



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

# DAISY MOUNTAIN FIRE DISTRICT ARIZONA

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For the fiscal year ended June 30, 2021



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**Daisy Mountain Fire Department**

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**Annual Comprehensive Financial Report**

**For the fiscal year ended June 30, 2021**

Prepared by:

The James Vincent Group

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# INTRODUCTORY SECTION



February 24, 2022

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, 2021. 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, 2021.

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.

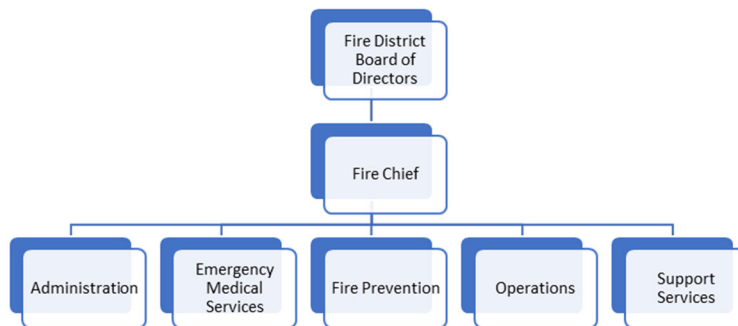
Heidenreich & Heidenreich, CPAs, PLLC, a certified public accounting firm, has issued an unmodified (“clean”) opinion on the Daisy Mountain Fire District (DMFD) financial statements for the year ended June 30, 2021.

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

## 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 EMTs 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.



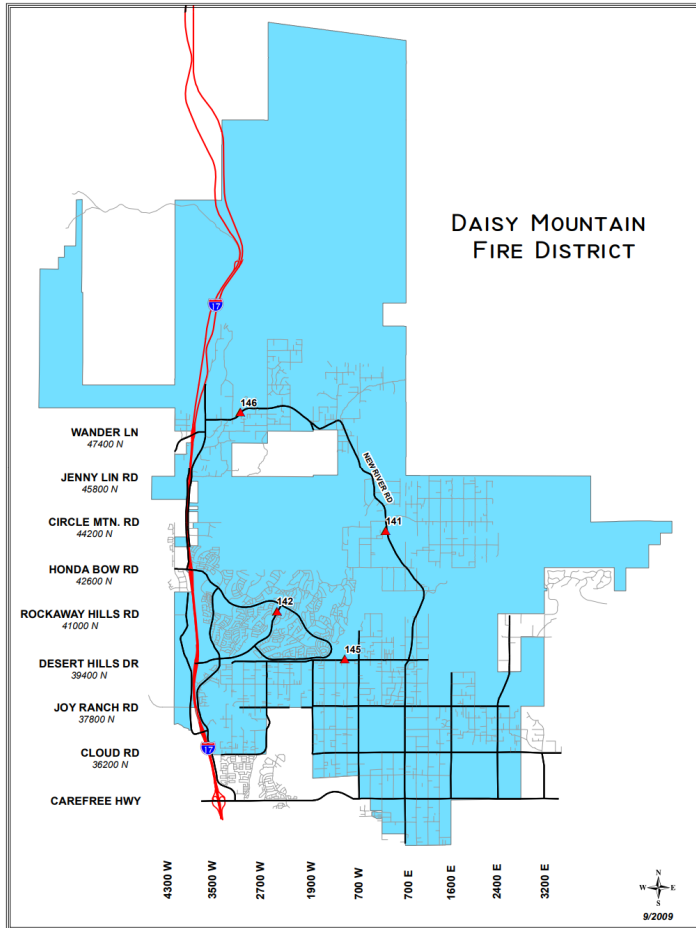
Wildland/Urban Interface – DMFD is made up of a unique mix of suburban and rural communities. The diversity of the area presents DMFD with an Urban Interface approach to wildfires. Each member of the DMFD is trained to fight and manage wildfires. The DMFD Wildland Division is a dynamic and highly trained 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 1<sup>st</sup>, 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**

As with many communities, COVID-19 has created significant economic challenges. The uncertainty around COVID-19 and its overall impact on the local economy will take time to understand.

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.

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 June 2013 - July 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.

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 as opposed to paying off the unfunded liability through annual pension contributions directly to PSPRS.

### **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.

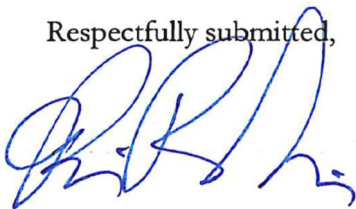
### **Awards and Acknowledgements**

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 comprehensive annual financial report for the fiscal year ended June 30, 2020. This was the second consecutive year that the government has achieved this prestigious award. 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. 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**



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



**Daisy Mountain Fire District**  
List of Elected and Appointed  
June 30, 2021

**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

# FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

To the District Board  
Daisy Mountain Fire District  
Anthem, AZ

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Daisy Mountain Fire District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Daisy Mountain Fire District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Daisy Mountain Fire District, as of June 30, 2021, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.



## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 through 19, budgetary comparison on pages 54 and 55 and net pension and OPEB information on pages 56 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Introductory Section and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2022, on our consideration of 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 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 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.



Heidenreich & Heidenreich, CPAs, PLLC  
Phoenix, AZ  
February 24, 2022

# 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, 2021. 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 \$42,583,656 at the close of the fiscal year. The total assets and deferred outflows exceeded liabilities and deferred inflows by \$4,713,513. Of this amount \$(2,521,077) represents the balance of the unrestricted net position.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,329,374. The change in fund balance for the general fund was an increase of \$857,836 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.
- The District realized a \$960,491 increase in fund balances during the fiscal year. The increase consists of excess revenues over expenditures of \$2,368,928, before capital expenditures of \$448,885, debt service payments and expenditures of \$1,273,729, and other financing sources of \$314,177.
- Cash and investments increased by \$2,163,295. This increase of cash was primarily caused by a 4.70% increase of assessed valuation and greater activity in charges for services for out of district responses.
- The long-term liabilities decreased by a net amount of \$475,344. This decrease is primarily due to scheduled payments on long-term debt.

### **Overview of the Financial Statements**

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

### **Government-wide Financial Statements**

The *Government-wide financial statements* 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 pages 54-55 of this report. The basic governmental fund financial statements can be found on pages 22-25 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 on pages 40-50 and 56-60 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 \$4,713,513 at the close of the most recent fiscal year. The largest portion of the District's net position (106%) reflects its investment in capital assets (e.g., land, construction in progress, buildings, machinery, vehicles, and equipment); less any related debt still outstanding used to acquire those assets. The District uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

	Governmental Activities		Increase/ Decrease
	2021	2020	
Cash and investments	\$ 14,260,859	\$ 12,097,564	\$ 2,163,295
Other assets	1,268,286	2,469,936	(1,201,650)
Capital assets	18,692,515	19,810,296	(1,117,781)
Total assets	34,221,660	34,377,796	(156,136)
Deferred outflows of resources	8,361,996	7,665,269	696,727
Current and other liabilities	2,267,850	1,218,994	1,048,856
Long-term liabilities	33,433,661	32,958,317	475,344
Total liabilities	35,701,511	34,177,311	1,524,200
Deferred inflows of resources	2,168,632	1,712,115	456,517
Net investment in			-
Capital assets	5,013,970	5,701,713	(687,743)
Restricted - Debt Service	2,220,620	2,136,963	83,657
Unrestricted	(2,521,077)	(1,685,037)	(836,040)
Total net position	\$ 4,713,513	\$ 6,153,639	\$ (1,440,126)

During 2021, current assets increased primarily because of an increase in cash and cash equivalents of \$2,163,295 from prior year. The District experienced a 4.70% increase of assessed valuation. Also, activity for charges for services for out of district responses and ambulance operations were greater than what was budgeted which caused an increase in cash and cash equivalents. The district also budgeted for savings through management of expenditures during the year as well as allocating a surplus to reserves. Other assets decreased \$1,201,650 due to timing in balances of accounts receivable and prepaid items.

The unrestricted net position of (\$2,521,077) is not available to meet the District's ongoing obligations to citizens and creditors. As previously discussed, the deficit position arises from the actuarially determined unfunded future liability of the Public Safety Personnel Retirement System (PSPRS).

## Governmental Activities

Governmental activities net position decreased by \$1,440,126. Key elements of this decrease are reported below:

	Governmental Activities		Increase/ Decrease
	2021	2020	
Program Revenues			
Charge for Svcs	\$ 3,089,410	\$ 4,119,573	\$ (1,030,163)
Capital grants and contributions	213,249	47,759	165,490
General Revenues			
Property Taxes	16,411,717	15,774,996	636,721
Fire District Assistance Tax	481,123	476,574	4,549
Investment Earnings	88,687	182,977	(94,290)
Other income	334,468	286,437	48,031
Total Revenues	<u>20,618,654</u>	<u>20,888,316</u>	<u>(269,662)</u>
Expenses			
Fire protection and emergency services	22,058,780	19,641,558	2,417,222
Total Expenses	<u>22,058,780</u>	<u>19,641,558</u>	<u>2,417,222</u>
Increase (decrease) in net Assets	(1,440,126)	1,246,758	(2,686,884)
Beginning Net Assets	6,153,639	4,906,881	1,246,758
Ending Net Assets	<u>\$ 4,713,513</u>	<u>\$ 6,153,639</u>	<u>\$ (1,440,126)</u>

Overall revenues decreased by \$269,662 while expenses increased by \$2,417,222. The decrease in revenue was primarily due to fewer wildland deployments in fiscal year 2021 compared to 2020.

Assessed value increased \$700,993 or a 4.70% which caused an increase in property tax revenue.

Expenses increased from prior year primarily due to pension expense for PSRPS liability and an increase in grant expenses.

## Financial Analysis of the Governmental Funds

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

**Governmental Funds** - The focus of 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, 2021, the governmental funds of the District reported a combined fund balance of \$13,173,029, which is an increase of \$960,491 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, 2021, total fund balance was \$7,744,255, of which \$28,766 was nonspendable because of prepaid items, \$1,386,115 was assigned for paying employee leave liabilities, and \$6,329,374 was unassigned for financial reporting purposes. The district experienced an increase in property tax revenue due to a 4.70% increase in assessed values. During fiscal year 2021, the district had increased charges for services due to out of district responses that also lead to an increase in revenue. In comparison to fiscal year 2020, the district spent less in capital outlay in the general fund. As a result of these events, total General Fund balance increased by \$857,836

**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, 2021, the ending fund balance in the Capital Projects fund was \$3,451,379. The only activity in the capital projects fund was interest received on deposits which resulted in an increase in the fund balance of \$10,796.

**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 \$91,859 with an balance of \$1,977,395 as of June 30, 2021.

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

Daisy Mountain Fire District  
Governmental Funds – Fund Balances  
As of June 30, 2021 and 2020

Major funds	30-Jun-21		30-Jun-20	
	Amount	%	Amount	%
General	\$ 7,744,255	58.79%	\$ 6,886,419	56.39%
Capital	3,451,379	26.20%	3,440,583	28.17%
Debt services	1,977,395	15.01%	1,885,536	15.44%
Total fund balance	\$ 13,173,029	100.00%	\$ 12,212,538	100.00%

**Budgetary Highlights**

During 2021, total revenues were \$212,650 less than final budgeted revenues while total expenditures were \$406,309 under budgeted expenditures. The revenue variance resulted primarily from a decrease in wildland revenues. The expenditure variance was primarily due to less travel and training expense than anticipated and a planned overage to increase reserves.

**Capital Asset and Debt Administration**

**Capital assets** – The District’s investment in capital assets as of June 30, 2021, totals \$18,692,515 (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 2021 were \$448,885 which consisted primarily of fire and EMS equipment as well as vehicles.

Additional information on the District's capital assets can be found in Note 6 to the financial statements on page 37.

**Long-term liabilities** – During the current fiscal year, the District entered into a capital lease to acquire two new brush trucks.

The District issued \$9,055,000 worth of general obligation bonds, project of 2015, Series A (2016) in May 2016. Repayment of the bonds commenced 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 commenced July 1, 2018 and ends on July 1, 2037.

The District had long-term compensated absences payable of \$3,454,286 at year-end.

Additional information on the District's long-term liabilities can be found in Note 7 to the financial statements on page 37.

### **Economic Factors and Next Year's Budgets and Rates**

The District's mil rate is \$3.4729 for FY 2022 which is a slight decrease from prior year. The decrease is due to the bond rate decreasing from \$.2328 to \$.2229. 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.

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 as opposed to paying off the unfunded liability through annual pension contributions directly to PSPRS.

### **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 Drive Anthem, Arizona 85086.

**Daisy Mountain Fire District**  
**Statement of Net Position - Governmental Activities**  
**June 30, 2021**

<b>Assets</b>	
Cash and Investments	\$ 14,260,859
Receivables	
Ambulance, net	514,378
Property taxes	344,194
Due from other governments	37,873
Other Receivables	7,466
Prepaid items	28,766
Investment in joint venture	92,424
Risk Pool Capitalization	99,243
Net pension asset - OPEB	143,942
Capital assets, net	
Land	480,066
Buildings and equipment, net	18,212,449
Total assets	<u>34,221,660</u>
<b>Deferred outflows of resources</b>	
Deferred outflows of resources related to pensions	8,291,240
Deferred outflows of resources related to OPEB	70,756
<b>Liabilities</b>	
Accounts payable	327,920
Accrued Interest	248,710
Accrued salaries and benefits	557,734
Other Liabilities	256,536
Capital lease payable	284,425
Bond payable	592,525
Noncurrent liabilities	
Due within one year	276,343
Due in more than one year	33,157,318
Total liabilities	<u>35,701,511</u>
<b>Deferred inflows of resources</b>	
Deferred inflows of resources related to pensions	1,942,246
Deferred inflows of resources related to OPEB	226,386
<b>Net position</b>	
Net investment in capital assets	5,013,970
Net position restricted for debt service	2,220,620
Unrestricted	(2,521,077)
Total net position	<u><u>\$ 4,713,513</u></u>

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



**Daisy Mountain Fire District**  
**Statement of Activities - Governmental Activities**  
**Year Ended June 30, 2021**

**Expenses:**

*Fire protection and emergency services*

Personnel	\$ 11,176,187
Employee benefits and expenses	5,117,199
Ambulance operations	214,295
Depreciation	1,554,971
Utilities and communication	658,323
Repairs and maintenance	633,823
Administration	614,724
Taxes and insurance	818,805
Turnout gear	210,373
Professional services	115,416
Training	46,534
Interest expense	530,192
Grant expenses	204,129
Other operating expenses	<u>163,809</u>
Total expenses	22,058,780

**Program revenues:**

Charges for services	3,089,410
Capital grants	<u>213,249</u>
Total program revenues	3,302,659

**General revenues:**

Property taxes	16,411,717
Fire district assistance taxes	481,123
Interest	88,687
Other income	335,864
Loss on disposal of assets	<u>(1,396)</u>
Total general revenues	<u>17,315,995</u>

Increase (decrease) in net position (1,440,126)

Net position - beginning of year 6,153,639

Net position - end of year \$ 4,713,513

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

**Daisy Mountain Fire District**  
**Balance Sheet - Governmental Funds**  
**June 30, 2021**

	<b>Major Funds</b>			<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	
<b>Assets</b>				
Cash and Investments	\$ 8,588,860	\$ 3,451,379	\$ 2,220,620	\$ 14,260,859
Receivables				
Ambulance, net	514,378	-	-	514,378
Property taxes	344,194	-	-	344,194
Other	7,466	-	-	7,466
Due from other governments	37,873	-	-	37,873
Prepaid items	28,766	-	-	28,766
Total assets	<u>\$ 9,521,537</u>	<u>\$ 3,451,379</u>	<u>\$ 2,220,620</u>	<u>\$ 15,193,536</u>
<b>Liabilities</b>				
Accounts payable	\$ 327,920	\$ -	\$ -	\$ 327,920
Accrued Interest	5,485	-	243,225	248,710
Accrued salaries and benefits	557,734	-	-	557,734
Other liabilities	256,536	-	-	256,536
Total liabilities	1,147,675	-	243,225	1,390,900
<b>Deferred inflows of resources</b>				
<i>Unavailable revenues</i>				
Ambulance	478,301	-	-	478,301
Property taxes	151,306	-	-	151,306
Total deferred inflows of resources	629,607	-	-	629,607
<b>Fund balances</b>				
Assigned	1,386,115	1,447,648	-	2,833,763
Nonspendable	28,766	-	-	28,766
Restricted	-	2,003,731	1,977,395	3,981,126
Unassigned	6,329,374	-	-	6,329,374
Total fund balances	<u>7,744,255</u>	<u>3,451,379</u>	<u>1,977,395</u>	<u>13,173,029</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,521,537</u>	<u>\$ 3,451,379</u>	<u>\$ 2,220,620</u>	<u>\$ 15,193,536</u>

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

**Daisy Mountain Fire District  
Reconciliation of the Governmental Funds - Balance Sheet  
to the Statement of Net Position  
June 30, 2021**

<b>Fund balances - Governmental funds</b>	\$	13,173,029
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds' balance sheet.</p>		18,692,515
<p>Investment in joint venture is not a current financial resource and therefore is not reported in the governmental funds' balance sheet.</p>		92,424
<p>Risk pool capitalization is not a current financial resource and therefore is not reported in the governmental funds' balance sheet.</p>		99,244
<p>Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the governmental funds' balance sheet as follows:</p>		
Property taxes receivable		151,306
Ambulance receivables		478,301
<p>Some liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds' balance sheet as follows:</p>		
Net pension liability		(15,274,936)
Net OPEB liability/asset		143,942
Bond payable		(14,755,695)
Capital lease payable		(825,694)
Compensated absences		(3,454,285)
<p>Some deferred outflows and inflows of resources are applicable to future reporting periods and, therefore, are not reported in the funds:</p>		
Deferred inflows and outflows of resources related to pensions		6,348,992
Deferred inflows and outflows of resources related to OPEB		(155,630)
		(155,630)
<b>Net position of governmental activities</b>	<b>\$</b>	<b>4,713,513</b>

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

**Daisy Mountain Fire District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Governmental Funds**  
**Year Ended June 30, 2021**

	<b>Major Funds</b>			<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	
<b>Revenues:</b>				
<i>Taxes</i>				
Property taxes	\$ 15,443,315	\$ -	\$ 1,086,873	\$ 16,530,188
Fire district assistance taxes	481,123	-	-	481,123
Charges for services	2,865,531	-	-	2,865,531
Intergovernmental	287,674	-	-	287,674
Interest	42,786	10,796	35,104	88,686
Grants	213,249	-	-	213,249
Other	194,692	-	-	194,692
Total revenues	19,528,370	10,796	1,121,977	20,661,143
<b>Expenditures:</b>				
<i>Fire protection and emergency services</i>				
Personnel	11,069,050	-	-	11,069,050
Employee benefits	3,493,313	-	-	3,493,313
Utilities and communication	658,323	-	-	658,323
Repairs and maintenance	633,823	-	-	633,823
Administration	614,724	-	-	614,724
Ambulance Operations	214,295	-	-	214,295
Grant Expense	204,129	-	-	204,129
Taxes and Insurance	868,426	-	-	868,426
Training	46,534	-	-	46,534
Turnout Gear	210,373	-	-	210,373
Professional Services	115,416	-	-	115,416
Other	163,809	-	-	163,809
Capital outlay	448,885	-	-	448,885
<i>Debt service:</i>				
Principal payments	219,242	-	524,295	743,537
Interest payments	24,369	-	505,823	530,192
Total expenditures	18,984,711	-	1,030,118	20,014,829
Excess (deficiency) of revenues over expenditures	543,659	10,796	91,859	646,314
<b>Other financing sources (uses):</b>				
Issuance of capital lease	303,877	-	-	303,877
Proceeds from sale of assets	10,300	-	-	10,300
Transfers in (out)	-	-	-	-
Total other financing sources and uses	314,177	-	-	314,177
Net changes in fund balances	857,836	10,796	91,859	960,491
Fund balances, beginning of year	6,886,419	3,440,583	1,885,536	12,212,538
Fund balances, end of year	\$ 7,744,255	\$ 3,451,379	\$ 1,977,395	\$ 13,173,029

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

**Daisy Mountain Fire District  
Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended June 30, 2021**

<b>Net change in fund balances - total governmental funds</b>	\$	960,491
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures and proceeds from asset sales while governmental activities report depreciation expense to allocate those costs over the lives of the assets and losses on the disposal of capital assets as expenditures as follows:		
Capital asset purchases		448,885
Depreciation expense		(1,554,971)
Loss on sale of assets		(1,396)
Proceeds on sale of assets		(10,300)
Changes in joint venture equity interest are not capitalized on the governmental fund statements, but are shown in the statement of activities.		
		1,043
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds as follows:		
Ambulance services		(63,795)
Property taxes		(118,471)
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.		
		49,622
District pension and OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the District's report. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities:		
District pension/OPEB contributions		57,782
Pension/OPEB expense		(1,681,668)
Bond premiums are amortized over the life of the bond in the statement of activities and are not a current expenditure in the governmental funds		
		140,129
Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		743,537
The issuance of long-term debt is reported as a current financial resource of governmental funds, but does not have any effect on net position		
		(303,877)
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
		(107,137)
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>(1,440,126)</b>

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

**Daisy Mountain Fire District**  
**Statement of Fiduciary Net Position - Fiduciary Fund**  
**June 30, 2021**

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<b>Assets</b>	<b>Firefighters' Relief and Pension Fund</b>
Cash and cash equivalents	\$ 29,792
<b>Net Position Restricted For Pensions</b>	<b>\$ 29,792</b>

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

**Daisy Mountain Fire District**  
**Statement of Changes in Fiduciary Net Position - Fiduciary Fund**  
**Year Ended June 30, 2021**

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	<b><u>Firefighters' Relief and Pension Fund</u></b>
Additions:	
Interest	\$ 128
Change in Net Position	128
Net Position Restricted For Pensions - Beginning	<u>29,664</u>
Net Position Restricted For Pensions - Ending	<u><u>\$ 29,792</u></u>

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

**Daisy Mountain Fire District**  
**Notes to Financial Statements**  
**June 30, 2021**

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**Note 1 – Summary of Significant Accounting Policies**

The accounting policies of The Daisy Mountain Fire District (the “District”) conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

**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* – These statements include a statement of net position and a statement of activities. These statements report the financial activities of the overall government.

A statement of activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include:

- Charges to customers for services provided,
- Operating grants and contributions, and
- Capital grants and contributions.

Revenues not classified as program revenues, including internally dedicated resources and all taxes, are reported as general revenue.

The effect of interfund activity has been eliminated from the government-wide financial statements to eliminate the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation.



**Daisy Mountain Fire District**  
**Notes to Financial Statements**  
**June 30, 2021**

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**Note 1 – Summary of Significant Accounting Policies – Continued**

*Fund financial statements* – provide information about the District’s funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Currently, the District does not have any nonmajor funds.

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 District is the trustee, or fiduciary, for certain funds held on behalf of the Firefighters’ Relief and Pension Fund. The fiduciary activities are reported in a separate statement of fiduciary net position and statement of changes in fiduciary net position. The District is responsible for ensuring the assets reported in these funds are used for their intended purposes.

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year they are levied. Grant and contract revenues are recognized when all eligibility requirements have been met.

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all property tax revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they are due and payable.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

**Daisy Mountain Fire District  
Notes to Financial Statements  
June 30, 2021**

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**Note 1 – Summary of Significant Accounting Policies – Continued**

Taxes, leases, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

All other revenue items are considered to be measurable and available only when cash is received by the government.

**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.

**Daisy Mountain Fire District  
Notes to Financial Statements  
June 30, 2021**

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**Note 1 – Summary of Significant Accounting Policies – Continued**

**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 was through June 30, 2021. 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, 2021, \$1,386,115 was assigned for this purpose.

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. As of June 30, 2021, the District's governing board has assigned \$1,447,648 of the capital projects fund's fund balance for future capital projects. As of June 30, 2021, the District had \$2,003,731 of bond proceeds remaining to be used for capital projects. These funds are shown as restricted.

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. As of June 30, 2021 the debt service fund balance of \$1,977,395 was restricted for this purpose.

**Net Position**

In the government-wide financial statements, net position is the difference between assets and liabilities. Net assets invested in capital assets are capital assets less accumulated depreciation 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 United 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**  
**Notes to Financial Statements**  
**June 30, 2021**

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**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 amount of the estimated uncollectible program service receivables at June 30, 2021, was \$348,843, which represents 40% of the current program service receivables balance.

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, 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.

Property, equipment and vehicles of the primary government are depreciated 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

No depreciation is taken on land or construction in progress.

**Daisy Mountain Fire District**  
**Notes to Financial Statements**  
**June 30, 2021**

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**Note 1 – Summary of Significant Accounting Policies – Continued**

**Pensions**

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 to/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**  
**Notes to Financial Statements**  
**June 30, 2021**

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**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.

**Implementation of New Accounting Principles**

The District adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*. This statement established criteria for identifying fiduciary activities of all state and local governments to include whether the government is controlling the assets of the fiduciary activity, and the beneficiaries with whom a fiduciary relationship exists.

The District adopted the provision of GASB Statement No. 90, *Majority Equity Interest*. This statement improves consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This pronouncement did not impact the preparation of these financial statements.

**Daisy Mountain Fire District  
Notes to Financial Statements  
June 30, 2021**

**Note 2 – Deposits and Investments**

Deposits – Amounts classified as deposits on June 30, 2021, are described below:

	<b>Bank Balance</b>	<b>Carrying Amount</b>
<i>General Fund</i>		
Maricopa County Treasurer’s Investment Pool	\$ 5,990,965	\$ 5,946,263
Yavapai County Treasurer’s Investment Pool	1,195,104	1,195,104
Deposits with financial institutions	1,447,493	1,447,493
Total General Fund deposits and investments	<u>\$ 8,633,562</u>	<u>\$ 8,588,860</u>
<i>Capital Projects Fund</i>		
Maricopa County Treasurer’s Investment Pool	\$ 1,048,665	\$ 1,048,665
Yavapai County Treasurer’s Investment Pool	398,983	398,983
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>\$ 3,451,379</u>	<u>\$ 3,451,379</u>
<i>Debt Service Fund</i>		
Maricopa County Treasurer’s Investment Pool	\$ 2,208,162	\$ 2,208,162
Yavapai County Treasurer’s Investment Pool	12,458	12,458
Total Capital Projects Fund deposits and investments	<u>\$ 2,220,620</u>	<u>\$ 2,220,620</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 Comprehensive Annual 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 Comprehensive Annual 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.

*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, 2021, the MCTIP and YCTIP had not received a credit quality rating from a national rating agency.

**Daisy Mountain Fire District**  
**Notes to Financial Statements**  
**June 30, 2021**

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**Note 2 – Deposits and Investments - Continued**

*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.

**Note 3 – Ambulance Receivable**

The ambulance receivable represents the calls invoiced by June 30, 2021. The receivable balance as of June 30, 2021 is \$863,221. The allowance for doubtful accounts as of June 30, 2021 is \$348,843. 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.

**Note 4 – 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, 2021 is \$344,194, 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.

**Note 5 – Due From Other Governments**

Due from other governments consists mainly of receivables related to medical billing services. The balance of this receivable as of June 30, 2021 is \$37,873. Currently, there is no provision for an allowance for doubtful accounts as management considers all amounts collectible.



**Daisy Mountain Fire District  
Notes to Financial Statements  
June 30, 2021**

**Note 6 – Capital Assets**

The summary of changes in capital assets is as follows:

	<b>Balance 6/30/20</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/21</b>
<i>Governmental Activities:</i>				
Capital assets, not depreciated				
Land	\$ 480,066	\$ -	\$ -	\$ 480,066
Construction in progress	15,378	-	-	15,378
Capital assets, depreciated				
Buildings and improvements	15,968,546	44,438	-	16,012,984
Fire equipment	6,416,584	75,108		6,491,692
Vehicles	7,429,819	329,339	(19,767)	7,739,391
Total capital assets	<u>30,310,393</u>	<u>448,885</u>	<u>(19,767)</u>	<u>30,739,511</u>
Accumulated depreciation				
Buildings and improvements	(2,577,806)	(543,949)	-	(3,121,755)
Fire equipment	(2,694,263)	(634,237)		(3,328,500)
Vehicles	(5,228,028)	(376,785)	8,072	(5,596,741)
Total accumulated depreciation	<u>(10,500,097)</u>	<u>(1,554,971)</u>	<u>8,072</u>	<u>(12,046,996)</u>
Capital assets, net	<u>\$ 19,810,296</u>	<u>\$ (1,106,086)</u>	<u>\$ ( 11,695)</u>	<u>\$ 18,692,515</u>

The District used general obligation bonds issued in May 2016 to pay for two new fire stations and an administrative office building. Additions for the current fiscal year include roof and fencing improvements, two new radios, new Polaris vehicle, and two new brush trucks.

**Note 7 – 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, 2021, are as follows:

	<b>Balance 6/30/20</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 6/30/2021</b>	<b>Due in One Year</b>
<i>Governmental Activities:</i>					
Capital leases	\$ 741,060	\$ 303,877	\$ 219,243	\$ 825,694	\$284,425
General obligation bonds	15,420,119	-	664,424	14,755,695	592,525
Net pension liability	13,449,989	1,824,947	-	15,274,936	-
Net OPEB liability (asset)	(183,091)	39,149	-	(143,942)	-
Compensated absences	3,347,149	1,424,978	1,317,841	3,454,286	276,343
Total long-term debt	<u>\$32,775,226</u>	<u>\$3,592,951</u>	<u>\$ 2,201,508</u>	<u>\$ 34,166,669</u>	<u>\$ 1,153,293</u>

**Daisy Mountain Fire District  
Notes to Financial Statements  
June 30, 2021**

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**Note 8 – Net Revenue**

The District provides emergency medical services within the same geographic region as it provides fire prevention and suppression services. The District also 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.

**Note 9 – Capital Leases**

The District acquired the following equipment by granting leasehold interests in the underlying assets to the creditors (the Bank):

- two fire engines in September of 2015
- ambulances in May of 2019 and October 2019
- two brush trucks in March 2021

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 capital lease totaled \$1,806,665 less accumulated depreciation of \$687,234 at June 30, 2021.

The description of the capital leases are as follows:

Description	Interest Rate	Lease Term	Payment	Balance 6/30/2021
E-One Max Typhoon Fire Engine	2.63%	9/1/2022	\$72,772 Bi-Annually	\$ 107,172
E-One Max Typhoon Fire Engine	2.63%	9/1/2022	\$72,772 Bi-Annually	\$ 107,172
Ambulance	2.94%	5/1/2024	\$45,098 Annually	\$ 127,713
Ambulance	2.20%	10/1/2024	\$47,484 Annually	\$ 179,760
Two Brush Trucks	1.72%	4/8/2026	\$63,947 Annually	\$303,877

**Daisy Mountain Fire District  
Notes to Financial Statements  
June 30, 2021**

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**Note 9 – Capital Leases - Continued**

The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments as of June 30, 2021:

Year Ended June 30	
2022	\$ 302,073
2023	229,301
2024	156,529
2025	111,431
Thereafter	<u>63,947</u>
	863,281
Less: Amount Representing Interest	<u>(37,587)</u>
	<u>\$ 825,694</u>

**Note 10 – General Obligation 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.

As of June 30, 2021 bonds payable consisted of the following:

2015 General Obligation Bonds (issued 5/18/16) due in annual installments of \$587,100 to \$1,196,225 through 7/1/2035; interest at 2% to 4%. Original issue amount \$9,055,000 principal with a premium of \$730,705.	\$ 7,176,300
2015 General Obligation Bonds (issued 11/16/17) due in annual installments of \$359,050 to \$1,505,600 through 7/1/2037; interest at 2% to 4%. Original issue amount \$6,620,000 principal with a premium of \$717,197.	6,945,930
2009 General Obligation Bonds (issued 4/1/09) due in annual installments through 1/1/2039; Interest at 4.125%. Original issue amount \$861,000.	<u>633,465</u>
	<u>\$ 14,755,695</u>

**Daisy Mountain Fire District  
Notes to Financial Statements  
June 30, 2021**

**Note 10 – General Obligation Bonds - Continued**

The following is a summary of debt service requirements to maturity for GO bonds at June 30, 2021:

Fiscal Year	Principal	Interest	Net Premium (Discount)	Total
2022	592,525	512,792	134,402	1,239,719
2023	640,825	494,358	125,056	1,260,239
2024	676,905	472,333	113,855	1,263,093
2025	703,025	452,711	106,706	1,262,442
2026	744,195	428,393	96,565	1,269,153
2027-2031	4,190,254	1,676,421	296,788	6,163,463
2032-2036	4,592,700	802,692	99,925	5,495,317
2037-2039	1,628,035	71,377	13,934	1,713,346
	<u>\$ 13,768,464</u>	<u>\$ 4,911,077</u>	<u>\$ 987,231</u>	<u>\$ 19,666,772</u>

**Note 11 – 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, 2021.

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 \$284,555 for the year ended June 30, 2021. The current agreement expires October 31, 2022.

The District has had an agreement with the City of Phoenix since 1991 to provide dispatch services. Payments made under this agreement totaled \$322,440 for the year ended June 20, 2021.

**Note 12 – 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, 2021 the District reported the following aggregate amounts related to pensions and other post-employment benefits (OPEB) for which it contributes:

	<u>PSPRS</u>	<u>OPEB</u>
Net pension liability (asset)	\$ 15,274,936	\$ (143,942)
Deferred outflows of resources	8,291,240	70,756
Deferred inflows of resources	1,942,246	226,386
Pension expense	3,442,220	283

**Daisy Mountain Fire District**  
**Notes to Financial Statements**  
**June 30, 2021**

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**Note 12 – 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 receives 6% of their salary, management receives 10% of their salary and operations personnel receive a \$50 match per pay period. District contributions for the year ended June 30, 2021 totaled \$278,456.

**Public Safety Personnel Retirement System**

**Plan Description** - The District contributes to the Public Safety Personnel Retirement System (PSPRS), an agent multiple-employer defined benefit pension plan, a defined contribution pension plan, and an agent multiple-employer defined benefit health insurance premium plan that covers public safety personnel who are regularly assigned hazardous duty in the employ of the State of Arizona or a political subdivision thereof. The defined contribution plan is only available to members who became a member on or after January 1, 2012. The PSPRS, acting as a common investment administrative agent, is governed by a board, known as the Fund Manager, and the participating local boards to the provision of A.R.S. Title 38, Chapter 5, Article 4. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for PSPRS. The report may be obtained by writing to Public Safety Personnel, 3010 E. Camelback Road, Suite 200, Phoenix, Arizona 85016 or by calling (602) 255-5575 or by visiting <http://www.psprs.com/investments--financials/>.

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

The calculation of retirement benefits for employees who became a member on or before December 31, 2011 (Tier 1 members) commence the first day of the month following termination of employment and are based upon the following:

1. Age 62 with 15 years of service, or 20 years of service with less than 20 years of credited service: 50 percent of the average monthly benefit compensation for the first 20 years of credited service. The pension is reduced by 4 percent per year for each year of credited service under 20 years.
2. 20 to 24.99 years of credited service: 50 percent of the average monthly benefit compensation for the first 20 years of credited service plus 2 percent of the average monthly benefit compensation for each year of credited service between 20 and 24.99.
3. 25 or more years of credited service: 50 percent of the average monthly benefit compensation for the first 20 years of credited service plus 2.5 percent of the average monthly benefit compensation for each year of credited service above 20 years – up to a maximum of 80 percent of the average monthly benefit compensation.

**Daisy Mountain Fire District  
Notes to Financial Statements  
June 30, 2021**

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**Note 12 – Retirement Plans – Continued**

The calculation of retirement benefits for employees who became a member on or after January 1, 2012, and on or before June 30, 2017 (Tier 2 members) commence the first day of the month following termination of employment and are based upon the following:

1. Age 52.5 with 15 years of credited service but less than 25 years: average monthly benefit compensation times a multiplier that varies by years of service, from 1.5 percent to 2.5 percent per year of service, times the number of years of service.
2. Age 52.5 with 25 years of credited service: 62.5 percent of the average monthly benefit compensation. Benefits will be reduced by 4 percent for each year of credited service under 25 years.
3. 25 or more years of credited service: 62.5 percent of the average monthly benefit compensation for the first 25 years of credited service plus 2.5 percent of the average monthly benefit compensation for each year of credited service above 25 years – up to a maximum of 80 percent of the average monthly benefit compensation. The pension is reduced by 4 percent for each year of credited service under 25 years with a pro-rata reduction for any fractional years.

The calculation of retirement benefits for employees who became a member on or after July 1, 2017, (Tier 3 members) are included in a new tier of benefits that was established by legislation passed in 2016. This group of members will enroll in a hybrid plan, which has elements of both a defined benefit and defined contribution plan. Employees who are part of this group may also elect to participate in a defined contribution plan in lieu of the hybrid plan. If enrolling in the hybrid plan, benefits (defined benefit portion only) commence the first day of the month following termination of employment and are based upon the following:

1. Age 55 with 15 or more years of credited service: average monthly benefit compensation times a multiplier that varies by years of service, from 1.5 percent to 2.5 percent per year of service, times the number of years of service – up to a maximum of 80 percent of the average monthly benefit compensation.
2. An individual who became a member on or after July 1, 2017, and reaches age 52.5 with at least 15 years of credited service may take an early retirement; however, the amount of his or her retirement benefit is actuarially reduced.

**Daisy Mountain Fire District  
Notes to Financial Statements  
June 30, 2021**

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**Note 12 – Retirement Plans – Continued**

The phrase “average monthly benefit compensation,” as it is used in the above discussion, is defined as following:

<u>Membership Tier</u>	<u>Average Monthly Compensation</u>
Tier 1	36 consecutive months of highest compensation within the last 20 years of service
Tier 2	60 consecutive months of highest compensation within the last 20 years of service
Tier 3	60 consecutive months of highest compensation within the last 15 years of service

Disability benefits are calculated as follows:

Accidental Disability Retirement:	50% of average monthly compensation, Or normal pension amount, whichever is Greater.
Catastrophic Disability Retirement:	90% of average monthly compensation For the first 60 months. Thereafter, the Benefit is the greater of 62.5% of Average monthly compensation or the Member’s accrued normal pension.
Ordinary Disability Retirement:	A percentage of normal pension on Employee’s credited service (maximum 20 years divided by 20).

**Daisy Mountain Fire District  
Notes to Financial Statements  
June 30, 2021**

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**Note 12 – Retirement Plans – Continued**

Survivor benefits are paid on behalf of an active member in the amount of 80 percent of the pension based on the calculation for an accidental disability retirement. If the member was killed in the line of duty, the benefit is 100 percent of the member’s average compensation. The benefit amount is allocated to the surviving spouse and, if applicable, eligible children. If there is no surviving spouse, and there is at least one eligible child, the guardian of the eligible child(ren) and the eligible child(ren) are the recipients of the benefit. If there is no surviving spouse or eligible child(ren), the member’s named beneficiary on file will receive the member’s accumulated contributions. Benefits are paid on behalf of inactive, non-retired member to the member’s named beneficiary in the amount of member’s accumulated contributions. Death benefits are paid on behalf of a retired member in a manner similar to an active member. The surviving spouse (if married for at least two consecutive years at the time of the member’s death) will receive 80 percent of the member’s pension benefit for lifetime. The surviving children and guardian provisions are the same as those regarding active members, with the exception that the percentages received are based upon the pension amount as opposed to the amounts referenced above for active members. If there is no surviving spouse or eligible child(ren), the member’s named beneficiary on file will receive the member’s accumulated contributions less the pension payments made to the member.

A retired member or survivor of a retired member may receive a Cost of Living Adjustment (COLA) from the System if monies are available. COLA eligibility and calculation is contingent upon the member’s hire date.

Members, or survivors of retired members, who were hired before July 1, 2017, are eligible to receive a compounding COLA in the base benefit of up to 2 percent per year. The COLA will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of Statistics.

Members, or survivors of retired members, who were hired on or after July 1, 2017, are eligible to receive a compounding COLA in the base benefit, beginning at the earlier of the first calendar year after the seventh anniversary of the retired member’s retirement or when the retired member is or would have been sixty years of age. The COLA will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of Statistics. COLA adjustments will be received for this group if the following conditions are met:

<u>Ratio of Actuarial Value of Assets to Liabilities</u>	<u>Maximum Increase</u>
70-80%	1.00%
80-90%	1.50%
90-100%	2.00%



**Daisy Mountain Fire District  
Notes to Financial Statements  
June 30, 2021**

**Note 12 – Retirement Plans – Continued**

Health insurance premium benefits are available to retired or disabled members with five years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits provided are as follows:

Single		Family		
Not Medicare <u>Eligible</u>	Medicare <u>Eligible</u>	All Not Medicare <u>Eligible</u>	All Medicare <u>Eligible</u>	One With Medicare
\$150	\$100	\$260	\$170	\$215

***Employees covered by benefit terms*** – At June 30, 2021, the following employees were covered by the agent pension plans’ benefit terms:

	Pension	OPEB
Inactive employees or beneficiaries currently receiving benefits	14	12
Inactive employees entitled to but not yet receiving benefits	7	3
Active employees	77	78
Total	98	93

***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 contribution rates for employees are prescribed by the ARS Title 38, Chapter 5, Article 4, Section 38-843. For Tier 1 and Tier 2 employees, the actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned during the year by these employees, with an additional amount to finance any unfunded accrued liability. The unfunded accrued liability portion of the rate is paid by the City as a percentage of the pay of all of the City’s active PSPRS members, regardless of start date. For Tier 3 employees, each employer shall make contributions sufficient to pay fifty percent of both the normal cost plus the actuarially determined amount required to amortize the total unfunded accrued liability attributable only to those members hired on or after July 1, 2017.

The District’s contributions to the pension plan and OPEB were \$1,799,516 and \$19,101 respectively. The District’s contribution rates for the year ended June 30, 2021 were:

Tier 1 & 2 Members		
Pension	OPEB	Total
24.44%	.23%	24.67%

**Daisy Mountain Fire District  
Notes to Financial Statements  
June 30, 2021**

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**Note 12 – Retirement Plans – Continued**

Tier 3 Members

Employer contribution for Tier 3	9.94%
Employer contribution for Tier 1&2 unfunded liability	8.47%
Total as a % of Tier 3 payroll	18.41%

District public safety employees who became PSPRS members before July 1, 2017 participate in the agent plans, and those who became members on or after July 1, 2017 participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because the contributions and liabilities are trivial to the financial statements as a whole.

***Pension/OPEB Liability (asset)*** – at June 30, 2021, the District reported a net pension liability of \$15,274,936 and a net OPEB asset of \$143,942. The net pension and OPEB liabilities (assets) were measured as of June 30, 2020, and the total pension/OPEB liabilities used to calculate the net pension/OPEB liabilities (assets) were determined by an actuarial valuation as of that date.

***Pension Actuarial Assumptions*** - The significant actuarial assumptions used to measure the total pension and OPEB liabilities are as follows:

Actuarial valuation date:	6/30/2020
Actuarial cost method:	Entry Age Normal
Cost-of-Living Adjustment:	1.75%
Price Inflation:	2.50%
Salary increases:	3.50% - 7.50%, including inflation
Tier 1&2 Investment rate of return:	7.30%, net of investment and administrative expenses
Tier 3 Investment rate of return:	7.00% net of investment and administrative expenses

**Active Lives:** PubS-2010 Employee mortality, loaded 110% for males and females, projected with future mortality improvements reflected generationally using 75% of scale MP-2019. 100% of active deaths are assumed to be in the line of duty.

**Inactive Lives:** PubS-2010 Healthy Retiree mortality, loaded 110% for males and females, projected with future mortality improvements reflected generationally using 75% of scale MP-2019.

**Beneficiaries:** PubS-2010 Survivor mortality, projected with future mortality improvements reflected generationally using 75% of scale MP-2019.

**Disabled Lives:** PubS-2010 Disabled mortality, projected with future mortality improvements reflected generationally using 75% of scale MP-2019.

Mortality rates:

**Daisy Mountain Fire District  
Notes to Financial Statements  
June 30, 2021**

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**Note 12 – Retirement Plans – Continued**

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of a 2017 experience study using actual plan experience.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.3 percent using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Public Equity	23.00%	4.93%
International Public Equity	15.00%	6.09%
Global Private Equity	18.00%	8.42%
Other Assets (Capital Appreciation)	7.00%	5.61%
Core Bonds	2.00%	.22%
Private Credit	22.00%	5.31%
Diversifying Strategies	12.00%	3.22%
Cash - Mellon	1.00%	(.60)%
<b><i>Total</i></b>	<u>100.00%</u>	

- Geometric Real Rate of Return. Based on inflation assumption of 2.4%

**Discount Rates** – The discount rate used to measure the total pension and OPEB liabilities was 7.3 percent for tier 1&2 members and 7.00 percent for tier 3 members. The projection of cash flows used to determine the PSPRS discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

**Daisy Mountain Fire District**  
**Notes to Financial Statements**  
**June 30, 2021**

**Note 12 – Retirement Plans – Continued**

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
<b>Balances at June 30, 2020</b>	\$ 47,895,410	\$ 34,445,421	\$ 13,449,989
Adjustment to Beginning of Year		(76,791)	76,791
Changes for the current year:			
Service cost	1,813,408	-	1,813,408
Interest on the total pension liability	3,594,638	-	3,594,638
Differences between expected and actual experience in the measurement of the pension liability	(826,129)	-	(826,129)
Change of assumptions or other inputs	-	-	-
Contributions – Employer	-	1,844,839	(1,844,839)
Contributions – Employee	-	577,003	(577,003)
Net investment income	-	448,489	(448,489)
Benefit payments, including refunds of employee contributions	(934,391)	(934,391)	-
Pension Plan Administrative Expense	-	(36,570)	36,570
Other changes	-	-	-
Net changes	<u>3,647,526</u>	<u>1,899,370</u>	<u>1,748,156</u>
<b>Balances at June 30, 2021</b>	<u>\$ 51,542,936</u>	<u>\$ 36,268,000</u>	<u>\$ 15,274,936</u>

**Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) – (b)
<b>Balances at June 30, 2020</b>	\$ 652,018	\$ 835,109	\$ (183,091)
Adjustment to Beginning of Year		-	-
Changes for the current year:			
Service cost	32,130	-	32,130
Interest on the total OPEB liability	50,583	-	50,583
Differences between expected and actual experience in the measurement of the OPEB liability	(14,253)	-	(14,253)
Change of assumptions or other inputs	-	-	-
Contributions – Employer	-	19,582	(19,582)
Contributions – Employee	-	-	-
Net investment income	-	10,590	(10,590)
Benefit payments, including refunds of employee contributions	(1,190)	(1,190)	-
OPEB Plan Administrative Expense	-	(861)	861
Net changes	<u>67,270</u>	<u>28,121</u>	<u>39,149</u>
<b>Balances at June 30, 2021</b>	<u>\$ 719,288</u>	<u>\$ 863,230</u>	<u>\$ (143,942)</u>

**Daisy Mountain Fire District  
Notes to Financial Statements  
June 30, 2021**

**Note 12 – Retirement Plans – Continued**

*Sensitivity of the District’s net pension liability to changes in the discount rate* – The following table presents the District’s net pension liability calculated using the discount rates noted above, as well as what the District’s net pension and OPEB liabilities would be if they were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<b>1% Decrease 6.30%/6%</b>	<b>Current Discount Rate 7.30%/7%</b>	<b>1% Increase 8.30%/8%</b>
Net pension liability (asset)	\$ 23,908,702	\$ 15,274,936	\$ 8,324,415
Net OPEB liability (asset)	\$ (48,686)	\$ (143,942)	\$ (224,014)

*Pension plan fiduciary net position* – Detailed information about the pension plan’s fiduciary net position is available in the separately issued PSPRS financial report.

*Pension expense and deferred outflows/inflows of resources* - For the year ended June 30, 2021, the District recognized pension expense for PSPRS and OBEP of \$3,442,503. At June 30, 2021, the District reported deferred inflows of resources related to pensions from the following sources:

<b>PSPRS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,985,419	\$ 1,922,683
Changes of assumptions or other inputs	1,596,202	19,563
Net difference between projected and actual earnings on pension plan investments	1,910,103	-
District contributions subsequent to the measurement date	1,799,516	-
Total	\$ 8,291,240	\$ 1,942,246

**Daisy Mountain Fire District  
Notes to Financial Statements  
June 30, 2021**

**Note 12 – Retirement Plans – Continued**

The amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30,</b>	
2022	\$ 843,837
2023	1,045,831
2024	1,026,113
2025	921,981
2026	360,874
Thereafter	350,842
	<u>\$ 4,549,478</u>

<b>OPEB</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 171,000
Changes of assumptions or other inputs	5,845	55,386
Net difference between projected and actual earnings on pension plan investments	45,810	-
District contributions subsequent to the measurement date	19,101	-
Total	<u>\$ 70,756</u>	<u>\$ 226,386</u>

The amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30,</b>	
2022	\$ (24,938)
2023	(20,076)
2024	(20,407)
2025	(23,473)
2026	(33,676)
Thereafter	(52,161)
	<u>\$ 174,731</u>

**Daisy Mountain Fire District  
Notes to Financial Statements  
June 30, 2021**

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**Note 13 - Interfund Activity**

There were no significant Interfund transfers for the year ended June 30, 2021.

**Note 14 – 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 15 – 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, 2021, was \$92,424 per RWC's separately issued annual financial statements.

**Note 16 – COVID-19 Pandemic**

On March 11, 2020 the Governor of Arizona issued a declaration of emergency due to the novel strain of coronavirus (COVID-19). We cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may ultimately materially impact our operations. The District derives a significant portion of its revenues from property taxes. While the District has not experienced any significant increase in the amount of delinquency from its taxpayers, the situation creates uncertainty about the impact of future revenues that might be generated. As of the date the financial statements were issued, the District's net position had not been significantly impacted.

**Daisy Mountain Fire District**  
**Notes to Financial Statements**  
**June 30, 2021**

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**Note 17 – Related Party Transaction**

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 \$439,402 during the year, which included a contribution for risk pool capitalization of \$49,622.

**Note 18 – Subsequent Events**

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 as opposed to paying off the unfunded liability through annual pension contributions directly to PSPRS.

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 capital lease with payments of \$305,164.62 due annually at an interest rate of 1.85%. This capital lease matures November 2029.

In December 2021 the district entered into an agreement with the Town of Cave Creek in Arizona to provide certain fire and emergency medical services for an initial term of twenty five years. Payments will be made quarterly to the district for these services and are based on the budget and fee schedule included in the agreement.

Management has evaluated subsequent events through February 24, 2022, the date the financial statements were available to be issued.



REQUIRED SUPPLEMENTARY  
INFORMATION (RSI)

**Daisy Mountain Fire District  
Required Supplementary Information  
General Fund - Budgetary Comparison Schedule  
Year Ended June 30, 2021**

	<b>Amended and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Favorable (Unfavorable)</b>
<b>Revenues</b>			
<i>Taxes:</i>			
Property taxes	\$ 15,604,671	\$ 15,443,315	\$ (161,356)
Fire district assistance tax	472,149	481,123	8,974
Charges for services	2,900,000	2,865,531	(34,469)
Intergovernmental	400,000	287,674	(112,326)
Grants and Miscellaneous	364,200	450,727	86,527
Total revenues	<u>19,741,020</u>	<u>19,528,370</u>	<u>(212,650)</u>
<b>Expenditures</b>			
<i>Fire protection and emergency services</i>			
Personnel Costs	15,127,625	15,452,397	(324,772)
Buildings & Land	309,500	314,464	(4,964)
Vehicles and Equipment	1,180,200	1,156,076	24,124
Communications & IT Services	796,570	859,246	(62,676)
Travel & Training	231,406	63,892	167,514
Managerial Costs	564,569	485,622	78,947
Capital Outlay	270,000	448,885	(178,885)
Grant Expenses	311,150	204,129	107,021
Financial Reserve/End Leave Liability	600,000		600,000
Total expenditures	<u>19,391,020</u>	<u>18,984,711</u>	<u>406,309</u>
Excess of revenues over expenditures	350,000	543,659	193,659
Other financing sources (uses):			
Funding from capital reserves	270,000	-	(270,000)
Transfer to capital reserves	(620,000)	-	(620,000)
Proceeds from Issuance of capital lease	-	303,877	
Proceeds from sale of assets		10,300	10,300
Changes in fund balance	<u>-</u>	<u>857,836</u>	<u>857,836</u>
Fund balance, beginning of year	<u>6,886,419</u>	<u>6,886,419</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,886,419</u>	<u>\$ 7,744,255</u>	<u>\$ 857,836</u>

See accompanying notes to the budgetary comparison schedule.

**Daisy Mountain Fire District  
Required Supplementary Information  
Notes to Budgetary Comparison Schedule  
Year Ended June 30, 2021**

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**Note 1 – Budgetary Requirements and Basis of Accounting**

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

**Daisy Mountain Fire District  
Required Supplementary Information  
Schedule of Changes in the District's  
Net Pension Liability and Related Ratios  
Year Ended June 30, 2021**

	Fiscal Year							2011 through 2014
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
<b>Total pension liability</b>								
Service cost	\$ 1,813,408	\$ 1,794,377	\$ 1,779,912	\$ 1,673,090	\$ 1,403,668	\$ 1,271,270	\$ 1,289,372	Information not available
Interest on total pension liability	3,594,638	3,276,924	2,791,740	2,606,330	1,900,290	1,627,227	1,473,556	
Changes of benefit terms				205,530	3,646,888	-	(54,793)	
Difference between expected and actual experience in the measurement of the pension liability	(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	(934,391)	(522,375)	(450,795)	(631,536)	(473,756)	(147,467)	(125,047)	
Net change in pension liability	\$ 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	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)	<u>\$ 51,542,936</u>	<u>\$ 47,895,410</u>	<u>\$ 42,749,561</u>	<u>\$ 37,061,667</u>	<u>\$ 33,193,981</u>	<u>\$ 23,742,561</u>	<u>\$ 20,167,102</u>	
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 1,844,839	\$ 1,810,530	\$ 1,889,800	\$ 1,027,836	\$ 997,389	\$ 877,149	\$ 865,118	
Contributions - employee	577,003	597,885	758,523	838,054	1,089,704	763,225	739,872	
Net investment income	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	(934,391)	(522,375)	(450,795)	(631,536)	(473,756)	(147,467)	(125,047)	
Hall/Parker Settlement		-	(1,231,924)					
Pension plan administrative expense	(36,570)	(30,837)	(30,702)	(26,379)	(18,829)	(18,120)	(30,118)	
Other changes		-	(65,687)	(39,851)	(17,469)	(6,434)	(30,118)	
Net change in plan fiduciary net position	1,899,370	3,572,494	2,840,484	4,059,020	1,705,113	2,195,042	3,647,910	
Plan fiduciary net position - beginning	34,445,421	30,881,692	28,041,208	23,982,188	21,396,234	19,201,192	15,553,282	
Adjustment to beginning of year	(76,791)	(8,765)						
Plan fiduciary net position - ending (b)	<u>\$ 36,268,000</u>	<u>\$ 34,445,421</u>	<u>\$ 30,881,692</u>	<u>\$ 28,041,208</u>	<u>\$ 23,101,347</u>	<u>\$ 21,396,234</u>	<u>\$ 19,201,192</u>	
District's net pension liability - ending (a) - (b)	<u>\$ 15,274,936</u>	<u>\$ 13,449,989</u>	<u>\$ 11,867,869</u>	<u>\$ 9,020,459</u>	<u>\$ 10,092,634</u>	<u>\$ 2,346,327</u>	<u>\$ 965,910</u>	
Plan fiduciary net position as a percentage of the total pension liability	70%	72%	72%	76%	70%	90%	95%	
Covered payroll	\$ 7,294,910	\$ 7,677,961	\$ 7,413,211	\$ 7,218,742	\$ 7,242,871	\$ 6,612,440	\$ 6,556,127	
District's net pension liability as a percentage of covered payroll	209%	175%	160%	125%	139%	35%	15%	

The District Implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, for the fiscal year ended June 30, 2015. Information prior to 2014 is not available.

Black Canyon Fire District merged with Daisy Mountain Fire District as of July 1, 2017. Information for the Black Canyon Fire District prior to that date is not included in this schedule.

**Daisy Mountain Fire District  
Required Supplementary Information  
Schedule of District Pension Contributions  
Year Ended June 30, 2021**

<b>PSPRS</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2007-2014</b>
Actuarially determined contribution	\$ 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	<u>1,799,516</u>	<u>1,884,839</u>	<u>1,810,530</u>	<u>1,889,800</u>	<u>1,027,836</u>	<u>997,389</u>	<u>877,149</u>	
District's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered payroll	<u>\$ 8,442,239</u>	<u>\$ 7,294,910</u>	<u>\$ 7,677,961</u>	<u>\$ 7,413,211</u>	<u>\$ 7,218,742</u>	<u>\$ 7,242,874</u>	<u>\$ 6,612,440</u>	
District's contributions as a percentage of covered payroll	<u>21.32%</u>	<u>25.84%</u>	<u>23.58%</u>	<u>25.49%</u>	<u>14.24%</u>	<u>13.77%</u>	<u>13.27%</u>	

The District Implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, for the fiscal year ended June 30, 2015.

Information prior to 2014 is not available.

Black Canyon Fire District merged with Daisy Mountain Fire District as of July 1, 2017.

Information for the Black Canyon Fire District prior to that date is not included in this schedule.

**Daisy Mountain Fire District  
Required Supplementary Information  
Schedule of Changes in the District's  
Net OPEB Liability and Related Ratios  
Year Ended June 30, 2021**

	<u>2021</u> <u>(2020)</u>	<u>2020</u> <u>(2019)</u>	<u>2019</u> <u>(2018)</u>	<u>2018</u> <u>(2017)</u>	<u>2007</u> <u>through</u> <u>2016</u>
<b>Total OPEB liability</b>					
Service cost	\$ 32,130	\$ 20,016	\$ 21,498	\$ 21,207	Information not available
Interest on total OPEB liability	50,583	54,177	52,410	59,683	
Changes of benefit terms				213	
Difference between expected and actual experience in the measurement of the OPEB liability	(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	<u>(1,190)</u>	<u>-</u>	<u>(1,228)</u>	<u>(3,120)</u>	
Net change in OPEB liability	<u>\$ 67,270</u>	<u>\$ (60,089)</u>	<u>\$ 13,997</u>	<u>\$ (88,613)</u>	
Total OPEB liability - beginning	652,018	712,107	698,110	786,723	
Total OPEB liability - ending (a)	<u>\$ 719,288</u>	<u>\$ 652,018</u>	<u>\$ 712,107</u>	<u>\$ 698,110</u>	
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 19,582	\$ 22,830	\$ 19,812	\$ 27,815	
Contributions - employee	-	-	-	-	
Net investment income	10,590	41,903	48,962	71,811	
Benefit payments, including refunds of employee contributions	(1,190)	-	(1,228)	(3,120)	
OPEB plan administrative expense	(861)	(723)	(745)	(635)	
Other changes				-	
Net change in plan fiduciary net position	<u>28,121</u>	<u>64,010</u>	<u>66,801</u>	<u>95,871</u>	
Plan fiduciary net position - beginning	835,109	762,334	695,533	599,662	
Adjustment to beginning of year	-	8,765			
Plan fiduciary net position - ending (b)	<u>\$ 863,230</u>	<u>\$ 835,109</u>	<u>\$ 762,334</u>	<u>\$ 695,533</u>	
District's net OPEB liability (asset) - ending (a) - (b)	<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 OPEB liability	120.01%	128.08%	107.05%	99.63%	
Covered payroll	\$ 7,294,910	\$ 7,677,961	\$ 7,413,211	\$ 7,218,742	
District's net OPEB liability as a percentage of covered payroll	-1.97%	-2.38%	-0.68%	0.04%	

The District Implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the fiscal year ended June 30, 2018. Information prior to 2017 is not available.

Black Canyon Fire District merged with Daisy Mountain Fire District as of July 1, 2017. Information for the Black Canyon Fire District prior to that date is not included in this schedule.

**Daisy Mountain Fire District  
Required Supplementary Information  
Schedule of District OPEB Contributions  
Year Ended June 30, 2021**

<b>PSPRS</b>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2007-14</u>
Actuarially determined contribution	\$ 19,101	\$ 19,582	\$ 22,830	\$ 19,812	Information not available
District's contributions in relation to the actuarially determined contribution	19,101	19,582	22,830	19,812	
District's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered payroll	<u>\$ 8,442,239</u>	<u>\$ 7,294,910</u>	<u>\$ 7,677,961</u>	<u>\$ 7,413,211</u>	
District's contributions as a percentage of covered-employee payroll	<u>0.23%</u>	<u>0.27%</u>	<u>0.30%</u>	<u>0.27%</u>	

The District Implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the fiscal year ended June 30, 2018. Information prior to 2017 is not available.

Black Canyon Fire District merged with Daisy Mountain Fire District as of July 1, 2017. Information for the Black Canyon Fire District prior to that date is not included in this schedule.

**Daisy Mountain Fire District  
Required Supplementary Information  
Notes to Pension/OPEB Plan Schedules  
Year Ended June 30, 2021**

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**Note 1 – Pension Actuarial Assumptions**

The significant actuarial assumptions used to measure the total pension and OPEB liabilities are as follows:

Actuarial valuation date:	6/30/2020
Actuarial cost method:	Entry Age Normal
Cost-of-Living Adjustment:	1.75%
Price Inflation:	2.50%
Salary increases:	3.50% - 7.50%, including inflation
Tier 1&2 Investment rate of return:	7.30%, net of investment and administrative expenses
Tier 3 Investment rate of return:	7.00% net of investment and administrative expenses
Mortality rates:	<p><b>Active Lives:</b> PubS-2010 Employee mortality, loaded 110% for males and females, projected with future mortality improvements reflected generationally using 75% of scale MP-2019. 100% of active deaths are assumed to be in the line of duty.</p> <p><b>Inactive Lives:</b> PubS-2010 Healthy Retiree mortality, loaded 110% for males and females, projected with future mortality improvements reflected generationally using 75% of scale MP-2019.</p> <p><b>Beneficiaries:</b> PubS-2010 Survivor mortality, projected with future mortality improvements reflected generationally using 75% of scale MP-2019.</p> <p><b>Disabled Lives:</b> PubS-2010 Disabled mortality, projected with future mortality improvements reflected generationally using 75% of scale MP-2019.</p>



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

To the District Board  
Daisy Mountain Fire District  
Anthem, AZ

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, each major fund, and the aggregate remaining fund information of Daisy Mountain Fire District as of and for the year ended June 30, 2021, 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 February 24, 2022.

**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 the 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 the District's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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 statement. 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*.

## Compliance with 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 is supplemental reporting for state compliance purposes only.

## 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Heidenreich & Heidenreich CPAs PLLC*

Heidenreich & Heidenreich, CPAs, PLLC  
Phoenix, AZ  
February 24, 2022

# STATISTICAL SECTION

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These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<u>Revenue Capacity</u>	68
These schedules contain information to help the reader assess the District's most significant local revenue sources, property tax, and sales and use taxes.	
<u>Debt Capacity</u>	72
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<u>Demographic and Economic Information</u>	76
These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place.	
<u>Operating Information</u>	78
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

**Daisy Mountain Fire District  
Net Position By Component  
Last ten fiscal years  
(accrual basis of accounting)**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Governmental Activities										
Net investments in capital assets	\$ 5,013,970	\$ 5,701,713	\$ 5,889,695	\$ 6,434,865	\$ 5,778,743	\$ 5,348,454	\$ 4,257,251	\$ 4,718,353	\$ 5,070,595	\$ 5,525,456
Restricted	-	-	-	-	-	-	-	-	-	-
Net position restricted for debt service	2,220,620	2,136,963	1,978,772	2,079,867	1,879,675	326,985				
Unrestricted	<u>(2,521,077)</u>	<u>(1,685,037)</u>	<u>(2,961,586)</u>	<u>(3,081,246)</u>	<u>(5,186,519)</u>	<u>889,334</u>	<u>1,760,439</u>	<u>2,462,980</u>	<u>2,310,105</u>	<u>1,812,241</u>
Total governmental activities net position	<u>\$ 4,713,513</u>	<u>\$ 6,153,639</u>	<u>\$ 4,906,881</u>	<u>\$ 5,433,486</u>	<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>	<u>\$ 7,337,697</u>

Note: Black Canyon Fire District merged with Daisy Mountain Fire District as of July 1, 2017. Information for the Black Canyon Fire District prior to that date is not included in this schedule.

In fiscal year 2015, beginning net position was restated due to the implementation of GASB Statement No. 68

In fiscal year 2018, beginning net position was restated due to the implementation of GASB Statement No. 75

**Daisy Mountain Fire District  
Changes in Net Position  
Last ten fiscal years  
(accrual basis of accounting)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Expenses</b>										
<b>Governmental activities</b>										
Fire protection and emergency services	\$ 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	\$ 10,877,000
Interest on long-term debt	530,192	545,254	614,732	574,941	-	162,314	10,053	20,102	27,684	54,924
<b>Total primary government expenses</b>	<b>22,058,780</b>	<b>19,641,558</b>	<b>19,580,079</b>	<b>16,431,078</b>	<b>19,469,592</b>	<b>13,726,193</b>	<b>12,828,984</b>	<b>11,891,998</b>	<b>11,980,692</b>	<b>10,931,924</b>
<b>Program revenues</b>										
<b>Governmental activities</b>										
Charges for services	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	1,205,812
Capital grants and operations	213,249	47,759	404,348	98,497	611,124	228,587	496,685	104,578	134,425	59,286
<b>Total primary government program revenues</b>	<b>3,302,659</b>	<b>4,167,332</b>	<b>3,148,482</b>	<b>2,572,480</b>	<b>2,529,469</b>	<b>2,223,559</b>	<b>1,582,409</b>	<b>1,084,452</b>	<b>1,270,015</b>	<b>1,265,098</b>
<b>Net(expense)/revenue:</b>										
Total primary government net expense	<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>	<u>\$ (9,666,826)</u>
<b>General Revenue and Other Changes in Net position</b>										
<b>Governmental activities:</b>										
Property taxes	\$ 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	\$ 9,886,302
Fire district assistance tax	481,123	476,574	480,405	482,465	406,810	408,401	406,117	404,965	403,245	302,983
Investment earnings	88,687	182,977	253,019	132,184	78,194	29,865	14,044	11,774	9,910	13,361
Other	335,864	286,437	149,135	803,538	217,425	199,301	193,842	232,648	158,694	128,859
Gain (loss) on sale of capital assets	(1,396)	-	-	280,000	-	(17,725)	(82,957)	-	(1,307)	(24,090)
<b>Total primary government</b>	<b>17,315,995</b>	<b>16,720,984</b>	<b>15,904,992</b>	<b>16,794,422</b>	<b>12,736,304</b>	<b>12,049,717</b>	<b>11,853,789</b>	<b>10,608,179</b>	<b>10,753,680</b>	<b>10,307,415</b>
<b>Change in Net Position</b>										
Total primary government	<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>	<u>\$ 640,589</u>

Note: Black Canyon Fire District merged with Daisy Mountain Fire District as of July 1, 2017. Information for the Black Canyon Fire District prior to that date is not included in this schedule.

**Daisy Mountain Fire District**  
**Fund Balances of Governmental Funds**  
**Last ten fiscal years**  
**(modified accrual basis of accounting)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	28,766	671,350	538,674	427,270	1,089,106	421,532	313,390	314,254	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,386,115	1,372,777	1,346,710	555,880	994,470	4,213,558	910,829	910,829	205,086	1,246,150
Unassigned	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	222,988
Total general fund	<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>	<u>\$ 1,469,138</u>
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	3,981,126	3,889,267	4,129,716	9,412,099	7,521,367	9,631,985	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	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	1,146,628
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 1,146,628</u>

Note: Black Canyon Fire District merged with Daisy Mountain Fire District as of July 1, 2017. Information for the Black Canyon Fire District prior to that date is not included in this schedule.

**Daisy Mountain Fire District**  
**Changes in Fund Balances**  
**Last ten fiscal years**  
**(modified accrual basis of accounting)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues</b>										
Taxes	\$ 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	\$ 10,218,335
Fire district assistance tax	481,123	476,574	480,405	482,465	406,810	408,401	406,117	404,965	403,245	302,983
Capital grants	213,249	47,759	404,348	98,497	-	-	-	-	134,425	59,286
Charges for services	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	1,074,479
Investment earnings	88,686	182,977	253,019	132,184	78,194	29,865	14,044	11,774	9,910	13,361
Other	482,366	673,921	298,105	708,835	217,426	199,301	193,842	232,648	158,694	128,858
<b>Total Revenues</b>	<u>20,661,143</u>	<u>20,255,501</u>	<u>19,041,592</u>	<u>18,890,544</u>	<u>15,237,941</u>	<u>14,299,908</u>	<u>13,625,681</u>	<u>11,686,794</u>	<u>12,104,590</u>	<u>11,797,302</u>
<b>Expenditures</b>										
Public safety	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	10,818,592
Capital outlay	448,885	1,005,598	6,745,843	5,871,944	4,790,026	1,822,898	57,052	248,879	122,683	360,335
Debt Service										
Principal	743,537	636,111	1,516,512	1,022,552	123,618	60,608	360,846	191,705	184,124	601,895
Interest	530,192	545,253	614,732	574,060	199,676	12,164	10,053	20,102	27,684	54,924
<b>Total Expenditures</b>	<u>20,014,829</u>	<u>18,879,554</u>	<u>24,980,855</u>	<u>22,244,823</u>	<u>18,344,890</u>	<u>15,258,699</u>	<u>12,658,087</u>	<u>11,299,585</u>	<u>11,357,255</u>	<u>11,835,746</u>
Excess of revenues over (under) expenditures	646,314	1,375,947	(5,939,263)	(3,354,279)	(3,106,949)	(958,791)	967,594	387,209	747,335	(38,444)
<b>Other financing sources (uses)</b>										
Proceeds from sale of capital assets	10,300	-	-	280,000	-	-	-	-	1,250	28,000
Proceeds from capital lease obligation	303,877	222,498	206,891	-	-	925,000	-	-	-	-
Proceeds from bond obligations	-	-	-	6,620,000	-	9,055,000	-	-	-	-
Premium on bonds	-	-	-	717,197	-	730,705	-	-	-	-
Debt issuance costs	-	-	-	(155,747)	-	(162,314)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>314,177</u>	<u>222,498</u>	<u>206,891</u>	<u>7,461,450</u>	<u>-</u>	<u>10,548,391</u>	<u>-</u>	<u>-</u>	<u>1,250</u>	<u>28,000</u>
<b>Net change in fund balances</b>	<u>\$ 960,491</u>	<u>\$ 1,598,445</u>	<u>\$ (5,732,372)</u>	<u>\$ 4,107,171</u>	<u>\$ (3,106,949)</u>	<u>\$ 9,589,600</u>	<u>\$ 967,594</u>	<u>\$ 387,209</u>	<u>\$ 748,585</u>	<u>\$ (10,444)</u>
<b>Debt Service as a percentage of noncapital expenditures</b>	6.51%	6.61%	11.69%	9.75%	2.39%	0.54%	2.94%	1.92%	1.89%	5.72%

Note: Black Canyon Fire District merged with Daisy Mountain Fire District as of July 1, 2017. Information for the Black Canyon Fire District prior to that date is not included in this schedule.

**Daisy Mountain Fire District  
Property Tax Rates - All Direct and Overlapping Governments  
Last ten fiscal years**

<u>Fiscal year ended June 30,</u>	<u>Daisy Mountain Fire District</u>	<u>Daisy Mountain Fire District Debt Service</u>	<u>Total District</u>	<u>Overlapping Rates</u>				<u>Total Direct and overlapping rates</u>
				<u>Cave Creek Unified School District</u>	<u>Deer Valley Unified School District</u>	<u>Canon Unified School District</u>	<u>Mayer Unified School District</u>	
2012	2.9793	-	2.9793	0.9671	3.6260	-	-	7.5724
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	3.5620	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

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  
Principal Property Taxpayers  
Current and Nine Years Ago**

		<b>June 30, 2021</b>	
<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value</u>	<u>% of Total Assessed Value</u>
ARIZONA PUBLIC SERVICE COMPANY	Utilities	\$ 6,699,634	1.40%
BELAROSA APARTMENTS LLC	Real Estate	3,339,733	0.70%
TRANSWESTERN PIPELINE COMPANY LLC	Utilities	2,820,382	0.59%
WHITESTONE ANTHEM MARKETPLACE LLC	Retail	2,219,006	0.46%
S-K ANTHEM OPPORTUNITY I LLC	Service	1,747,549	0.36%
ANTHEM GOLF LLC	Recreation	1,612,392	0.34%
SMITHS FOOD & DRUG CENTERS INC LEASE	Retail	1,611,774	0.34%
GSA ANTHEM LP	Real Estate	1,431,084	0.30%
EPCOR (ANTHEM WATER DIVISON)	Utilities	1,406,393	0.29%
MERRILL GARDENS AT ANTHEM LLC	Real Estate	1,377,949	0.29%
		<u>24,265,896</u>	<u>5.06%</u>
Total Assessed Value		<u>479,664,139</u>	

		<b>June 30, 2012</b>	
<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value</u>	<u>% of Total Assessed Value</u>
ARIZONA PUBLIC SERVICE COMPANY	Utilities	\$ 4,429,567	1.29%
NSHE WINNEBAGO LLC	Auto	3,688,520	1.08%
ANTHEM GOLF LLC	Recreation	2,866,024	0.84%
BELAROSA GROUP LLC	Real Estate	2,550,000	0.74%
SMITHS FOOD & DRUG CENTERS INC LEASE	Retail	1,955,664	0.57%
KIMCO BARCLAY ANTHEM LP	Real Estate	1,951,866	0.57%
VENTURE COURT PROFESSIONAL PLAZA LLC	Recreation	1,253,680	0.37%
TUSCANI POINTE OF ARIZONA LLC	Real Estate	1,246,364	0.36%
WAW PROPERTY LLC	Real Estate	1,115,074	0.33%
ANTHEM EASTSIDE INVESTORS LLC	Real Estate	1,017,907	0.30%
		<u>\$ 22,074,666</u>	<u>6.44%</u>
Total Assessed Value		<u>\$ 342,968,911</u>	

**Source:** Maricopa and Yavapai County Assessor

**Daisy Mountain Fire District**  
**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		Assessed value as a % of actual Value	
							Taxable Assessed Value	Direct Tax Rate		
2012	37,115,522	57,872,451	260,108,257	20,548,917	-	32,676,236	\$ 342,968,911	2.98	3,353,674,747	10%
2013	33,141,133	44,199,801	218,826,914	46,030,546	-	27,423,048	314,775,346	3.25	3,090,373,306	10%
2014	31,636,584	42,690,695	206,392,106	54,054,339	-	27,280,673	307,493,051	3.25	3,033,527,257	10%
2015	30,709,640	45,293,345	237,139,555	65,035,916	-	28,680,551	349,497,905	3.25	3,466,476,161	10%
2016	30,675,278	45,106,980	235,717,596	69,032,571	-	28,366,340	352,166,085	3.25	4,130,725,612	9%
2017	32,093,270	42,766,169	247,411,815	75,512,372	-	27,371,490	370,412,136	3.25	4,516,704,274	8%
2018*	37,258,563	45,747,232	270,981,216	79,418,675	-	29,394,510	404,011,176	3.74	4,668,694,836	9%
2019	41,211,693	45,886,660	284,146,089	87,937,343	-	28,755,326	430,426,459	3.50	5,027,585,237	9%
2020	41,672,066	45,976,593	303,971,947	92,389,824	-	29,487,506	454,522,924	3.48	5,443,720,883	8%
2021	42,674,397	48,122,700	321,262,858	98,613,014	-	31,008,830	479,664,139	3.48	4,635,053,406	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  
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			
2012	10,218,238	(51,175)	10,167,063	10,093,396	99.28%	66,698	10,160,094	99.93%
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	16,686,747	(70,401)	16,616,346	16,352,060	98.41%	-	16,352,060	98.41%

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**  
**Ratio of Total Outstanding Debt by Type**  
**Last ten fiscal years**

Fiscal year ended June 30,	General Obligation Bond		Capital Lease Debt	Total Outstanding Debt		
	Outstanding	Legal Limit		Amount	% of Personal Income	Debt Per Capita
2012	-	20,578,135	736,675	736,675	0.48%	0.19
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

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

**Daisy Mountain Fire District**  
**Ratio of Net General Bonded Debt Outstanding**  
**Last ten fiscal years**

<u>Fiscal year ended June 30,</u>	<u>General Obligation Bonds (1)</u>	<u>Less: Amounts Available in Debt Service Fund (2)</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property (3)</u>	<u>Per Capita (4)</u>
2012	\$ -	\$ -	\$ -	0.00%	-
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	9,785,705	-	9,785,705	0.28%	-
2017	9,785,705	-	9,785,705	0.24%	2.37
2018	16,857,456	1,600,000	15,257,456	0.34%	3.61
2019	16,027,823	1,315,000	14,712,823	0.32%	3.25
2020	15,420,119	1,375,000	14,045,119	0.28%	3.06
2021	14,755,695	1,455,000	13,300,695	0.24%	2.71

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  
Direct and Overlapping Governmental Activities Debt**

<u>Governmental Unit</u>	<u>Debt Outstanding at 6/30/21</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Cave Creek Unified School District	\$ 31,864,884	19.80%	\$ 6,307,669
Deer Valley Unified School District	164,875,000	19.80%	32,637,084
Canon Unified School District	-	19.80%	-
Mayer Unified School District	-	19.80%	-
Subtotal, overlapping debt			<u>38,944,753</u>
Daisy Mountain Fire District (as of June 30, 2021)			<u>15,581,389</u>
Total Direct and overlapping debt			<u>\$ 54,526,142</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  
Legal Debt Margin Information  
Last ten fiscal years**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Assessed Value	\$ 479,664,139	\$ 458,574,705	\$ 428,462,537	\$ 404,556,932	\$ 384,572,801	\$ 365,745,854	\$ 362,972,531	\$ 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>	<u>6%</u>	<u>6%</u>	<u>6%</u>	<u>6%</u>	<u>6%</u>
Debt Limit	28,779,848	27,514,482	25,707,752	24,273,416	23,074,368	21,944,751	21,778,352	20,969,874	18,449,583	18,886,521
Less debt obligations	<u>(15,581,389)</u>	<u>(15,420,119)</u>	<u>(16,719,176)</u>	<u>(18,111,040)</u>	<u>(10,526,479)</u>	<u>(10,650,097)</u>	<u>-</u>	<u>(360,846)</u>	<u>(552,551)</u>	<u>(736,675)</u>
Legal debt margin	<u>\$ 13,198,459</u>	<u>\$ 12,094,363</u>	<u>\$ 8,988,576</u>	<u>\$ 6,162,376</u>	<u>\$ 12,547,889</u>	<u>\$ 11,294,654</u>	<u>\$ 21,778,352</u>	<u>\$ 20,609,028</u>	<u>\$ 17,897,032</u>	<u>\$ 18,149,846</u>
Total net debt applicable to the limit as a percentage of debt limit	54.14%	56.04%	65.04%	74.61%	45.62%	48.53%	0.00%	1.72%	2.99%	3.90%

**Daisy Mountain Fire District  
Demographic and Economic Statistics  
Last ten fiscal years**

<b>Fiscal year ended June 30,</b>	<b>Population (Maricopa &amp; Yavapai County*)</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita income (Maricopa &amp; Yavapai County)</b>	<b>Unemployment Rate (Maricopa County)</b>	<b>Unemployment Rate (Yavapai County)*</b>
2012	3,884,705	154,137,019	39,678	7.8%	-
2013	3,944,859	158,054,524	40,066	7.1%	-
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%

**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  
Principal Employers  
Current and Nine Years Ago**

Employer	June 30, 2021			June 30, 2012		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Banner Health	45,918	1	2.01%	24,825	3	1.48%
State of Arizona	41,606	2	1.82%	49,800	1	2.97%
Wal-Mart Stores	36,995	3	1.62%	30,634	2	1.83%
Arizona State University	35,474	4	1.55%	11,185	9	0.67%
Fry's Food Stores	20,235	5	0.89%			
City of Phoenix	16,432	6	0.72%	15,100	4	0.90%
University of Arizona	16,021	7	0.70%			
Wells Fargo & Co	16,000	8	0.70%	13,308	5	0.79%
Dignity Health Arizona	15,403	9	0.67%			
Maricopa County	13,648	10	0.60%	12,792	7	0.76%
Bank of America				13,300	6	0.79%
Raytheon Co.				11,500	8	0.69%
Apollo Group				11,000	10	0.66%
Total	<u>257,732</u>		<u>11.28%</u>	<u>193,444</u>		<u>11.54%</u>

**Source:** Maricopa County

**Note:** The principal employers were not available for the District alone, therefore, the principal employers for Maricopa County are presented. No employers within Yavapai County arose to the level of a principal employer.

**Daisy Mountain Fire District  
Operating Indicators by Function  
Last ten fiscal years**

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public Safety										
Emergency medical service calls	4,375	3,784	3,997	3,152	2,562	2,722	2,175	2,136	2,100	2,019
Fire responses	203	190	168	186	160	144	123	138	101	137
Other responses - including hazardous materials, mutual aid, public service	84	64	116	88	110	65	57	72	106	77
Miscellaneous - including false alarms, good intent	1,652	1,069	1,489	1,284	1,057	1,105	1,163	1,025	1,053	1,117
<b>Total Incidents</b>	<b>6,314</b>	<b>5,107</b>	<b>5,770</b>	<b>4,710</b>	<b>3,889</b>	<b>4,036</b>	<b>3,518</b>	<b>3,371</b>	<b>3,360</b>	<b>3,350</b>

**Source:** Various District departments

**Daisy Mountain Fire District  
Full-Time Equivalent Employees by Function  
Last ten fiscal years**

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public Safety										
Fire and rescue service	91	106	93	93	72	72	78	81	81	84
Administrative and support	27	21	21	18	17	17	12	12	12	11
Total	<u>118</u>	<u>127</u>	<u>114</u>	<u>111</u>	<u>89</u>	<u>89</u>	<u>90</u>	<u>93</u>	<u>93</u>	<u>95</u>

Source: District HR department

**Daisy Mountain Fire District  
Capital Asset Statistics by Function  
Last ten fiscal years**

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public Safety										
Stations	5	5	5	5	4	4	4	4	4	4
Equipment:										
Engines	5	5	5	5	4	4	4	4	4	4
Ladder Trucks	1	1	1	1	1	1	1	1	1	1
Brush rigs	5	5	5	5	4	3	3	3	3	3
Rescue units	3	3	3	3	3	3	3	3	3	3
Tenders	4	4	4	4	3	3	3	3	3	3
Hazmat squad	1	1	1	1	1	1	1	1	1	1
Squad/support units										

**Source:** District logistics department