,740	2,606,330	1,900,290	1,627,227	1,473,556	not available	
Changes on benefit terms	-	-	-	-	205,530	3,646,888	-	(54,793)		
Differences between expected and actual experience in the measurement of the pension liability	594,290	(826,129)	(356,183)	1,567,037	(1,021,030)	1,512,320	824,429	(1,044,263)		
Changes of assumptions or other inputs	-	-	953,106	-	(1,002)	1,462,010	-	439,020		
Benefit payments, including refunds of employee contributions	(1,406,300)	(934,391)	(522,375)	(450,795)	(631,536)	(473,756)	(147,467)	(125,047)		
Net change in total pension liability	4,784,275	3,647,526	5,145,849	5,687,894	2,831,382	9,451,420	3,575,459	1,977,845		
Total pension liability - beginning	51,542,936	47,895,410	42,749,561	37,061,667	34,230,285	23,742,561	20,167,102	18,189,257		
Total pension liability - ending (a)	\$ 56,327,211	\$ 51,542,936	\$ 47,895,410	\$ 42,749,561	\$ 37,061,667	\$ 33,193,981	\$ 23,742,561	\$ 20,167,102		
Plan fiduciary net position										
Contributions - employer	\$ 1,883,351	\$ 1,844,839	\$ 1,810,530	\$ 1,889,800	\$ 1,027,936	\$ 997,389	\$ 877,149	\$ 865,118		
Contributions - employee	589,426	577,003	597,885	758,523	838,054	1,089,704	763,225	739,872		
Net investment income	10,225,724	448,489	1,717,291	1,971,269	2,890,896	128,074	726,689	2,198,085		
Benefit payments, including refunds of employee contributions	(1,406,300)	(934,391)	(522,375)	(450,795)	(631,536)	(473,756)	(147,467)	(125,047)		
Hall/Parker Settlement	-	-	-	(1,231,924)	-	-	-	-		
Pension plan administrative expense	(47,649)	(36,570)	(30,837)	(30,702)	(26,379)	(18,829)	(18,120)	-		
Other changes	-	-	-	(65,687)	(39,851)	(17,469)	(6,434)	(30,118)		
Net change in plan fiduciary net position	11,244,552	1,899,370	3,572,494	2,840,484	4,059,120	1,705,113	2,195,042	3,647,910		
Plan fiduciary net position - beginning	36,268,000	34,445,421	30,881,792	28,041,308	23,982,188	21,396,234	19,201,192	15,553,282		
Adjustment to beginning of year	-	(76,791)	(8,865)	-	-	-	-	-		
Plan fiduciary net position - ending (b)	\$ 47,512,552	\$ 36,268,000	\$ 34,445,421	\$ 30,881,792	\$ 28,041,308	\$ 23,101,347	\$ 21,396,234	\$ 19,201,192		
District's net pension liability - ending (a) - (b)	\$ 8,814,659	\$ 15,274,936	\$ 13,449,989	\$ 11,867,769	\$ 9,020,359	\$ 10,092,634	\$ 2,346,327	\$ 965,910		
Plan fiduciary net position as a percentage of the total pension liability	84.35%	70.36%	71.92%	72.24%	75.66%	69.59%	90.12%	95.21%		
Covered payroll	\$ 7,450,481	\$ 7,294,910	\$ 7,677,961	\$ 7,413,211	\$ 7,218,742	\$ 7,242,874	\$ 6,612,440	\$ 6,556,127		
District's net pension liability as a percentage of covered payroll	118.31%	209.39%	175.18%	160.09%	124.96%	139.35%	35.48%	14.73%		

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE NET PENSION/OPEB LIABILITY (ASSET) AND RELATED RATIOS – AGENT PENSION PLAN (Continued)
 Year Ended June 30, 2022

Public Safety Personnel Retirement System Other Post Employment Benefit (OPEB)	Reporting Fiscal Year (Measurement Date)					2017 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
Total pension liability						
Service cost	\$ 33,070	\$ 32,130	\$ 20,016	\$ 21,498	\$ 21,207	Information not available
Interest on the total pension liability	54,856	50,583	54,177	52,410	59,683	
Changes on benefit terms	-	-	-	-	213	
Differences between expected and actual experience in the measurement of the pension liability	(54,204)	(14,253)	(141,799)	(58,683)	(72,138)	
Changes of assumptions or other inputs	-	-	7,517	-	(94,458)	
Benefit payments, including refunds of employee contributions	(1,800)	(1,190)	-	(1,228)	(3,120)	
Net change in total pension liability	31,922	67,270	(60,089)	13,997	(88,613)	
Total pension liability - beginning	719,288	652,018	712,107	698,110	786,723	
Total pension liability - ending (a)	<u>\$ 751,210</u>	<u>\$ 719,288</u>	<u>\$ 652,018</u>	<u>\$ 712,107</u>	<u>\$ 698,110</u>	
Plan fiduciary net position						
Contributions - employer	\$ 17,135	\$ 19,582	\$ 22,830	\$ 19,812	\$ 27,815	
Net investment income	238,674	10,590	41,903	48,962	71,811	
Benefit payments, including refunds of employee contributions	(1,800)	(1,190)	-	(1,228)	(3,120)	
Pension plan administrative expense	(981)	(861)	(723)	(745)	(635)	
Net change in plan fiduciary net position	253,028	28,121	64,010	66,801	95,871	
Plan fiduciary net position - beginning	863,230	835,109	762,334	695,533	599,662	
Adjustment to beginning of year	-	-	8,765	-	-	
Plan fiduciary net position - ending (b)	<u>\$ 1,116,258</u>	<u>\$ 863,230</u>	<u>\$ 835,109</u>	<u>\$ 762,334</u>	<u>\$ 695,533</u>	
District's net pension liability - ending (a) - (b)	<u>\$ (365,048)</u>	<u>\$ (143,942)</u>	<u>\$ (183,091)</u>	<u>\$ (50,227)</u>	<u>\$ 2,577</u>	
Plan fiduciary net position as a percentage of the total pension liability	148.59%	120.01%	128.08%	107.05%	99.63%	
Covered payroll	\$ 7,450,481	\$ 7,294,910	\$ 7,677,961	\$ 7,413,211	\$ 7,218,742	
District's net pension liability as a percentage of covered payroll	-4.90%	-1.97%	-2.38%	-0.68%	0.04%	

See accompanying notes to the pension/OPEB plan schedules.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION/OPEB CONTRIBUTIONS
Year Ended June 30, 2022

Public Safety Personnel Retirement System Pension	Reporting Fiscal Year								2014 through 2013
	2022	2021	2020	2019	2018	2017	2016	2015	
Actuarially determined contribution	\$ 1,670,880	\$ 1,799,516	\$ 1,884,839	\$ 1,810,530	\$ 1,889,800	\$ 1,027,836	\$ 997,389	\$ 877,149	Information not available
District's contributions in relation to the actuarially determined contribution	12,738,178	1,799,516	1,884,839	1,810,530	1,889,800	1,027,836	997,389	877,149	
District's contribution deficiency/(excess)	<u>\$(11,067,298)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered payroll	\$ 7,450,481	\$ 7,294,910	\$ 7,677,961	\$ 7,413,211	\$ 7,218,742	\$ 7,242,874	\$ 6,612,440	\$ 6,556,127	
District's contributions as a percentage of covered payroll	22.43%	24.67%	24.55%	24.42%	26.18%	14.19%	15.08%	13.38%	

Public Safety Personnel Retirement System Other Post Employment Benefit (OPEB)	Reporting Fiscal Year					2017 through 2013
	2022	2021	2020	2019	2018	
Actuarially determined contribution	\$ 12,357	\$ 19,101	\$ 19,582	\$ 22,830	\$ 19,812	Information not available
District's contributions in relation to the actuarially determined contribution	12,357	19,101	19,582	22,830	19,812	
District's contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered payroll	\$ 7,450,481	\$ 7,294,910	\$ 7,677,961	\$ 7,413,211	\$ 7,218,742	
District's contributions as a percentage of covered payroll	0.17%	0.26%	0.26%	0.31%	0.27%	

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
 NOTES TO THE PENSION/OPEB PLAN SCHEDULE
 Year Ended June 30, 2022

NOTE 1: 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:

ACTUARIALLY DETERMINED CONTRIBUTION RATES	
Actuarial cost method	Entry age normal
Amortization method	Level percent-of-pay, closed
Remaining amortization period as of the 2021 actuarial valuation	19 years for underfunded 20 years for overfunded
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	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% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increase were decreased from 4.0%-8.0% to 3.5%-7.5% for PSPRS. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0% for PSPRS. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5% for PSPRS.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006-June 30, 2011.
Mortality	In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE PENSION/OPEB PLAN SCHEDULE
Year Ended June 30, 2022

NOTE 2: FACTORS THAT AFFECT TRENDS

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS required pension contributions beginning in fiscal year 2019 for members who were retired as of the law's effective date. These changes increased the PSPRS required contributions beginning in fiscal year 2020 to cover members who retired or will retire after the law's effective date.

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Daisy Mountain Fire District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the government's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well being have changed over time.</i>	61
Revenue Capacity <i>These schedules contain information to help the reader assess the government's property taxes and the most significant local revenues source, and sales tax.</i>	65
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	69
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	73
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	75

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

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	2022	2021	2020	2019	2018
Governmental Activities					
Net investments in capital assets	\$ 3,190,615	\$ 5,013,970	\$ 5,701,713	\$ 5,889,695	\$ 6,434,865
Restricted					
Net Position restricted for debt service	2,045,670	2,220,620	2,136,963	1,978,772	2,079,867
Net Position restricted for capital projects	2,003,731	-	-	-	-
Unrestricted	<u>(404,559)</u>	<u>(2,521,077)</u>	<u>(1,685,037)</u>	<u>(2,961,586)</u>	<u>(3,081,246)</u>
Total governmental activities net postion	<u>\$ 6,835,457</u>	<u>\$ 4,713,513</u>	<u>\$ 6,153,639</u>	<u>\$ 4,906,881</u>	<u>\$ 5,433,486</u>
	2017	2016	2015	2014	2013
Governmental Activities					
Net investments in capital assets	\$ 5,778,743	\$ 5,348,454	\$ 4,257,251	\$ 4,718,353	\$ 5,070,595
Restricted					
Net Position restricted for debt service	1,879,675	326,985	-	-	-
Unrestricted	<u>(5,186,519)</u>	<u>889,334</u>	<u>1,760,439</u>	<u>2,462,980</u>	<u>2,310,105</u>
Total governmental activities net postion	<u>\$ 2,471,899</u>	<u>\$ 6,564,773</u>	<u>\$ 6,017,690</u>	<u>\$ 7,181,333</u>	<u>\$ 7,380,700</u>

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental activities										
Public safety	\$ 21,026,947	\$ 21,528,588	\$ 19,096,304	\$ 18,965,347	\$ 15,856,137	\$ 19,469,592	\$ 13,563,879	\$ 12,818,931	\$ 11,871,896	\$ 11,953,008
Interest on long-term debt	580,392	530,192	545,254	614,732	574,941	-	162,314	10,053	20,102	27,684
Total primary government expenses	<u>21,607,339</u>	<u>22,058,780</u>	<u>19,641,558</u>	<u>19,580,079</u>	<u>16,431,078</u>	<u>19,469,592</u>	<u>13,726,193</u>	<u>12,828,984</u>	<u>11,891,998</u>	<u>11,980,692</u>
Program revenues										
Governmental activities										
Charges for services	2,975,640	3,089,410	4,119,573	2,744,134	2,473,983	1,918,345	1,994,972	1,085,724	979,874	1,135,590
Capital grants and operations	190,071	213,249	47,759	404,348	98,497	611,124	228,587	496,685	104,578	134,425
Total primary government program revenues	<u>3,165,711</u>	<u>3,302,659</u>	<u>4,167,332</u>	<u>3,148,482</u>	<u>2,572,480</u>	<u>2,529,469</u>	<u>2,223,559</u>	<u>1,582,409</u>	<u>1,084,452</u>	<u>1,270,015</u>
Net(expense)/revenue:										
Total primary government net expense	<u>(18,441,628)</u>	<u>\$(18,756,121)</u>	<u>\$(15,474,226)</u>	<u>\$(16,431,597)</u>	<u>\$(13,858,598)</u>	<u>(16,940,123)</u>	<u>\$(11,502,634)</u>	<u>\$(11,246,575)</u>	<u>\$(10,807,546)</u>	<u>\$(10,710,677)</u>
General Revenue and Other Changes in Net position										
Governmental activities:										
Property taxes	\$ 17,676,788	\$ 16,411,717	\$ 15,774,996	\$ 15,022,433	\$ 15,096,235	\$ 12,033,875	\$ 11,429,875	\$ 11,322,743	\$ 9,958,792	\$ 10,183,138
Fire district assistance tax	480,173	481,123	476,574	480,405	482,465	406,810	408,401	406,117	404,965	403,245
Investment earnings	95,173	88,687	182,977	253,019	132,184	78,194	29,865	14,044	11,774	9,910
Other	2,311,438	335,864	286,437	149,135	803,538	217,425	199,301	193,842	232,648	158,694
Gain (loss) on sale of capital assets	-	(1,396)	-	-	280,000	-	(17,725)	(82,957)	-	(1,307)
Total primary government	<u>20,563,572</u>	<u>17,315,995</u>	<u>16,720,984</u>	<u>15,904,992</u>	<u>16,794,422</u>	<u>12,736,304</u>	<u>12,049,717</u>	<u>11,853,789</u>	<u>10,608,179</u>	<u>10,753,680</u>
Change in Net Position										
Total primary government	<u>\$ 2,121,944</u>	<u>\$(1,440,126)</u>	<u>\$ 1,246,758</u>	<u>\$(526,605)</u>	<u>\$ 2,935,824</u>	<u>\$(4,203,819)</u>	<u>\$ 547,083</u>	<u>\$ 607,214</u>	<u>\$(199,367)</u>	<u>\$ 43,003</u>

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General fund										
Nonspendable	\$ 555,337	\$ 28,766	\$ 671,350	\$ 538,674	\$ 427,270	\$ 1,089,106	\$ 421,532	\$ 313,390	\$ 314,254	\$ -
Assigned	-	1,386,115	1,372,777	1,346,710	555,880	994,470	4,213,558	910,829	910,829	205,086
Unassigned	9,746,373	6,329,374	4,842,292	3,178,455	4,259,826	274,733	1,727,301	1,452,725	928,934	1,767,603
Total general fund	<u>\$ 10,301,710</u>	<u>\$ 7,744,255</u>	<u>\$ 6,886,419</u>	<u>\$ 5,063,839</u>	<u>\$ 5,242,976</u>	<u>\$ 2,358,309</u>	<u>\$ 6,362,391</u>	<u>\$ 2,676,944</u>	<u>\$ 2,154,017</u>	<u>\$ 1,972,689</u>
All other governmental funds										
Restricted	\$ 4,049,401	\$ 3,981,126	\$ 3,889,267	\$ 4,129,716	\$ 9,412,099	\$ 7,521,367	\$ 9,631,985	\$ -	\$ -	\$ -
Assigned	1,457,169	1,447,648	1,436,852	1,420,538	1,691,390	1,322,129	1,314,378	2,042,210	1,597,543	1,391,662
Total all other governmental funds	<u>\$ 5,506,570</u>	<u>\$ 5,428,774</u>	<u>\$ 5,326,119</u>	<u>\$ 5,550,254</u>	<u>\$ 11,103,489</u>	<u>\$ 8,843,496</u>	<u>\$ 10,946,363</u>	<u>\$ 2,042,210</u>	<u>\$ 1,597,543</u>	<u>\$ 1,391,662</u>

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
STATEMENT OF CHANGES IN FUND BALANCES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Taxes	\$ 17,757,728	\$ 16,530,188	\$ 15,660,451	\$ 15,045,046	\$ 14,922,852	\$ 12,068,552	\$ 11,389,748	\$ 11,321,252	\$ 9,992,143	\$ 10,267,139
Fire district assistance tax	480,173	481,123	476,574	480,405	482,465	406,810	408,401	406,117	404,965	403,245
Capital grants	190,071	213,249	47,759	404,348	98,497	-	-	-	-	134,425
Charges for services	2,757,127	2,865,531	3,213,819	2,560,669	2,545,711	2,466,959	2,272,593	1,690,426	1,045,264	1,131,177
Intergovernmental	1,878,739	-	-	-	-	-	-	-	-	-
Investment earnings	95,176	88,686	182,977	253,019	132,184	78,194	29,865	14,044	11,774	9,910
Other	551,212	482,366	673,921	298,105	708,835	217,426	199,301	193,842	232,648	158,694
Total Revenues	23,710,226	20,661,143	20,255,501	19,041,592	18,890,544	15,237,941	14,299,908	13,625,681	11,686,794	12,104,590
Expenditures										
Public safety	29,905,518	18,292,215	16,692,592	16,103,768	14,776,267	13,231,570	13,363,029	12,230,136	10,838,899	11,022,764
Capital outlay	2,849,270	448,885	1,005,598	6,745,843	5,871,944	4,790,026	1,822,898	57,052	248,879	122,683
Debt Service										
Principal	1,123,223	743,537	636,111	1,516,512	1,022,552	123,618	60,608	360,846	191,705	184,124
Interest	520,857	530,192	545,253	614,732	574,060	199,676	12,164	10,053	20,102	27,684
Total Expenditures	34,398,868	20,014,829	18,879,554	24,980,855	22,244,823	18,344,890	15,258,699	12,658,087	11,299,585	11,357,255
Excess of revenues over (under) expenditures	(10,688,642)	646,314	1,375,947	(5,939,263)	(3,354,279)	(3,106,949)	(958,791)	967,594	387,209	747,335
Other financing sources (uses)										
Proceeds from sale of capital assets	-	10,300	-	-	280,000	-	-	-	-	1,250
Proceeds from lease obligation	2,250,000	303,877	222,498	206,891	-	-	925,000	-	-	-
Proceeds from bond obligations	11,285,000	-	-	-	6,620,000	-	9,055,000	-	-	-
Premium on bonds	-	-	-	-	717,197	-	730,705	-	-	-
Debt issuance costs	(211,107)	-	-	-	(155,747)	-	(162,314)	-	-	-
Total other financing sources (uses)	13,323,893	314,177	222,498	206,891	7,461,450	-	10,548,391	-	-	1,250
Net change in fund balances	\$ 2,635,251	\$ 960,491	\$ 1,598,445	\$ (5,732,372)	\$ 4,107,171	\$ (3,106,949)	\$ 9,589,600	\$ 967,594	\$ 387,209	\$ 748,585
Debt Service as a percentage of noncapital expenditures	5.50%	6.96%	7.08%	13.23%	10.81%	2.44%	0.54%	3.03%	1.95%	1.92%

**DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Fiscal year ended June 30,	Commercial, Industrial, Utilities & Mines	Agriculture & Vacant	Residential (owner occupied)	Residential (Rental)	Railroad	Less: Tax Exempt Real property	Total		Estimated Real Market Value	Assessed value as a % of actual Value
							Taxable Assessed Value	Direct Tax Rate		
2013	33,141,133	44,199,801	218,826,914	46,030,546	-	27,423,048	\$ 314,775,346	\$ 3.2500	3,090,373,306	10%
2014	31,636,584	42,690,695	206,392,106	54,054,339	-	27,280,673	307,493,051	3.2500	3,033,527,257	10%
2015	30,709,640	45,293,345	237,139,555	65,035,916	-	28,680,551	349,497,905	3.2500	3,466,476,161	10%
2016	30,675,278	45,106,980	235,717,596	69,032,571	-	28,366,340	352,166,085	3.2500	4,130,725,612	9%
2017	32,093,270	42,766,169	247,411,815	75,512,372	-	27,371,490	370,412,136	3.2500	4,516,704,274	8%
2018*	37,258,563	45,747,232	270,981,216	79,418,675	-	29,394,510	404,011,176	3.2500	4,668,694,836	9%
2019	41,211,693	45,886,660	284,146,089	87,937,343	-	28,755,326	430,426,459	3.2500	5,027,585,237	9%
2020	41,672,066	45,976,593	303,971,947	92,389,824	-	29,487,506	454,522,924	3.2500	5,443,720,883	8%
2021	42,674,397	48,122,700	321,262,858	98,613,014	-	31,008,830	479,664,139	3.2500	4,635,053,406	10%
2022	44,748,155	50,498,241	344,353,950	101,876,230	-	32,109,907	509,366,669	3.2500	5,050,051,303	10%

Source: Maricopa and Yavapai County Tax Assessor

* The district merged with Black Canyon City Fire District in fiscal year ending June 30, 2018

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
PROPERTY TAX RATES – ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal year ended June 30,	Daisy Mountain Fire District	Daisy Mountain Fire District Debt Service	Total District	Overlapping Rates				Total Direct and overlapping rates
				Cave Creek Unified School District	Deer Valley Unified School District	Canon Unified School District	Mayer Unified School District	
2013	3.2500	-	\$ 3.2500	0.9499	3.2059	-	-	\$ 7.4058
2014	3.2500	-	3.2500	0.8779	2.9175	-	-	7.0454
2015	3.2500	-	3.2500	1.0826	2.9305	-	-	7.2631
2016	3.2500	-	3.2500	1.1442	3.4485	-	-	7.8427
2017	3.2500	-	3.2500	1.0447	3.5343	-	-	7.8290
2018*	3.2500	0.4901	3.7401	1.0655	3.5962	6.3381	5.3313	20.0712
2019	3.2500	0.2460	3.4960	1.0593	3.562	5.1380	5.2204	18.4757
2020	3.2500	0.2334	3.4834	1.8189	3.9346	4.9259	4.8944	19.0572
2021	3.2500	0.2328	3.4828	1.6527	3.7950	4.4726	4.1912	17.5943
2022	3.2500	0.2229	3.4729	1.4188	3.7629	4.6501	4.2280	17.5327

Source: Maricopa and Yavapai County Tax Assessor

* The district merged with Black Canyon City Fire District in fiscal year ending June 30, 2018

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO

June 30, 2022

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value</u>	<u>% of Total Assessed Value</u>
ARIZONA PUBLIC SERVICE COMPANY	Utilities	\$ 7,683,814	1.51%
BELAROSA APARTMENTS LLC	Real Estate	3,506,719	0.69%
WHITESTONE ANTHEM MARKETPLACE LLC	Retail	2,328,484	0.46%
TRANSWESTERN PIPELINE COMPANY LLC	Utilities	1,992,119	0.39%
S-K ANTHEM OPPORTUNITY I LLC	Service	1,834,926	0.36%
ANTHEM GOLF LLC	Recreation	1,708,558	0.34%
SMITHS FOOD & DRUG CENTERS INC LEASE	Retail	1,692,363	0.33%
MERRILL GARDENS AT ANTHEM LLC	Real Estate	1,522,194	0.30%
GSA ANTHEM LP	Real Estate	1,502,638	0.30%
EPCOR (ANTHEM WATER DIVISON)	Utilities	1,422,653	0.28%
		<u>25,194,468</u>	<u>4.95%</u>
Total Assessed Value		<u>509,366,669</u>	

June 30, 2013

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value</u>	<u>% of Total Assessed Value</u>
ARIZONA PUBLIC SERVICE COMPANY	Utilities	\$ 4,455,915	1.42%
NSHE WINNEBAGO LLC	Auto	3,358,958	1.07%
BELAROSA GROUP LLC	Real Estate	2,381,250	0.76%
ANTHEM GOLF LLC	Recreation	1,783,834	0.57%
SMITHS FOOD & DRUG CENTERS INC LEASE	Retail	1,751,348	0.56%
KIMCO BARCLAY ANTHEM LP	Real Estate	1,435,938	0.46%
RAVENWOOD TOWERS INC	Real Estate	1,190,500	0.38%
WAW PROPERTY LLC	Real Estate	1,040,000	0.33%
AAW: ANTHEM WATER DIVISION	Utilities	998,273	0.32%
QWEST CORPORATION	Utilities	996,319	0.32%
		<u>\$ 19,392,335</u>	<u>6.16%</u>
Total Assessed Value		<u>\$ 314,775,346</u>	

Source: Maricopa and Yavapai County Assessor

**DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal year ended June 30,	Original Property Tax Levy	Tax Roll Corrections	Property Tax Levy (Adjusted)	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Amount	% of Levy
				Amount	% of Levy			
2013	10,230,735	(23,895)	\$ 10,206,840	10,140,724	99.35%	62,201	\$ 10,202,925	99.96%
2014	9,993,579	(34,481)	9,959,098	9,929,725	99.71%	24,484	9,954,209	99.95%
2015	11,358,753	(20,969)	11,337,784	11,268,073	99.39%	63,522	11,331,595	99.95%
2016	11,445,422	(14,916)	11,430,506	11,403,353	99.76%	20,722	11,424,075	99.94%
2017	12,038,420	5,189	12,043,609	11,989,918	99.55%	45,212	12,035,130	99.93%
2018*	15,047,665	(17,429)	15,030,236	14,819,747	98.60%	196,236	15,015,983	99.91%
2019	15,012,575	(4,734)	15,007,841	14,897,827	99.27%	66,211	14,964,038	99.71%
2020	15,832,429	(14,733)	15,817,696	15,551,563	98.32%	225,301	15,776,864	99.74%
2021	16,686,748	(71,148)	16,615,600	16,352,060	98.41%	269,119	16,621,179	100.03%
2022	17,689,892	(9,055)	17,680,837	17,423,142	98.54%	-	17,423,142	98.54%

Source: Maricopa and Yavapai County Treasurer

* The district merged with Black Canyon City Fire District in fiscal year ending June 30, 2018

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal year ended June 30,	General Obligation Bond		Certificates of Participation	Lease Debt	Total Outstanding Debt		
	Outstanding	Legal Limit			Amount	% of Personal Income	Debt Per Capita
2013	\$ -	\$ 18,886,521	\$ -	\$ 552,551	\$ 552,551	0.35%	0.14
2014	-	18,449,583	-	360,846	360,846	0.21%	0.09
2015	-	20,969,874	-	-	-	0.00%	-
2016	9,785,705	21,129,965	-	864,392	10,650,097	5.74%	2.57
2017	9,785,705	22,224,728	-	740,774	10,526,479	5.36%	2.49
2018	16,857,456	24,240,671	-	1,253,584	18,111,040	8.55%	4.00
2019	16,027,823	25,825,588	-	691,353	16,719,176	7.19%	3.64
2020	15,420,119	27,271,375	-	741,060	16,161,179	6.61%	3.30
2021	14,755,695	28,779,848	-	825,694	15,581,389	6.44%	3.28
2022	14,015,990	30,562,000	11,095,000	2,748,953	27,859,943	10.96%	5.77

Source: Personal income and population information can be found in the Demographic and Economic Statistics.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal year ended June 30,	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund (2)	Total	Percentage of Estimated Actual Taxable Value of Property (3)	Per Capita (4)
2013	\$ -	\$ -	\$ -	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	9,785,705	-	9,785,705	0.24%	-
2017	9,785,705	-	9,785,705	0.22%	2.32
2018	16,857,456	1,600,000	15,257,456	0.33%	3.37
2019	16,027,823	1,315,000	14,712,823	0.29%	3.20
2020	15,420,119	1,375,000	14,045,119	0.26%	2.86
2021	14,755,695	1,455,000	13,300,695	0.29%	2.80
2022	14,015,990	1,022,460	12,993,530	0.26%	2.69

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(1) This is the general bonded debt, net of any issuance discounts and premiums.

(2) This is the amount restricted for debt service principal payments.

(3) See schedule of Assessed and Estimated Actual Value of Taxable Property for property value data.

(4) Population data can be found in the schedule of Demographic and Economic Statistics.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

<u>Governmental Unit</u>	<u>Debt Outstanding at June 30, 2022</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Cave Creek Unified School District	\$ 34,671,142	19.81%	\$ 6,867,705
Deer Valley Unified School District	163,880,000	19.81%	32,461,563
Canon Unified School District	-	19.81%	-
Mayer Unified School District	1,160,556	19.81%	229,884
Subtotal, overlapping debt			<u>39,559,153</u>
Daisy Mountain Fire District			<u>27,859,943</u>
Total Direct and overlapping debt			<u><u>\$ 67,419,096</u></u>

Note: *Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the District. This Schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the District. The 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.*

Source: Arizona Department of Administration

**DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	2022	2021	2020	2019	2018
Assessed Value	\$ 509,366,669	\$ 479,664,139	\$ 454,522,924	\$ 430,426,459	\$ 404,011,176
Debt limit rate	<u>6%</u>	<u>6%</u>	<u>6%</u>	<u>6%</u>	<u>6%</u>
Debt Limit	30,562,000	28,779,848	27,271,375	25,825,588	24,240,671
Less debt obligations	<u>(14,015,990)</u>	<u>(14,755,695)</u>	<u>(15,420,119)</u>	<u>(16,027,823)</u>	<u>(16,857,456)</u>
Legal debt margin	<u>\$ 16,546,010</u>	<u>\$ 14,024,153</u>	<u>\$ 11,851,256</u>	<u>\$ 9,797,765</u>	<u>\$ 7,383,215</u>
Total net debt applicable to the limit as a percentage of debt limit	45.86%	51.27%	56.54%	62.06%	69.54%
	2017	2016	2015	2014	2013
Assessed Value	\$ 370,412,136	\$ 352,166,085	\$ 349,497,905	\$ 307,493,051	\$ 314,775,346
Debt limit rate	<u>6%</u>	<u>6%</u>	<u>6%</u>	<u>6%</u>	<u>6%</u>
Debt Limit	22,224,728	21,129,965	20,969,874	18,449,583	18,886,521
Less debt obligations	<u>(9,785,705)</u>	<u>(9,785,705)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 12,439,023</u>	<u>\$ 11,344,260</u>	<u>\$ 20,969,874</u>	<u>\$ 18,449,583</u>	<u>\$ 18,886,521</u>
Total net debt applicable to the limit as a percentage of debt limit	44.03%	46.31%	0.00%	0.00%	0.00%

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal year ended June 30,	Population (Maricopa & Yavapai County*)	Personal Income (thousands of dollars)	Per Capita income (Maricopa & Yavapai County)	Unemployment Rate (Maricopa County)	Unemployment Rate (Yavapai County)*
2013	3,944,859	158,054,524	40,066	7.8%	-
2014	4,008,651	168,450,841	42,022	6.1%	-
2015	4,076,438	178,469,430	43,781	5.4%	-
2016	4,137,076	185,613,641	44,866	4.9%	-
2017	4,221,684	196,286,191	46,495	4.3%	-
2018	4,523,430	211,812,685	46,826	4.3%	4.6%
2019	4,596,805	232,674,463	50,617	4.5%	4.9%
2020	4,903,756	244,512,071	49,862	8.9%	8.7%
2021	4,748,592	241,990,623	50,961	6.3%	5.7%
2022	4,831,820	254,115,077	52,592	2.9%	2.8%

Sources of information:

- 1) *Office of Economic Opportunity - Arizona Labor Statistics*

* Yavapai only disclosed for the years ending June 30, 2018 and forward due to the merger with Black Canyon City Fire District.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

Employer	June 30, 2021*			June 30, 2013		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Banner Health	45,918	1	2.01%	25,126	3	1.42%
State of Arizona	41,606	2	1.82%	52,076	1	2.94%
Wal-Mart Stores	36,995	3	1.62%	31,837	2	1.80%
Arizona State University	35,474	4	1.55%	12,222	8	0.69%
Fry's Food Stores	20,235	5	0.89%			
City of Phoenix	16,432	6	0.72%	14,983	4	0.84%
University of Arizona	16,021	7	0.70%			
Wells Fargo & Co	16,000	8	0.70%	13,679	5	0.77%
Dignity Health Arizona	15,403	9	0.67%			
Maricopa County	13,648	10	0.60%	13,308	6	0.75%
Bank of America				12,500	7	0.70%
JPMorgan Chase & Co.				11,407	9	0.64%
Intel Corp.				11,000	10	0.62%
Total	<u>257,732</u>		<u>11.29%</u>	<u>198,138</u>		<u>11.17%</u>

Source: Maricopa County

Note: The principal employer were not available for the District alone, therefore, the principal employers for Maricopa County are presented. The most recent year of data available is June 30, 2021.

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Public Safety					
Emergency medical service calls	4,412	4,375	3,784	3,997	3,152
Fire responses	127	203	190	168	186
Other responses - including hazardous materials, mutual aid, public service	75	84	64	116	88
Miscellaneous - including false alarms, good intent	1,471	1,652	1,069	1,489	1,284
Total Incidents	6,085	6,314	5,107	5,770	4,710

Function	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Public Safety					
Emergency medical service calls	2,562	2,722	2,175	2,136	2,100
Fire responses	160	144	123	138	101
Other responses - including hazardous materials, mutual aid, public service	110	65	57	72	106
Miscellaneous - including false alarms, good intent	1,057	1,105	1,163	1,025	1,053
Total Incidents	3,889	4,036	3,518	3,371	3,360

Source: Various District departments

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
 FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

Function	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Public Safety					
Fire and rescue service	106	91	106	93	93
Administrative and support	27	27	21	21	18
Total	<u>133</u>	<u>118</u>	<u>127</u>	<u>114</u>	<u>111</u>
Function	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Public Safety					
Fire and rescue service	72	72	78	81	81
Administrative and support	17	17	12	12	12
Total	<u>89</u>	<u>89</u>	<u>90</u>	<u>93</u>	<u>93</u>

Source: District HR department

DAISY MOUNTAIN FIRE DISTRICT, ARIZONA
 CAPITAL ASSET STATISTICS BY FUNCTION
 LAST TEN FISCAL YEARS

Function	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Public Safety					
Stations	6	5	5	5	4
Equipment:					
Engines	6	5	5	5	4
Ladder Trucks	1	1	1	1	1
Brush rigs	6	5	5	5	4
Rescue units	3	3	3	3	3
Tenders	5	4	4	4	3
Hazmat squad	1	1	1	1	1

Function	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Public Safety					
Stations	4	4	4	4	4
Equipment:					
Engines	4	4	4	4	4
Ladder Trucks	1	1	1	1	1
Brush rigs	4	4	4	4	4
Rescue units	3	3	3	3	3
Tenders	3	3	3	3	3
Hazmat squad	1	1	1	1	1

Source: District logistics department

REPORT ON INTERNAL CONTROL AND COMPLIANCE

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS*

To the Board of Directors
Daisy Mountain Fire District
Anthem, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Daisy Mountain Fire District, Arizona, (District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Daisy Mountain Fire District's basic financial statements and have issued our report thereon dated January 23, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Report on Compliance with State of Arizona Regulatory Requirements

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

Purpose of this Report

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

Baker Tilly US, LLP

Tempe, Arizona
January 23, 2023