



Superstition Fire & Medical District

Financial Statements and
Supplementary Information

June 30, 2024

Superstition Fire & Medical District

Table of Contents

June 30, 2024

	<u>Page</u>
Introductory Section	
List of Principal Officers	i
Organizational Chart	ii
Independent Auditors' Report	1
Management's Discussion and Analysis (Required Supplementary Information)	4
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Governmental Fund Financial Statements:	
Balance Sheet - Governmental Funds	19
Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Proprietary Fund Financial Statements:	
Statement of Net Position - Proprietary Fund	25
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund	26
Statement of Cash Flows - Proprietary Fund	27
Notes to Financial Statements	31

Superstition Fire & Medical District

Table of Contents

June 30, 2024

	<u>Page</u>
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	55
Schedule of the District's Proportionate Share of the Net Pension/OPEB Liability (Asset) Cost-Sharing Pension Plan	56
Schedule of Changes in the District's Net Pension/OPEB Liability (Asset) and Related Ratios Agent Pension Plan	57
Schedule of the District Pension/OPEB Contributions	59
Notes to Pension/OPEB Plan Schedules	61
Supplementary Information	
Combining Balance Sheet Nonmajor Governmental Funds	65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds	66
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
Capital Projects Fund - Major Fund	67
Nonmajor Funds	68
Statistical Section	
Property Tax Levies and Collections	71
Net Limited Assessed Property Value by Property Classification	72
Principal Property Taxpayers	73

Introductory Section

**Superstition Fire & Medical District
Apache Junction, Arizona**



LIST OF PRINCIPAL OFFICERS

Governing Board of Directors

Kathleen Chamberlain, Board Chair

Connie Van Driel, Board Clerk

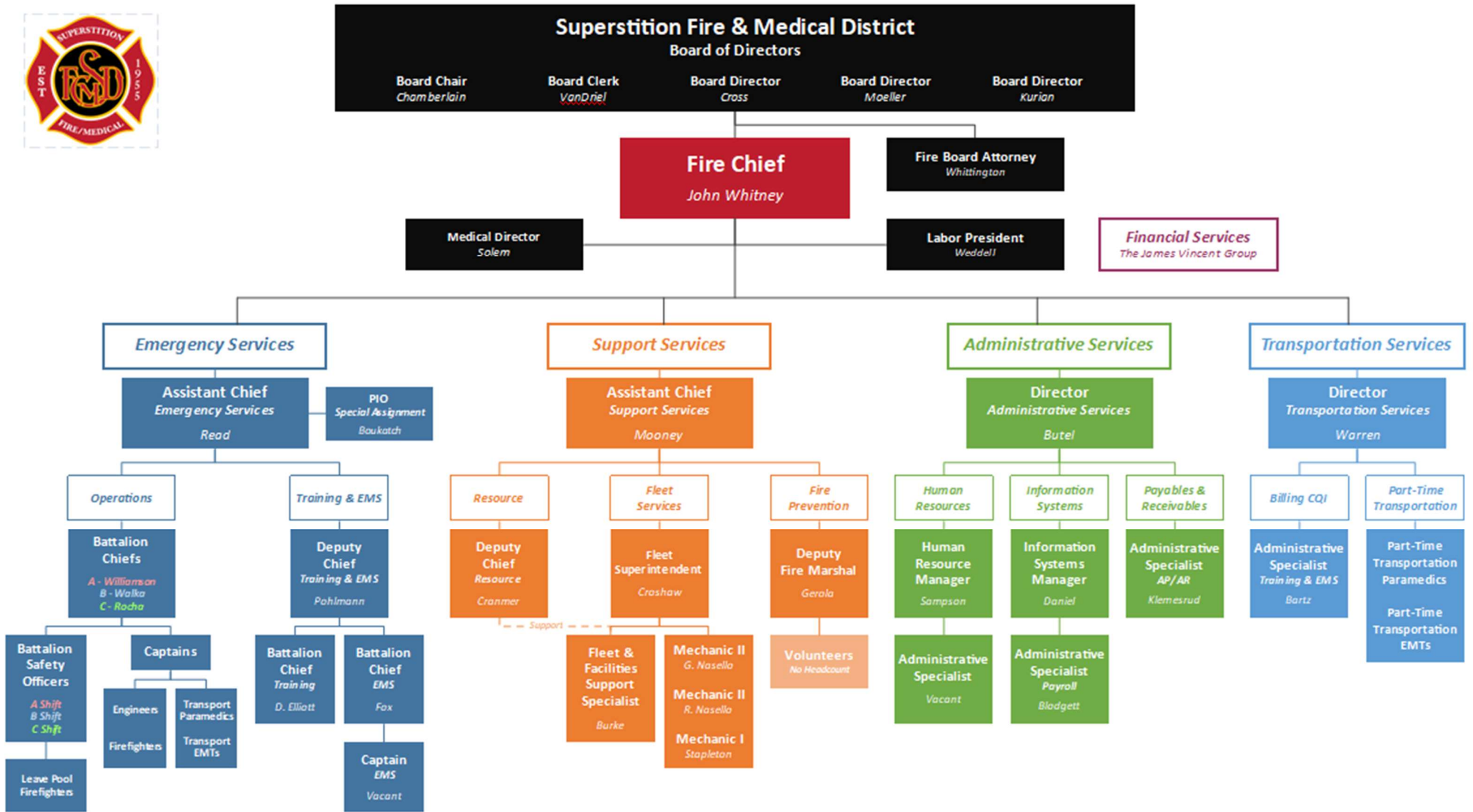
Jeff Cross, Director

Shawn Kurian, Director

Jason Moeller, Director

Fire Chief

John Whitney IV



Financial Section



Independent Auditors' Report

To the Board of Directors of
Superstition Fire & Medical District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Superstition Fire & Medical District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, AZ, as of June 30, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary 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 supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 the District's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Tempe, Arizona
February 20, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2024

INTRODUCTION

The Management of the Superstition Fire and Medical District (the District) presents these financial statements with a narrative overview and analysis of financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements and the accompanying notes to those statements in their understanding of the District's financial position.

FINANCIAL HIGHLIGHTS FOR THE YEAR

- The total assets and deferred outflows of the Superstition Fire and Medical District were \$33,096,369 at the close of the fiscal year. The total liabilities and deferred inflows exceeded assets and deferred outflows by \$11,092,339. Of this amount \$21,951,967 represents a deficit balance of unrestricted net position. This negative unrestricted net position balance is attributed to the \$7,723,549 unfunded pension/OPEB liability and the \$28,560,000 of debt associated with the pension/OPEB liability and not reflective of the District's operational financial position.
- The District realized a \$1,563,147 increase in governmental fund balances during the fiscal year and a \$196,294 increase in proprietary fund net position.
- At the end of the current fiscal year, unassigned fund balances for the General Fund was \$3,859,708. The change in fund balance for the general fund was \$1,440,414 for the fiscal year. This is driven by continuing to find opportunities to increase revenue through grants and other means, while monitoring expenditures.
- Cash and investments increased by \$2,265,611 in the governmental funds, driven by an increase in grant revenue with the award of \$777,571 for American Rescue Plan Act (ARPA) for reimbursement of expenditures due to COVID-19 that were incurred in previous years, as well as increase in call volume while focusing on expenditures.
- The district purchased \$650,692 of new capital assets in the current fiscal year. These assets included purchases of new equipment for a new pumper engine, building improvements at the facilities, as well as radio and EMS equipment.
- During the fiscal year the district retired \$1,380,216 in governmental long-term debt. This resulted in a reduction in the long-term liabilities for the district, which reduced by \$1,826,602 in total in the governmental funds.

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. Additionally, certain eliminations have occurred as prescribed by Statement No. 34 in regards to interfund activity, payables and receivables.

Statement of Net Position - The *Statement of Net Position* (page 25) presents information of all the assets/deferred outflows and liabilities/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.

Statement of Activities - The *Statement of Activities* (page 26) 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

The Fund Financial Statements provide detailed information about the most significant funds not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes other funds to help it control and manage resources for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. All the funds of the District are considered governmental funds.

Governmental Funds - Governmental Funds are used to account for essentially the same functions reported as governmental activities in the Government-wide financial statements. All of the basic services of the District are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations and basic services provided to residents. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance programs of the District. 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 near-term financing decisions of the District.

The reconciliation of differences between the governmental fund financial statements and the government-wide financial statements is explained in a section following each governmental fund financial statement.

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

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the financial position of a government entity. In the case of the Superstition Fire and Medical District, liabilities and deferred inflows exceeded assets and deferred outflows by \$11,092,339 at the close of the 2024 fiscal year. This included \$10,408,972 from governmental activities and \$683,367 from business-type activities.

The largest portion of net position in the District is \$7,073,297 which reflects its investment in capital assets (e.g. land, buildings and improvements, machinery and equipment, and vehicles), less any debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to residents; consequently, the assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of net position of \$3,786,331 reflects amounts restricted for future pension contributions. This is split between OPEB and debt service.

The remaining balance of unrestricted net position \$(21,951,967), reflects its cash and current accounts receivable less any current liabilities (e.g. accounts payable, accrued payroll, and compensated absences) and long-term liabilities not associated with capital assets. The District uses the cash balances to pay current and ongoing financial obligations in order to provide services to residents.

At the end of fiscal year 2024, the District has a negative balance in unrestricted net position. In fiscal year 2015, the District adopted Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions, which requires the District to report a net liability for pensions of \$4,667,248 in the governmental funds and \$3,053,437 in the enterprise funds. In fiscal year 2018, the District adopted Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, which requires the District to report a net liability for OPEB of \$1,887 in the governmental funds and \$977 in the enterprise funds. The District pays for pensions and OPEB on a pay-as-you go basis with current financial resources each year. However, the net pension/OPEB liability required to be reported is an actuarially determined amount for resources that are required sometime in the future.

The following table reflects the condensed Statement of Net Position:

Superstition Fire and Medical District
Condensed Statement of Net Position
As of June 30, 2024 and 2023

	Primary Government Activities		Increase (decrease)
	2024	2023	
Cash and other assets	\$ 14,909,076	\$ 12,716,787	\$ 2,192,289
Capital assets	<u>10,193,783</u>	<u>10,837,603</u>	<u>(643,820)</u>
Total assets	<u>25,102,859</u>	<u>23,554,390</u>	<u>1,548,469</u>
Total deferred outflows	<u>7,993,510</u>	<u>10,611,317</u>	<u>(2,617,807)</u>
Other liabilities	1,285,577	1,091,526	194,051
Long-term liabilities	<u>41,860,354</u>	<u>43,723,956</u>	<u>(1,863,602)</u>
Total liabilities	<u>43,145,931</u>	<u>44,815,482</u>	<u>(1,669,551)</u>
Total deferred inflows	<u>1,042,777</u>	<u>1,243,961</u>	<u>(201,184)</u>
Net investment in capital assets	7,073,297	6,683,634	389,663
Restricted	3,786,331	3,749,055	37,276
Unrestricted	<u>(21,951,967)</u>	<u>(22,326,425)</u>	<u>374,458</u>
Total net position	<u>\$ (11,092,339)</u>	<u>\$ (11,893,736)</u>	<u>\$ 801,397</u>

Governmental Activities

The Net Position of the District from governmental activities increased from \$(11,893,736) to \$(11,092,339) a change of 6.7%. Key elements of these activities are as follows:

- Unrestricted net position increased by \$374,458.
- The increase in net position is attributed to the increase in cash and other assets of \$2,265,611 in the governmental funds, which was attributed to the district receiving \$777,571 in grant funds related to the American Rescue Plan Act (ARPA) to help offset the costs of COVID-19 that was incurred in previous years. In addition, the district experienced increase in service needs to the area while continuing to manage operational costs. The district also saw a decrease in long term liabilities of \$1,826,248 in the governmental funds which was attributed to the district retiring and managing debt.
- Property taxes increased by \$1,858,977 as a result of a 6.56% increase in assessed valuation 1,8 and an increase in the tax rate to 3.470, up 0.11 from prior year.
- Grants and contributions increased by \$194,185 primarily due to the increase in American Rescue Plan Act (ARPA) funds.
- Charges for services income increased by \$376,210 due to an increase in ambulance call volume.
- Expenses for transport services increased by \$851,536 due to an increase ambulance call volume.

The following table reflects the Condensed Statement of Activities:

Superstition Fire and Medical District
Condensed Statement of Activities
For the Years Ended June 30, 2024 and 2023

	Primary Government Activities		Increase (decrease)
	2024	2023	
Program revenues:			
Charges for services	\$ 5,229,818	\$ 4,853,608	\$ 376,210
Capital/Operating Grants and Contributions	1,572,136	1,377,951	194,185
General revenues:			
Taxes	18,880,638	17,021,661	1,858,977
Centrally assessed taxes	456,186	422,478	33,708
Insurance Premiums	143,824	148,575	(4,751)
County aid	400,000	400,000	-
Investment and other income	348,554	174,262	174,292
Net loss on sale of capital asset	-	(26,248)	26,248
Miscellaneous	64,905	14,535	50,370
Total revenues	<u>27,096,061</u>	<u>24,386,822</u>	<u>2,709,239</u>
Expenses:			
Administration	3,866,308	2,537,862	1,328,446
Technical Services	858,355	835,963	22,392
Communication Services	321,940	253,688	68,252
Emergency Services	15,277,810	15,635,488	(357,678)
Community Services	132,078	140,907	(8,829)
Interest on debt, debt issuance	865,373	901,924	(36,551)
Transport Services	<u>4,977,307</u>	<u>4,125,771</u>	<u>851,536</u>
Total expenses	<u>26,299,171</u>	<u>24,431,603</u>	<u>1,867,568</u>
Change in net position	605,103	(862,503)	1,467,606
Beginning net position	<u>(11,014,075)</u>	<u>(10,151,572)</u>	<u>(862,503)</u>
Ending net position	<u>\$ (10,408,972)</u>	<u>\$ (11,014,075)</u>	<u>\$ 605,103</u>

DISTRICT FUNDS FINANCIAL ANALYSIS

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

As of June 30, 2024, the governmental funds of the District reported combined fund balances of \$11,063,083 which is an increase of \$1,563,147 compared to the prior period.

General Fund - The General Fund accounts for all the resources retained by the District not accounted for in any other fund. At June 30, 2024, total General Fund balance was \$7,413,724, of which \$72,787 was nonspendable because of prepaid items, \$3,481,229 is restricted used for debt retirement and \$3,859,708 was unassigned for financial reporting purposes. Total General Fund balance increased by \$1,440,414 due to an increase in revenues while controlling spend.

Capital Fund - The Capital Fund accounts for all values associated with capital assets and financing obligations for the payment for those assets. The increase in the Capital Fund of \$256,187 is primarily due to the transfers of funds from the general fund to support future purchases the district needs as it continues to growth.

Transport Fund - The Transport Fund accounts for all values associated with the ambulance services. The increase in the Transport Fund of \$196,294 is primarily due to the increase in call volume while continuing to control spend.

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

Superstition Fire and Medical District
Governmental Funds – Fund Balances
As of June 30, 2024 and 2023

Major funds	June 30, 2024		June 30, 2023	
	Amount	%	Amount	%
General	\$ 7,413,724	71.4%	\$ 5,973,310	69.3%
Capital	3,571,455	34.4%	3,315,268	38.5%
Transport	(683,367)	(6.5%)	(879,661)	(10.2%)
Other Non-Major	<u>77,904</u>	<u>0.6%</u>	<u>211,358</u>	<u>2.5%</u>
Total fund balance	<u>\$ 10,379,716</u>	<u>100.0%</u>	<u>\$ 8,620,275</u>	<u>100.0%</u>

BUDGETARY HIGHLIGHTS

There were some variances of note for the fiscal year.

- Revenues were over budget by \$1,041,022 mainly due to an increase in interest earnings and increase in grant income primarily due to the district being awarded \$777,571 from the American Rescue Plan Act (ARPA) to help offset the costs related to COVID-19 that was incurred in previous years.
- Expenditures were over budget by \$58,432 driven by an increase wages and associated benefits to support additional call volume.

For more detailed information, see budget to actual comparisons on page 55.

Condensed Budget to Actual - General Fund
As of June 30, 2024

	Budget	Actual	Variance with budget
Total revenues	\$ 19,930,934	\$ 20,971,956	\$ 1,041,022
Total expenditures	<u>18,538,172</u>	<u>18,596,604</u>	<u>58,432</u>
Revenue over expenditures	<u>1,392,762</u>	<u>2,375,352</u>	<u>982,590</u>
Total other financing sources (uses)	<u>(1,000,000)</u>	<u>(934,938)</u>	<u>65,062</u>
Net change in fund balance	<u>\$ 392,762</u>	<u>\$ 1,440,414</u>	<u>\$ 1,047,652</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2024, the investment in capital assets for governmental activities amounts to \$9,420,252 (net of accumulated depreciation). This investment in capital assets includes land, and improvements, buildings and improvements, vehicles, furniture and equipment. The total decrease in capital assets for the current fiscal year was \$527,602 or 5.3%.

Additional information regarding the capital assets of the District can be found in the notes to the financial statements on page 36 of this report.

Capital Assets (net of depreciation)
As of June 30, 2024 and 2023

	Governmental Activities		Increase (decrease)
	2024	2023	
Land	\$ 1,241,806	\$ 1,241,806	\$ -
Buildings and improvements	13,116,437	12,972,959	143,478
Construction in Progress	894,969	859,923	35,046
Machinery and Equipment	4,381,989	4,138,287	243,702
Vehicles	9,660,997	9,432,534	228,463
Accumulated depreciation	<u>(19,875,946)</u>	<u>(18,697,655)</u>	<u>(1,178,291)</u>
	<u>\$ 9,420,252</u>	<u>\$ 9,947,854</u>	<u>\$ (527,602)</u>

Long Term Liabilities

At the end of the current fiscal year, the District had \$38 million in long-term liabilities outstanding.

The District continues to retire and manage debt to fund various capital projects which support program services. As of June 30, 2024, the District had total long-term debt (certificates of participation, GO bonds and financed purchases) outstanding of \$31,455,596 in the governmental funds. This debt currently requires annual debt service payments that consist of principal and interest of approximately \$2,800,000. All debt is backed by the full faith and credit of the District.

In accordance with GASB 68 and GASB 75, the District is required to include the net pension/OPEB liability on the financial statements. The net pension/OPEB liability is measured as the total pension/OPEB liability, less the pension/OPEB plans' fiduciary net position. A net pension/OPEB liability is recorded at June 30, 2024 relating to the District's participation in the Public Safety Personnel Retirement System (PSPRS) of \$4,669,135 in the governmental funds.

Additional information regarding the long-term debt of the District can be found in the notes to the financial statements on page 38 of this report.

The following table shows the District's Outstanding Debt:

	Primary Government Activities		Increase (decrease)
	2024	2023	
Compensated absences	\$1,506,737	\$1,864,179	\$(357,442)
Certificate of participation	27,735,000	28,560,000	(825,000)
Refunding 2018 GO Bonds	1,338,000	1,977,000	(639,000)
Deferred gain on refunding	54,910	73,212	(18,302)
Deferred inflow related to Pension/OPEB	987,867	1,170,749	(182,882)
Finance Purchase	682,066	-	682,066
Net pension/OPEB liability	7,723,549	7,490,173	233,376
Total noncurrent liabilities	\$40,028,129	\$41,135,313	(\$1,107,184)

ECONOMIC FACTORS AND FY 2025 BUDGET/TAX RATE

The District has continued to pursue every feasible method of reducing operational costs while providing the highest level of service to the community. The District realized a 7.98% increase in property values for fiscal year 2025. The increases in both tax and nontax revenues have allowed the District to maintain the level of service provided. With continued rising costs and a focus on future needs of the area residents, the District increased their tax rate for the fiscal year ending June 30, 2025 to 3.6900. This continues to allow the District to build its unrestricted reserve balance to meet future financial needs and ensure long term financial stability.

FINANCIAL CONTACT

The financial statements of the District are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the finances of the District and to demonstrate accountability. If you have questions regarding the report or need additional financial information, please contact the Finance Director of the District at 565 N. Idaho Road, Apache Junction, Arizona 85119 or 480-982-4440.

Basic Financial Statements
Government-Wide Financial Statements



Superstition Fire & Medical District

Statement of Net Position

June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 8,391,138	\$ 398,791	\$ 8,789,929
Receivables, net of allowance for uncollectible accounts	698,039	805,487	1,503,526
Prepays	90,246	38,170	128,416
Restricted cash and cash equivalents	4,101,780	-	4,101,780
Internal balances	(807,622)	807,622	-
Investment in joint venture	158,227	-	158,227
Net OPEB asset	147,844	79,354	227,198
Capital assets:			
Capital assets, not being depreciated/amortized	2,136,775	-	2,136,775
Capital assets, being depreciated/amortized, net	7,283,477	773,531	8,057,008
Total assets	<u>22,199,904</u>	<u>2,902,955</u>	<u>25,102,859</u>
Deferred Outflows of Resources			
Deferred outflows of resources related to pensions/OPEB	7,449,635	543,875	7,993,510
Total deferred outflows of resources	<u>7,449,635</u>	<u>543,875</u>	<u>7,993,510</u>
Liabilities			
Accounts payable	261,020	176,543	437,563
Accrued payroll and employee benefits	529,538	96,205	625,743
Accrued interest	17,518	2,067	19,585
Unearned revenue	-	202,686	202,686
Current portion of:			
Finance purchase agreement	236,530	169,980	406,510
Compensated absences	926,728	77,764	1,004,492
Bonds payable	639,000	-	639,000
Certificates of participation payable	825,000	-	825,000
Long-term portion of:			
Finance purchase agreement	682,066	-	682,066
Compensated absences	1,390,092	116,645	1,506,737
Bonds payable	1,338,000	-	1,338,000
Certificate of participation payable	27,735,000	-	27,735,000
Net pension liability	4,667,248	3,053,437	7,720,685
Net OPEB liability	1,887	977	2,864
Total liabilities	<u>39,249,627</u>	<u>3,896,304</u>	<u>43,145,931</u>
Deferred Inflows of Resources			
Deferred inflows of resources for deferred gain on refunding	54,910	-	54,910
Deferred inflows of resources related to pensions/OPEB	753,974	233,893	987,867
Total deferred inflows of resources	<u>808,884</u>	<u>233,893</u>	<u>1,042,777</u>
Net Position			
Net investment in capital assets	6,469,746	603,551	7,073,297
Restricted for:			
Post employment benefits	147,844	79,354	227,198
Debt service	3,559,133	-	3,559,133
Unrestricted	(20,585,695)	(1,366,272)	(21,951,967)
Total net position	<u>\$ (10,408,972)</u>	<u>\$ (683,367)</u>	<u>\$ (11,092,339)</u>

See notes to financial statements

Superstition Fire & Medical District

Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities:							
Administration	\$ 3,866,308	\$ -	\$ 1,048,867	\$ 111,984	\$ (2,705,457)	\$ -	\$ (2,705,457)
Technical services	858,355	-	-	-	(858,355)	-	(858,355)
Communication services	321,940	-	-	-	(321,940)	-	(321,940)
Emergency services	15,277,810	472,009	-	-	(14,805,801)	-	(14,805,801)
Community services	132,078	-	-	-	(132,078)	-	(132,078)
Interest on debt	865,373	-	-	-	(865,373)	-	(865,373)
Total governmental activities	21,321,864	472,009	1,048,867	111,984	(19,689,004)	-	(19,689,004)
Business-type activities:							
Transport services	4,977,307	4,757,809	-	411,285	-	191,787	191,787
Total primary government	<u>\$ 26,299,171</u>	<u>\$ 5,229,818</u>	<u>\$ 1,048,867</u>	<u>\$ 523,269</u>	<u>(19,689,004)</u>	<u>191,787</u>	<u>(19,497,217)</u>
General revenues:							
Property taxes					18,880,638	-	18,880,638
Centrally assessed taxes					456,186	-	456,186
Insurance premiums					143,824	-	143,824
County aid					400,000	-	400,000
Investment earnings					348,554	4,507	353,061
Miscellaneous					64,905	-	64,905
Total general revenues					20,294,107	4,507	20,298,614
Change in net position					605,103	196,294	801,397
Net Position, Beginning					<u>(11,014,075)</u>	<u>(879,661)</u>	<u>(11,893,736)</u>
Net Position, Ending					<u>\$ (10,408,972)</u>	<u>\$ (683,367)</u>	<u>\$ (11,092,339)</u>

See notes to financial statements

Basic Financial Statements

Governmental Funds Financial Statements - include the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance for the major governmental funds that use the modified accrual basis of reporting. Also includes the reconciliations to the government-wide financial statements.

Proprietary Funds Financial Statements - include the Statement of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows for the business-type activities that use the accrual basis of accounting for financial reporting.

Notes to the Financial Statements



Superstition Fire & Medical District

Balance Sheet - Governmental Funds

June 30, 2024

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 6,132,084	\$ 2,259,054	\$ -	\$ 8,391,138
Receivables:				
Property taxes	675,102	11,899	-	687,001
Accounts receivable	-	-	11,038	11,038
Due from other funds	-	840,721	-	840,721
Prepays	72,787	17,459	-	90,246
Restricted cash and cash equivalents	3,481,229	530,000	90,551	4,101,780
	<u>\$ 10,361,202</u>	<u>\$ 3,659,133</u>	<u>\$ 101,589</u>	<u>\$ 14,121,924</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 197,308	\$ 63,712	\$ -	\$ 261,020
Accrued wages and benefits	529,538	-	-	529,538
Other liabilities	-	14,279	-	14,279
Due to other funds	1,648,343	-	-	1,648,343
	<u>2,375,189</u>	<u>77,991</u>	<u>-</u>	<u>2,453,180</u>
Deferred Inflows of Resources				
Unavailable revenue, property taxes	572,289	9,687	23,685	605,661
	<u>572,289</u>	<u>9,687</u>	<u>23,685</u>	<u>605,661</u>
Fund Balances				
Nonspendable	72,787	17,459	-	90,246
Restricted, debt service	3,481,229	-	77,904	3,559,133
Assigned, capital projects	-	3,553,996	-	3,553,996
Unassigned	3,859,708	-	-	3,859,708
	<u>7,413,724</u>	<u>3,571,455</u>	<u>77,904</u>	<u>11,063,083</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,361,202</u>	<u>\$ 3,659,133</u>	<u>\$ 101,589</u>	<u>\$ 14,121,924</u>

See notes to financial statements

Superstition Fire & Medical District

Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds

June 30, 2024

Fund Balance, Total Governmental Funds Balance Sheet \$ 11,063,083

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

Investment in joint venture 158,227

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds:

Governmental capital assets	\$ 29,296,197	
Less accumulated depreciation/amortization	<u>(19,875,945)</u>	9,420,252

Deferred revenue is shown on the governmental funds, but is not deferred on the statement of net position 605,661

Some liabilities, including net pension liabilities, leases, loans payable and bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds.

Lease payable	(918,596)	
Net OPEB asset	147,844	
Net pension liability	(4,667,248)	
Net OPEB liability	(1,887)	
Accrued interest	(3,239)	
Compensated absences	(2,316,820)	
Deferred gain on bond refunding	(54,910)	
Bonds payable	(1,977,000)	
Certificates of participation payable	<u>(28,560,000)</u>	(38,351,856)

Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods, and therefore, are not reported in the funds:

Deferred outflows of resources related to pensions/OPEB	7,449,635	
Deferred inflows of resources related to pensions/OPEB	<u>(753,974)</u>	<u>6,695,661</u>

Net Position of Governmental Activities, Statement of Net Position \$ (10,408,972)

Superstition Fire & Medical District

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2024

	General	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Revenues				
Taxes	\$ 18,179,537	\$ -	\$ 598,693	\$ 18,778,230
Centrally assessed taxes	441,272	-	14,914	456,186
Insurance premiums	143,824	-	-	143,824
County aid	400,000	-	-	400,000
Charges for services	472,009	-	-	472,009
Intergovernmental	1,048,867	111,984	-	1,160,851
Interest earnings	244,194	88,352	16,008	348,554
Miscellaneous	42,253	-	22,652	64,905
	<u>20,971,956</u>	<u>200,336</u>	<u>652,267</u>	<u>21,824,559</u>
Expenditures				
Current:				
Administration	5,084,650	-	6,213	5,090,863
Technical services	850,757	-	-	850,757
Communication services	321,940	-	-	321,940
Emergency services	10,941,478	-	-	10,941,478
Community services	90,801	1,500	18,894	111,195
Capital outlay	-	672,134	-	672,134
Debt service:				
Principal	530,000	228,216	622,000	1,380,216
Interest and fiscal charges	776,978	42,299	73,552	892,829
	<u>18,596,604</u>	<u>944,149</u>	<u>720,659</u>	<u>20,261,412</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,375,352</u>	<u>(743,813)</u>	<u>(68,392)</u>	<u>1,563,147</u>
Other Financing Sources and (Uses)				
Transfers in	65,062	1,000,000	-	1,065,062
Transfers out	(1,000,000)	-	(65,062)	(1,065,062)
	<u>(934,938)</u>	<u>1,000,000</u>	<u>(65,062)</u>	<u>-</u>
Net change in fund balances	1,440,414	256,187	(133,454)	1,563,147
Fund Balances, Beginning	<u>5,973,310</u>	<u>3,315,268</u>	<u>211,358</u>	<u>9,499,936</u>
Fund Balances, Ending	<u>\$ 7,413,724</u>	<u>\$ 3,571,455</u>	<u>\$ 77,904</u>	<u>\$ 11,063,083</u>

See notes to financial statements

Superstition Fire & Medical 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, 2024

Net Change in Fund Balances, Total Governmental Funds		\$ 1,563,147
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense:</p>		
Expenditures for capital assets	\$ 650,691	
Less current year depreciation/amortization	<u>(1,178,290)</u>	(527,599)
<p>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 position liability is measured a year before the District's report date. Pension expense, which is the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the statement of activities:</p>		
Pension and OPEB contributions	1,207,467	
Pension and OPEB expense	<u>(3,683,569)</u>	(2,476,102)
<p>Revenues received in the current year that were accrued in the statement of activities in prior years:</p>		
Property taxes		102,408
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:</p>		
Amortization of deferred gain on refunding	18,302	
Leases payable	228,216	
Interest paid	9,154	
Notes payable	622,000	
Bonds payable	<u>530,000</u>	1,407,672
<p>Compensated absences expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds</p>		
		<u>535,577</u>
Change in Net Position of Governmental Activities		<u>\$ 605,103</u>

Basic Financial Statements

Proprietary Fund

Transport Services - This fund is used to account for funds received and expended for ambulance services as well as for the acquisition of major equipment.



Superstition Fire & Medical District

Statement of Net Position - Proprietary Fund

June 30, 2024

	<u>Transport Services</u>
Current Assets	
Cash and cash equivalents	\$ 398,791
Receivables, net of allowance for uncollectible accounts	805,487
Prepaid expenses	38,170
Due from other funds	807,622
	<hr/>
Total current assets	2,050,070
Noncurrent Assets	
Net OPEB asset	79,354
Capital assets:	
Capital assets, being depreciated/amortized, net	773,531
	<hr/>
Total assets	2,902,955
Deferred Outflows of Resources	
Deferred outflows of resources related to pensions/OPEB	543,875
Current Liabilities	
Accounts payable	176,543
Accrued wages and benefits	96,205
Accrued interest	2,067
Unearned revenue	202,686
Lease payable	169,980
Compensated absences	77,764
	<hr/>
Total current liabilities	725,245
Noncurrent Liabilities	
Compensated absences	116,645
Net pension liability	3,053,437
Net OPEB liability	977
	<hr/>
Total noncurrent liabilities	3,171,059
Total liabilities	3,896,304
Deferred Inflows of Resources	
Deferred inflows of resources related to pensions/OPEB	233,893
Net Position	
Net investment in capital assets	603,551
Restricted for post employment benefits	79,354
Unrestricted	(1,366,272)
	<hr/>
Total net position	\$ (683,367)

See notes to financial statements

Superstition Fire & Medical District

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund
Year ended June 30, 2024

	<u>Transport Services</u>
Operating Revenues	
Charges for services	\$ 4,757,809
Total operating revenues	<u>4,757,809</u>
Operating Expenses	
Transport	3,158,443
General and administrative	1,697,313
Depreciation/amortization	<u>116,221</u>
Total operating expenses	<u>4,971,977</u>
Operating income (loss)	<u>(214,168)</u>
Nonoperating Revenues (Expenses)	
Intergovernmental	411,285
Interest expense	(5,330)
Investment earnings	<u>4,507</u>
Total nonoperating revenues (expenses)	<u>410,462</u>
Change in net position	196,294
Net Position, Beginning	<u>(879,661)</u>
Net Position, Ending	<u><u>\$ (683,367)</u></u>

See notes to financial statements

Superstition Fire & Medical District

Statement of Cash Flows - Proprietary Fund
Year Ended June 30, 2024

	Transport Services
Cash Flows From Operating Activities	
Receipts from customers	\$ 4,464,780
Payments to vendors	(1,541,518)
Payments for employees	(2,503,087)
Payments to other funds	(462,819)
	<u>(42,644)</u>
Net cash provided by (used in) operating activities	<u>(42,644)</u>
Cash Flows From Noncapital Financing Activities	
Subsidy from federal grant, operating	<u>(5,330)</u>
Net cash provided by (used in) noncapital financing activities	<u>(5,330)</u>
Cash Flows From Capital and Related Financial Activities	
Payments for lease	(164,965)
Subsidy from federal grant, capital	202,686
Interest paid on capital debt	(5,330)
	<u>32,391</u>
Net cash provided by (used in) capital and related financing activities	<u>32,391</u>
Cash Flows From Investing Activities	
Interest on investments	<u>4,507</u>
Net change in cash and cash equivalents	(11,076)
Cash and Cash Equivalents, Beginning	<u>409,867</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 398,791</u></u>

See notes to financial statements

Superstition Fire & Medical District

Statement of Cash Flows - Proprietary Fund

Year Ended June 30, 2024

	<u>Transport Services</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ (214,168)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation/amortization expense	116,221
(Increase) decrease in:	
Accounts receivable	(293,029)
Prepaid expenses	416,923
Inventory	115,444
Net OPEB asset	748
Deferred outflows of resources related to pensions and OPEB	97,260
Increase (decrease) in:	
Accounts payable	152,459
Accrued wages	21,330
Compensated absences	(16,220)
Due to other funds	(462,819)
Net OPEB liability	521
Net pension liability	15,260
Deferred inflows of resources related to pensions and OPEB	7,426
Total adjustments	<u>171,524</u>
Net cash provided by (used in) operating activities	<u>\$ (42,644)</u>

See notes to financial statements

Basic Financial Statements
Notes to Financial Statements



Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2024

1. Summary of Significant Accounting Policies

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

Reporting Entity

The Superstition Fire & Medical District was organized in 1955 pursuant to Title 48 of the Arizona Revised State Statutes (ARS) and is operated as a special purpose local government that is governed by an elected governing body.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The basic, but not only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The District does not currently have any potential component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these financial statements. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Measurement Focus, Basis of Accounting and Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Special assessments are recognized as revenues in the year for which the related capital projects are substantially complete. Grants and similar items are recognized as revenues as soon as eligibility requirements imposed by the grantor or provider have been met.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2024

User fees, licenses and permits, charges for services, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The District has two nonmajor funds for June 30, 2024.

The District reports the following major governmental funds:

General Fund

This fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in other funds.

Capital Project Fund

This fund is used to account for funds received and expended for the construction of buildings and improvements as well as for the acquisition of apparatus and major equipment for use by the District.

The District reports the following major proprietary fund:

Transport Services Fund

This fund is used to account for funds received and expended for ambulance services as well as for the acquisition of major equipment.

Budgeting and Budgetary Control

The District Board formally adopts an annual budget for all operating funds which is submitted to the county treasurer and county board of supervisors. The budgets are adopted by the District on a basis consistent with ARS 48-807. This basis allows the District Board or Fire Chief to alter the budget within the total expenditure allocation as needed during the year. The District management generally cannot exceed the total expenditure budget.

Cash and Cash Equivalents

Cash represents amounts in demand deposits and amounts held in trust by financial institutions. The funds held in trust are available to the District upon demand. Cash equivalents are defined as short-term (original maturities of three months or less), highly liquid investments that are 1) readily convertible to known amounts of cash and 2) so near maturity that they present insignificant risk of changes in value because of changes in interest rates.

Investments

The District reports all investments at fair value in the statement of net position.

Restricted Cash

Certain proceeds of the District's long-term debt, as well as certain resources set aside for repayment of debt are classified as restricted assets on the balance sheet because they are maintained in separate deposit accounts and their use is limited by applicable debt covenants.

Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2024

Inventory

Purchases of inventory items are recorded at the time of purchase (purchases method) as expenditures in the funds from which the purchases were made.

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 either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of the interfund loans).

Property taxes are levied by the District and collected by the Pinal County and Maricopa County Treasurers. Property taxes are levied no later than the third Monday in August and are payable in two installments due October 1 of the current year and March 1 of the subsequent year. Taxes become delinquent after the first business day of November and May, respectively. Interest attaches on installments after the delinquent date. Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

The District also levies various personal property taxes during the year which are due at the same time as real property taxes.

The business-type receivables are shown net of an allowance for uncollectibles. The amount of the estimated uncollectible business-type receivables at June 30, 2024 was \$1,079,589, which represents 67.8% of the current business-type receivables balance.

Capital Assets

Capital assets, which include land, buildings and related improvements, equipment, vehicles, furniture, right-to-use lease assets, subscription based assets, and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of \$5,000 or more and an estimated useful life equal to or exceeding two years. Major outlays for capital assets and improvements are capitalized as projects are completed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Estimated useful lives for capital assets were determined based upon lives commonly used by other Arizona governmental agencies and various industry standards. Capital assets of the District are depreciated/amortized using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	27.5 - 40
Equipment	7
Fire trucks	10
Automobiles	5
Office equipment	5

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

Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2024

Fund Balances - Governmental Funds

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The following classifications describe the relative strength of the spending constraints:

- a. **Nonspendable** - Amounts that cannot be spent either because they are in Nonspendable form or because they are legally or contractually required to be maintained intact.
- b. **Restricted** - Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. **Committed** - Amounts that can be used only for specific purposes determined by a formal action of the District Board. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the District Board.
- d. **Assigned** - Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the Board or any official or body to which the District Board delegates authority may assign amounts for specific purposes.
- e. **Unassigned** - All other spendable amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Compensated Absences

The District's employee vacation and sick leave policies provide for granting vacation and sick leave with pay. Sick leave and vacation benefits accrue at the employee's current rate of pay. The current and long-term liabilities for accumulated vacation and sick leave are reported on the government-wide financial statements. Hours earned in excess of the annual allowable accumulations are paid out on the final paycheck of the fiscal year when approved by the Board. Any sick leave accrued amounts are paid at the maximum rate of 60% upon retirement and no payment upon resignation or termination. Accrued vacation is paid at 100%, regardless of the nature of departure. A liability for these amounts is reported in government funds only if they have matured, for example, as a result of employee resignation or retirement. Resources from the General Fund and the Transport Fund are generally used to liquidate the governmental funds, and business type liabilities, respectively, for compensated absences.

Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount 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. Actual results could differ from those estimates.

Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2024

Deferred Outflows/Inflows of Resources

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

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

Pensions and OPEB

For purposes of measuring the net pension and other postemployment benefits (OPEB) assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the pension plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the 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.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

2. Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, an entity will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At June 30, 2024, the carrying amount of the District's deposits totaled \$12,891,709 and the amount on deposit with the Pinal County Treasurer's Office was \$12,923,960. At June 30, 2024, none of the District's bank balance was exposed to custodial credit risk as uninsured and is collateralized with securities held by the pledging financial institution's trust department.

The District has \$4,101,780 in restricted cash and cash equivalents. Of that restricted cash, \$3,481,229 is contingency reserve funds and the remaining portion is restricted for debt retirement.

Superstition Fire & Medical District

Notes to Financial Statements
June 30, 2024

3. Capital Assets

A summary of changes in capital assets for governmental activities is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Construction in progress	\$ 859,923	\$ 35,046	\$ -	\$ 894,969
Land	1,241,806	-	-	1,241,806
Total capital assets, not being depreciated/ amortized	<u>2,101,729</u>	<u>35,046</u>	<u>-</u>	<u>2,136,775</u>
Capital assets, being depreciated/amortized:				
Buildings, infrastructure and improvements	12,972,956	143,481	-	13,116,437
Vehicles and apparatus	9,432,534	228,463	-	9,660,997
Machinery and equipment	4,138,287	243,702	-	4,381,989
Total capital assets being depreciated/ amortized	<u>26,543,777</u>	<u>615,646</u>	<u>-</u>	<u>27,159,423</u>
Less accumulated depreciation/amortization for:				
Buildings, infrastructure and improvements	(9,415,036)	(493,672)	-	(9,908,708)
Vehicles and apparatus	(6,174,614)	(454,501)	-	(6,629,115)
Machinery and equipment	(3,108,005)	(230,118)	-	(3,338,123)
Total accumulated depreciation/ amortization	<u>(18,697,655)</u>	<u>(1,178,291)</u>	<u>-</u>	<u>(19,875,946)</u>
Total capital assets, being depreciated/ amortized, net	<u>7,846,122</u>	<u>(562,645)</u>	<u>-</u>	<u>7,283,477</u>
Governmental activities capital assets, net	<u>\$ 9,947,851</u>	<u>\$ (527,599)</u>	<u>\$ -</u>	<u>\$ 9,420,252</u>

Superstition Fire & Medical District

Notes to Financial Statements
June 30, 2024

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, being depreciated:				
Vehicles and apparatus	\$ 1,635,940	\$ -	\$ -	\$ 1,635,940
Machinery and equipment	120,312	-	-	120,312
Total capital assets being depreciated	<u>1,756,252</u>	<u>-</u>	<u>-</u>	<u>1,756,252</u>
Less accumulated depreciation/ amortization for:				
Vehicles and apparatus	(786,442)	(109,063)	-	(895,505)
Machinery and equipment	(80,058)	(7,158)	-	(87,216)
Total accumulated depreciation/ amortization	<u>(866,500)</u>	<u>(116,221)</u>	<u>-</u>	<u>(982,721)</u>
Total capital assets, being depreciated, net	<u>889,752</u>	<u>(116,221)</u>	<u>-</u>	<u>773,531</u>
Business-type activities capital assets, net	<u>\$ 889,752</u>	<u>\$ (116,221)</u>	<u>\$ -</u>	<u>\$ 773,531</u>

Depreciation/amortization expense was charged to the various departments in the governmental activities as follows:

Governmental activities:	
Administrative	\$ 83,285
Technical services	11,762
Emergency services	<u>1,083,244</u>
Total depreciation/amortization expense, governmental activities	<u>\$ 1,178,291</u>

The depreciation/amortization expense for business-type activities in the Transport Services Fund was \$116,221.

Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2024

4. Long-Term Debt

General Obligation Bonds

In July 2018, the district issued general obligation refunding bonds, Series 2018 with an interest rate of 2.83% to refund the higher rate 2006 Greater Arizona Development Authority (GADA) notes. Interest at the rate of 2.83% is payable semiannually on January 1 and July 1. The bonds are being repaid by means of a secondary tax levied on all taxable property within the Superstition Fire & Medical District sufficient to pay principal, interest and administration costs. The funds are held in a separate County Treasurer account to be used for principal and interest payments. The original GADA notes were used to provide funds for construction and furnishings of new fire stations and training facilities, to expand and renovate existing fire stations and facilities, acquire interest in land for construction and expansion of facilities, to acquire firefighting, rescue and other life preserving equipment, and to pay all legal, engineering, architectural, accounting, financial consulting and other necessary costs in connection with these activities. The GADA notes are considered defeased, and related liabilities are not included in the District's financial statements.

The annual debt service requirements for this debt are as follows:

	<u>Principal</u>	<u>Interest</u>
Fiscal years ending June 30:		
2025	\$ 639,000	\$ 55,949
2026	659,000	37,865
2027	<u>679,000</u>	<u>19,216</u>
Total	<u>\$ 1,977,000</u>	<u>\$ 113,030</u>

Finance Purchase Agreements

The District entered into a agreements for capital purchases of vehicles in the governmental and business-type activities. Such agreements are, in substance, finance purchase agreements. The agreements related to the governmental activity are payable in annual installments of \$142,162 to \$270,515, including interest at 3.50%. This includes payments of \$142,162 for new debt issued by the District in August of 2022 for the finance purchase of a new Pumper Vehicle. The finance purchases related to the business-type activity are payable in annual installments of \$175,148, including interest at 3.04%.

The following schedule presents future minimum payments as of June 30, 2024:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Years ending June 30:		
2025	\$ 270,515	\$ 175,148
2026	270,515	-
2027	184,416	-
2028	142,162	-
2029	<u>142,162</u>	<u>-</u>
Total requirements	1,009,770	175,148
Less interest	<u>91,174</u>	<u>5,168</u>
Present value of remaining payments	<u>\$ 918,596</u>	<u>\$ 169,980</u>

Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2024

Vehicles and related accumulated depreciation/amortization under finance purchase are as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Asset:		
Vehicles	\$ 1,148,359	\$ 1,595,061
Less accumulated depreciation/amortization	<u>(564,307)</u>	<u>(875,785)</u>
Net	<u>\$ 584,052</u>	<u>\$ 719,276</u>

Certificates of Participation

Superstition Fire & Medical District issued taxable certificates of participation (COP) to provide funds to the Arizona Public Safety Pension Retirement System (PSPRS) to fully fund the pension liability with PSPRS on July 29, 2021. These taxable COPs have been issued for governmental activities. Taxable COPs are direct obligations and pledge the full faith and credit of the Superstition Fire & Medical District. The certificates of participation are secured by the District's fire stations S261, S263, S264, and S265. These COPs mature in 24 years and accrue interest at an annual rate of 2.89%.

	<u>Principal</u>	<u>Interest</u>
Fiscal years ending June 30:		
2025	\$ 825,000	\$ 772,911
2026	1,085,000	763,118
2027	1,115,000	748,069
2028	1,135,000	730,185
2029	1,155,000	709,142
2030-2034	6,170,000	3,148,869
2035-2039	7,055,000	2,264,989
2040-2044	8,215,000	1,110,023
2045	<u>1,805,000</u>	<u>59,042</u>
Total	<u>\$ 28,560,000</u>	<u>\$ 10,306,348</u>

Changes in long-term debt as of June 30, 2024 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Refunding series 2018 GO bonds	\$ 2,599,000	\$ -	\$ (622,000)	\$ 1,977,000	\$ 639,000
Certificate of participation	29,090,000	-	(530,000)	28,560,000	825,000
Deferred gain on refunding	73,212	-	(18,302)	54,910	-
Finance purchase	1,146,812	-	(228,216)	918,596	236,530
Compensated absences	2,852,397	-	(535,577)	2,316,820	926,728
Net pension liability	4,450,010	217,238	-	4,667,248	-
Net OPEB liability	1,530	357	-	1,887	-
Total	<u>\$ 40,212,961</u>	<u>\$ 217,595</u>	<u>\$ (1,934,095)</u>	<u>\$ 38,496,461</u>	<u>\$ 2,627,258</u>

Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2024

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Finance purchases	\$ 334,945	\$ -	\$ (164,965)	\$ 169,980	\$ 169,980
Compensated absences	210,629	-	(16,220)	194,409	77,764
Net pension liability	3,038,177	15,260	-	3,053,437	-
Net OPEB liability	456	521	-	977	-
Business-like activities					
long-term liabilities	\$ 3,584,207	\$ 15,781	\$ (181,185)	\$ 3,418,803	\$ 247,744

5. Pensions and Other Postemployment Benefits

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

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

Statement of Net Position and Statement of Activities	Governmental Activities	Business-Type Activities	Total
Net pension liability	\$ 4,667,248	\$ 3,053,437	\$ 7,720,685
Net OPEB asset	147,844	79,354	227,198
Net OPEB liability	1,887	977	2,864
Deferred outflow of resources	7,449,635	543,875	7,993,510
Deferred inflow of resources	753,974	233,893	987,867
Pension and OPEB expense	2,476,102	121,215	2,597,317

The District reported \$1,207,467 of pension and OPEB contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

Arizona State Retirement System (ASRS)

Plan Description

District employees not covered by the other pension plan described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its Web site at www.azasrs.gov.

Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2024

Benefits Provided

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

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

*With actuarially reduced benefits

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

Health insurance premium benefits are available to retired or disabled members with five years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

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

Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2024

Contributions

In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2024, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.29% (12.14% for retirement and 0.15% for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.29% (12.03% for retirement, 0.11% for health insurance premium benefit, and 0.15% for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2024 were \$341,510, \$3,123 and \$4,258, respectively.

During fiscal year 2024, the District paid 41% of ASRS contributions from the General Fund and 59% from the Transport Services Fund.

Liability

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

ASRS	Net Pension/OPEB (Asset) Liability
Pension	\$ 3,501,665
Health insurance premium benefit	(119,702)
Long-term disability	2,864

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

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

ASRS	Proportion June 30, 2023	Increase (Decrease) From June 30, 2022
Pension	0.02163 %	0.00032 %
Health Insurance	0.02217	0.00035
Long-term disability	0.02185	0.00035

Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2024

Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2024, the District recognized pension and OPEB expense for ASRS of \$522,940 and \$2,969, respectively. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	Pension		Health Insurance Premium Benefit		Long-Term Disability	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 79,124	\$ -	\$ 5,051	\$ 44,640	\$ 2,586	\$ 1,612
Changes of assumptions or other inputs	-	-	-	2,382	756	4,170
Net difference between project and actual earnings on pension plan investments	-	123,892	-	5,258	-	229
Changes in proportion and differences between District contributions and proportionate share of contributions	67,657	-	-	1,383	828	-
District contributions subsequent to the measurement date	341,510	-	3,123	-	4,258	-
Total	\$ 488,291	\$ 123,892	\$ 8,174	\$ 53,663	\$ 8,428	\$ 6,011

The \$341,510, \$3,123 and \$4,258 reported as deferred outflows of resources related to ASRS pension and OPEB resulting from District contributions subsequent to the measurement date, respectively, will be recognized as a reduction of the net pension/OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized in expenses as follows:

Years ending June 30:	Pension	Health Insurance Premium Benefit	Long-Term Disability
	2025	\$ 34,962	\$ (20,379)
2026	(130,196)	(22,352)	(590)
2027	133,519	(3,180)	233
2028	(15,396)	(3,007)	(685)
2029	-	306	(673)
Thereafter	-	-	(10)

Superstition Fire & Medical District

Notes to Financial Statements
June 30, 2024

Actuarial Assumptions

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

ASRS

Actuarial valuation date	June 30, 2022
Actuarial roll forward date	June 20, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9 - 8.4% for pensions
Inflation	2.3%
Permanent benefit increase	Included for pensions
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

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

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

ASRS Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public equity	44 %	3.50 %
Credit	23	5.90
Real estate	17	5.90
Private equity	10	6.70
Interest rate sensitive	6	1.50
Total	100 %	

Discount Rate

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

Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2024

Sensitivity of District's Proportionate Share of the ASRS Net Liability (Asset) to Changes in the Discount Rate

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

ASRS	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the:			
Net pension liability	\$ 5,244,979	\$ 3,501,665	\$ 2,048,049
Net insurance premium benefit liability (asset)	(83,666)	(119,702)	(150,324)
Net long-term disability liability	4,189	2,864	1,562

Plan Fiduciary Net Position

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

Public Safety Personnel Retirement System (PSPRS)

Plan Description

Fire service employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plan and an agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan (agent plans). A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the District's financial statements.

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

Superstition Fire & Medical District

Notes to Financial Statements
June 30, 2024

Benefits Provided

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

PSPRS Retirement and Disability	Initial Membership Date	
	Before January 1, 2012	January 1, 2012 and Before July 1, 2017
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Benefit percent: Normal retirement	50% less 2.0% for each year of credited service less than 20 years or plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	

Survivor Benefits

Retired members	80% to 100% of retired member's pension benefit
Active members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job

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

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 range from \$100 per month to \$260 per month depending on the age of the member and dependents.

Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2024

Employees Covered by Benefit Terms

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

	<u>PSPRS Pension Fire</u>	<u>PSPRS OPEB Fire</u>
Inactive employees or beneficiaries currently receiving benefits	35	35
Inactive employees entitled to but not yet receiving benefits	18	13
Active employees	<u>51</u>	<u>51</u>
Total	<u><u>104</u></u>	<u><u>99</u></u>

Contributions and Annual OPEB Cost

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

	<u>PSPRS Fire</u>
Active members, pension	7.65-11.65 %
District:	
Pension	15.35
Health insurance premium benefit	0.35

In addition, statute required the District to contribute at the actuarially determined rate indicated below of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the PSPRS would typically fill.

	<u>PSPRS Fire</u>
Pension	8.62 %
Health insurance premium benefit	0.11

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

	<u>PSPRS Fire</u>
Pension:	
Contributions made to PSPRS	\$ 1,043,442
Health Insurance Premium Benefit:	
Annual OPEB cost contributions made to PSPRS	21,288

During fiscal year 2024, the District paid 100% of the PSPRS pension and OPEB contributions from the General Fund.

Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2024

Liability

At June 30, 2024, the District reported a PSPRS net pension liability and OPEB asset of \$4,219,020 and \$107,496, respectively.

The net assets and liabilities were measured as of June 30, 2023, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

PSPRS

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.20%
Wage inflation	3.0-6.25% for pensions/not applicable for OPEB
Price inflation	2.5% for pension/not applicable for OPEB
Cost-of-living adjustment	1.85% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

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

The long-term expected rate of return on PSPRS plan investments was determined to be 7.2% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS Asset Class	Target Allocation	Long-Term Expected Geometric Rate of Return
U.S. public equity	24 %	3.98 %
International public equity	16	4.49
Global private equity	20	7.28
Other assets (capital appreciation)	7	4.49
Core bonds	6	1.90
Private credit	20	6.19
Diversifying strategies	5	3.68
Cash, Mellon	2	0.69
Total	100 %	

Discount Rates

At June 30, 2024, the discount rate used to measure the PSPRS total pension/OPEB liability was 7.2%, which was no change from the discount rate used as of June 30, 2022. The projection of cash flows used to determine the PSPRS discount rates assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2024

Changes in the Net Pension/OPEB Liability (Asset)

PSPRS - Firefighter	Pension Increase (Decrease)			Health Insurance Premium Benefit Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 74,195,707	\$ 70,185,785	\$ 4,009,922	\$ 1,193,582	\$ 1,228,019	\$ (\$34,437.00)
Changes for the year:						
Service cost	1,318,950	-	1,318,950	22,194	-	22,194
Interest on the total pension liability	5,325,797	-	5,325,797	85,789	-	85,789
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	269,301	-	269,301	(81,783)	-	(81,783)
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions, employer	-	828,945	(828,945)	-	7,754	(\$7,754)
Contributions, employee	-	608,732	(608,732)	-	-	-
Net investment income	-	5,331,394	(5,331,394)	-	91,950	(91,950)
Benefit payments, including refunds of employee contributions	(3,090,514)	(3,090,514)	-	(48,513)	(48,513)	-
Administrative expense	-	(24,491)	24,491	-	(445)	445
Other changes	-	(39,630)	39,630	-	-	-
Net changes	3,823,534	3,614,436	209,098	(22,313)	50,746	(\$73,059)
Balances at June 30, 2024	\$ 78,019,241	\$ 73,800,221	\$ 4,219,020	\$ 1,171,269	\$ 1,278,765	\$ (\$107,496)

Sensitivity of the District's Net Pension/OPEB Liability to Changes in the Discount Rate

The following table presents the District's net pension/OPEB liabilities (assets) calculated using the discount rate of 7.20%, as well as what the District's net pension/OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.2%) or 1 percentage point higher (8.2%) than the current rate:

PSPRS - Firefighter	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Net pension liability	\$ 15,361,996	\$ 4,219,020	\$ 4,843,002
Net OPEB (asset) liability	26,009	(107,496)	(219,918)

Plan Fiduciary Net Position

Detailed information about the pension/OPEB plans' fiduciary net position is available in the separately issued PSPRS financial reports.

Expense

For the year ended June 30, 2024, the District recognized \$3,021,541 and \$(3,989) of PSPRS pension and OPEB expense (revenue), respectively.

Superstition Fire & Medical District

Notes to Financial Statements
June 30, 2024

Deferred Outflows/Inflows of Resources

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

PSPRS - Firefighter	Pension		Health Insurance Premium Benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,322,696	\$ 612,150	\$ 75,521	\$ 185,313
Changes of assumptions or other inputs	1,639,272	-	23,708	6,838
Net difference between projected and actual earnings on pension plan investments	1,350,070	-	12,595	-
District contributions subsequent to the measurement date	1,043,442	-	21,288	-
Total	\$ 7,355,480	\$ 612,150	\$ 133,112	\$ 192,151

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

PSPRS - Firefighter	Pension	OPEB
Year ending June 30:		
2025	\$ 1,673,344	\$ (29,246)
2026	1,021,231	(38,886)
2027	2,509,620	8,424
2028	495,693	(20,619)
2029	-	-
Thereafter	-	-

PSPDCRP Plan

District's firefighters who are not members of PSPRS participate in the PSPDCRP. The PSPDCRP is a defined contribution pension plan. The PSPRS Board of Trustees governs the PSPDCRP according to the provision of A.R.S. Title 38, Chapter 5, Article 4.1. Benefit terms, including contribution requirements, are established by State statute.

For the year ended June 30, 2024, active PSPDCRP members were required by statute to contribute at least 9% of the members' annual covered payroll, and the District was required by statute to contribute 9% or 5%, respectively, of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the earnings on those contributions. Employees vest in a portion of the District's contributions each year as set forth in statute. The plan retains nonvested District contributions when forfeited because of employment terminations. For the year ended June 30, 2024, the District recognized pension expense of \$3,683,569.

Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2024

6. Joint Venture

The District participates in a joint venture with five other governments for the operations and maintenance of a communications center. The City of Mesa operates the center which is funded by the participating members of the venture. Ownership of the center is distributed to the participants relative to their individual contributions. The District's equity interest in the venture for the fiscal year ended June 30, 2024 was \$158,227. The District retains equity ownership interest in the capital purchases. Upon resolution of the venture's governing board, members may be subject to a special assessment if the Board determines the special assessment is needed for disaster recovery or other reasons as stated in the governance agreement. Additional information on this joint venture may be obtained from the website at www.topazrwc.org.

7. Credit Line

The District has an approved line of credit for \$1.5 million with Wells Fargo Bank to ensure the District has sufficient short-term cash flow to cover operating expenses between the two peak times of the fiscal year when the District receives the bulk of its revenues (November 1 and May 1). The line of credit must be renewed annually. There were no draws and payments during the year and no balance was outstanding at fiscal year-end.

8. Interfund Receivables, Payables and Transfers

As of June 30, 2024, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Receivable Amount</u>	<u>Payable Amount</u>
Fund:		
General	\$ -	\$ 1,648,343
Capital Project	840,721	
Transport services	807,622	-
	<u>\$ 1,648,343</u>	<u>\$ 1,648,343</u>

The outstanding balance in the Transport Services fund is for operating costs covered by the other funds from the first three years of operations, primarily for finance purchase payments. This is a long-term payable and will be paid back gradually.

Transfers from the General fund and Capital Projects fund to the Transport Services Fund are generally to write-off long term payables between funds. Transfers to the non-major fund were for debt service. There were transfers of \$1,000,000 from the General Fund to the Capital Projects and Nonmajor Funds for the year ended June 30, 2024. There were transfers of \$65,062 from the non-major funds to the general fund for the year ended June 30, 2024.



Required Supplementary Information

Budgetary Comparison Schedules

General Fund

Pension Schedules



Superstition Fire & Medical District

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund

Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 18,087,344	\$ 18,087,344	\$ 18,179,537	\$ 92,193
Centrally assessed taxes	423,340	423,340	441,272	17,932
Insurance premiums	144,000	144,000	143,824	(176)
County aid	400,000	400,000	400,000	-
Charges for services	590,250	590,250	472,009	(118,241)
Grants	200,000	200,000	1,048,867	848,867
Interest revenues	81,000	81,000	244,194	163,194
Other income	5,000	5,000	42,253	37,253
Total revenues	19,930,934	19,930,934	20,971,956	1,041,022
Expenditures				
Current:				
Administration	5,559,203	5,559,203	5,084,650	474,553 *
Technical services	889,820	889,820	850,757	39,063
Communication services	427,003	427,003	321,940	105,063
Emergency services	10,781,516	10,781,516	10,941,478	(159,962)
Community services	103,161	103,161	90,801	12,360
Debt service:				
Principal	-	-	530,000	(530,000)
Interest and fiscal charges	777,469	777,469	776,978	491
Total expenditures	18,538,172	18,538,172	18,596,604	(58,432)
Excess (deficiency) of revenues over (under) expenditures	1,392,762	1,392,762	2,375,352	982,590
Other Financing Sources				
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-
Transfers In	-	-	65,062	65,062
Total other financing sources	(1,000,000)	(1,000,000)	(934,938)	65,062
Net change in fund balances	392,762	392,762	1,440,414	1,047,652
Fund Balances, Beginning	5,973,310	5,973,310	5,973,310	-
Fund Balances, Ending	\$ 6,366,072	\$ 6,366,072	\$ 7,413,724	\$ 1,047,652

* Budgeted amounts include amounts budgeted for financial reserves for which no actual related expenses exist

Superstition Fire & Medical District

Required Supplementary Information

Schedule of the District's Proportionate Share of the Net Pension/OPEB Liability (Asset)

Cost-Sharing Pension Plan

Year Ended June 30, 2024

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Arizona Retirement System, Pension										
District's proportion of the net pension liability	0.021638%	0.021307%	0.020590%	0.020535%	0.020047%	0.018847%	0.017672%	0.014244%	0.008618%	0.007864%
District's proportionate share of the net pension liability	\$ 3,501,665	\$ 3,478,265	\$ 2,705,435	\$ 3,557,135	\$ 2,917,508	\$ 2,628,912	\$ 2,752,642	\$ 2,298,479	\$ 1,342,452	\$ 1,163,628
District's covered payroll	\$ 2,840,000	\$ 2,536,361	\$ 2,314,558	\$ 2,263,467	\$ 2,114,281	\$ 1,873,367	\$ 1,883,073	\$ 1,320,736	\$ 708,897	\$ 708,897
District's proportionate share of the net pension liability as a percentage of its covered payroll	123.30%	137.14%	116.89%	157.15%	137.99%	140.33%	146.18%	174.03%	189.37%	164.15%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

	Reporting Fiscal Year (Measurement Date)							2017 Through 2015
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
Arizona Retirement System, Health Insurance Premium Benefit								
District's proportion of the net OPEB (asset)	0.022165%	0.021820%	0.021110%	0.021040%	0.020544%	0.019206%	0.017931%	Information not available
District's proportionate share of the net OPEB (asset)	\$ (119,702)	\$ (121,777)	\$ (102,850)	\$ (14,896)	\$ (5,676)	\$ (6,917)	\$ (9,761)	
District's covered payroll	\$ 2,840,000	\$ 2,536,361	\$ 2,314,558	\$ 2,263,467	\$ 2,114,281	\$ 1,873,367	\$ 1,883,073	
District's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	-4.21%	-4.80%	-4.44%	-0.66%	-0.27%	-0.37%	-0.52%	
Plan fiduciary net position as a percentage of the total OPEB (asset)	134.37%	137.79%	130.24%	104.33%	101.62%	102.20%	103.57%	

	Reporting Fiscal Year (Measurement Date)							2017 Through 2015
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
Arizona Retirement System, Long-Term Disability								
District's proportion of the net OPEB liability	0.021855%	0.021500%	0.020850%	0.020820%	0.020358%	0.018888%	0.015757%	Information not available
District's proportionate share of the net OPEB liability	\$ 2,864	\$ 1,986	\$ 4,304	\$ 15,794	\$ 13,263	\$ 9,870	\$ 6,430	
District's covered payroll	\$ 2,840,000	\$ 2,536,361	\$ 2,314,558	\$ 2,263,467	\$ 2,114,281	\$ 1,873,367	\$ 1,883,073	
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.10%	0.08%	0.19%	0.70%	0.63%	0.53%	0.34%	
Plan fiduciary net position as a percentage of the total OPEB liability	93.70%	95.40%	90.38%	68.01%	72.85%	77.83%	84.44%	

See notes to pension/OPEB plan schedules

Superstition Fire & Medical District

Required Supplementary Information
 Schedule of Changes in the District's Net Pension/OPEB Liability and Related Ratios
 Agent Pension Plan
 Year Ended June 30, 2024

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
PSPRS, Pension										
Total Pension Liability										
Service cost	\$ 1,318,950	\$ 1,509,133	\$ 1,502,363	\$ 1,498,040	\$ 1,516,252	\$ 1,442,576	\$ 1,504,412	\$ 1,309,752	\$ 1,093,722	\$ 1,174,458
Interest on the total pension liability	5,325,797	4,994,092	4,564,641	4,215,286	3,945,344	3,552,503	3,210,772	2,749,545	2,431,989	2,152,709
Changes on benefit terms	-	-	-	-	-	-	354,150	3,751,261	-	181,548
Differences between expected and actual experience in the measurement of the pension liability	269,301	1,602,275	2,905,493	755,557	(1,178,357)	561,965	(90,813)	(750,533)	1,088,291	(1,010,683)
Changes of assumptions or other inputs	-	1,133,264	-	-	1,178,345	-	1,524,131	1,655,851	-	1,793,216
Benefit payments, including refunds of employee contributions	(3,090,514)	(3,892,293)	(2,300,456)	(1,074,576)	(955,817)	(1,130,876)	(1,419,571)	(638,368)	(715,052)	(671,310)
Net change in total pension liability	3,823,534	5,346,471	6,672,041	5,394,307	4,505,767	4,426,168	5,083,081	8,077,508	3,898,950	3,619,938
Total Pension Liability, Beginning	74,195,707	68,849,236	62,177,195	56,782,888	52,277,121	47,850,953	42,767,872	34,690,364	30,791,414	27,171,476
Total Pension Liability, Ending (a)	\$ 78,019,241	\$ 74,195,707	\$ 68,849,236	\$ 62,177,195	\$ 56,782,888	\$ 52,277,121	\$ 47,850,953	\$ 42,767,872	\$ 34,690,364	\$ 30,791,414
Plan Fiduciary Net Position										
Contributions, employer	\$ 828,945	\$ 26,491,225	\$ 2,161,593	\$ 2,240,009	\$ 1,790,579	\$ 1,886,507	\$ 1,447,386	\$ 1,583,372	\$ 1,015,424	\$ 993,529
Contributions, employee	608,732	781,904	580,235	606,891	593,083	650,638	778,888	838,526	790,270	607,581
Net investment income	5,331,394	(2,857,785)	10,882,957	468,869	1,826,862	2,134,046	3,185,780	148,850	857,371	2,659,653
Benefit payments, including refunds of employee contributions	(3,090,514)	(3,892,293)	(2,300,456)	(1,074,576)	(955,817)	(1,130,876)	(1,419,571)	(638,368)	(715,052)	(671,310)
Hall/Parker Settlement	-	-	-	-	-	(1,014,363)	-	-	-	-
Administrative expense	(24,491)	(51,334)	(50,936)	(38,235)	(32,748)	(33,180)	(28,589)	(21,819)	(21,306)	(21,594)
Other changes	(39,630)	59,532	-	-	-	358	336	36,564	(17,818)	(205,504)
Net change in plan fiduciary net position	3,614,436	20,531,249	11,273,393	2,202,958	3,221,959	2,493,130	3,964,230	1,947,125	1,908,889	3,362,355
Plan Fiduciary Net Position, Beginning	70,185,785	49,654,536	38,381,143	36,453,258	33,240,193	30,747,063	26,782,833	24,835,708	22,926,819	19,564,464
Adjustment to beginning of year	-	-	-	(275,073)	(8,894)	-	-	-	-	-
Plan Fiduciary Net Position, Ending (b)	\$ 73,800,221	\$ 70,185,785	\$ 49,654,536	\$ 38,381,143	\$ 36,453,258	\$ 33,240,193	\$ 30,747,063	\$ 26,782,833	\$ 24,835,708	\$ 22,926,819
District's Net Pension Liability, Ending (a) - (b)	\$ 4,219,020	\$ 4,009,922	\$ 19,194,700	\$ 23,796,052	\$ 20,329,630	\$ 19,036,928	\$ 17,103,890	\$ 15,985,039	\$ 9,854,656	\$ 7,864,595
Plan fiduciary net position as a percentage of the total pension liability	94.59%	94.60%	72.12%	61.73%	64.20%	63.58%	64.26%	62.62%	71.59%	74.46%
Covered payroll	\$ 5,454,668	\$ 5,922,475	\$ 6,377,908	\$ 6,413,504	6,473,645	\$ 6,677,374	\$ 6,948,284	\$ 6,715,243	\$ 5,794,921	\$ 5,794,921
District's net pension liability as a percentage of covered payroll	77.35%	67.71%	300.96%	371.03%	314.04%	285.10%	254.70%	275.85%	170.06%	135.72%

See notes to pension/OPEB plan schedules

Superstition Fire & Medical District

Required Supplementary Information

Schedule of Changes in the District's Net Pension/OPEB Liability (Asset) and Related Ratios Agent Pension Plan
Year Ended June 30, 2024

	Reporting Fiscal Year (Measurement Date)							2017 Through 2015
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
PSPRS, Health Insurance Premium Benefit								
Total Pension Liability								Information not available
Service cost	\$ 22,194	\$ 25,369	\$ 29,114	\$ 28,887	\$ 18,049	\$ 19,386	\$ 18,697	
Interest on the total pension liability	85,789	72,760	69,959	67,187	73,597	70,381	67,706	
Changes on benefit terms	-	-	-	-	-	-	7,535	
Differences between expected and actual experience in the measurement of the pension liability	(81,783)	112,848	(29,186)	(28,224)	(182,672)	(38,179)	1,374	
Changes of assumptions or other inputs	-	29,262	-	-	9,447	-	(32,213)	
Benefit payments, including refunds of employee contributions	(48,513)	(35,994)	(19,547)	(15,793)	(15,978)	(16,981)	(13,205)	
Net change in total pension liability	(22,313)	204,245	50,340	52,057	(97,557)	34,607	49,894	
Total Pension Liability, Beginning	<u>1,193,582</u>	<u>989,337</u>	<u>938,997</u>	<u>886,940</u>	<u>984,497</u>	<u>949,890</u>	<u>899,996</u>	
Total Pension Liability, Ending (a)	<u>\$ 1,171,269</u>	<u>\$ 1,193,582</u>	<u>\$ 989,337</u>	<u>\$ 938,997</u>	<u>\$ 886,940</u>	<u>\$ 984,497</u>	<u>\$ 949,890</u>	
Plan Fiduciary Net Position								
Contributions, employer	\$ 7,754	\$ 12,111	\$ 18,411	\$ 18,054	\$ 20,773	\$ 11,386	\$ 20,209	
Contributions, employee	-	-	-	-	-	-	-	
Net investment income	91,950	(50,946)	281,540	12,754	51,367	61,918	93,605	
Benefit payments, including refunds of employee contributions	(48,513)	(35,994)	(19,547)	(15,793)	(15,978)	(16,981)	(13,205)	
Administrative expense	(445)	(907)	(1,158)	(1,037)	(887)	(942)	(828)	
Other changes	-	-	-	-	-	-	-	
Net change in plan fiduciary net position	50,746	(75,736)	279,246	13,978	55,275	55,381	99,781	
Plan Fiduciary Net Position, Beginning	<u>1,228,019</u>	<u>1,303,755</u>	<u>1,024,509</u>	<u>1,010,531</u>	<u>946,362</u>	<u>890,981</u>	<u>791,200</u>	
Adjustment to beginning of year	-	-	-	-	8,894	-	-	
Plan Fiduciary Net Position, Ending (b)	<u>\$ 1,278,765</u>	<u>\$ 1,228,019</u>	<u>\$ 1,303,755</u>	<u>\$ 1,024,509</u>	<u>\$ 1,010,531</u>	<u>\$ 946,362</u>	<u>\$ 890,981</u>	
District's Net Pension Liability, Ending (a) - (b)	<u>\$ (107,496)</u>	<u>\$ (34,437)</u>	<u>\$ (314,418)</u>	<u>\$ (85,512)</u>	<u>\$ (123,591)</u>	<u>\$ 38,135</u>	<u>\$ 58,909</u>	
Plan fiduciary net position as a percentage of the total pension liability	109.18%	102.89%	131.78%	109.11%	113.93%	96.13%	93.80%	
Covered payroll	\$ 5,454,668	\$ 5,922,475	\$ 5,922,475	\$ 6,377,908	\$ 6,413,504	\$ 6,677,374	\$ 6,948,284	
District's net pension liability as a percentage of covered payroll	-1.97%	-0.58%	-5.31%	-1.34%	-1.93%	0.57%	0.85%	

See notes to pension/OPEB plan schedules

Superstition Fire & Medical District

Schedule of the District Pension/OPEB Contributions
Year Ended June 30, 2024

	Reporting Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
ASRS, Pension										
Statutorily required contribution	\$ 341,510	\$ 338,494	\$ 304,617	\$ 269,646	\$ 259,167	\$ 236,377	\$ 204,197	\$ 202,995	\$ 143,300	\$ 86,446
District's contributions in relation to the statutorily required contribution	341,510	338,494	304,617	269,646	259,167	236,377	204,197	202,995	143,300	86,446
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,838,820	\$ 2,840,000	\$ 2,536,361	\$ 2,314,558	\$ 2,263,467	\$ 2,114,281	\$ 1,873,367	\$ 1,883,073	\$ 1,320,736	\$ 794,540
District's contributions as a percentage of covered payroll	12.03%	11.92%	12.01%	11.65%	11.45%	11.18%	10.90%	10.78%	10.85%	10.88%
ASRS, Health Insurance Premium Benefit										
Statutorily required contribution	\$ 3,123	\$ 3,124	\$ 5,357	\$ 9,027	\$ 11,091	\$ 9,726	\$ 8,294	\$ 10,545	Information not available	
District's contributions in relation to the statutorily required contribution	3,123	3,124	5,357	9,027	11,091	9,726	8,294	10,545		
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
District's covered payroll	\$ 2,838,820	\$ 2,840,000	\$ 2,536,361	\$ 2,314,558	\$ 2,263,467	\$ 2,114,281	\$ 2,114,281	\$ 1,873,367		
District's contributions as a percentage of covered payroll	0.11%	0.11%	0.21%	0.39%	0.49%	0.46%	0.39%	0.56%		
ASRS, Long-Term Disability										
Statutorily required contribution	\$ 4,258	\$ 3,976	\$ 4,847	\$ 4,165	\$ 3,848	\$ 3,383	\$ 3,016	\$ 2,636		
District's contributions in relation to the statutorily required contribution	4,258	3,976	4,847	4,165	3,848	3,383	3,016	2,636		
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
District's covered payroll	\$ 2,838,820	\$ 2,840,000	\$ 2,536,361	\$ 2,314,558	\$ 2,263,467	\$ 2,114,281	\$ 2,114,281	\$ 1,873,367		
District's contributions as a percentage of covered payroll	0.15%	0.14%	0.19%	0.18%	0.17%	0.16%	0.14%	0.14%		

See notes to pension/OPEB plan schedules

Superstition Fire & Medical District

Schedule of the District Pension/OPEB Contributions
Year Ended June 30, 2024

PSPRS, Pension	Reporting Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,043,442	\$ 1,310,101	\$ 1,172,351	\$ 2,161,593	\$ 2,240,009	\$ 1,790,579	\$ 1,886,507	\$ 1,447,386	\$ 1,583,372	\$ 1,015,424
District's contributions in relation to the actuarially determined contribution	1,043,442	1,310,101	26,586,995	2,161,593	2,240,009	1,790,579	1,886,507	1,447,386	1,583,372	993,529
District's contribution deficiency (excess)	\$ -	\$ -	\$ (25,414,644)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,895
District's covered payroll	\$ 5,454,668	\$ 5,922,475	\$ 6,377,908	\$ 6,413,504	\$ 6,473,645	\$ 6,684,780	\$ 6,677,374	\$ 6,948,284	\$ 6,715,243	\$ 5,794,921
District's contributions as a percentage of covered payroll	19.13%	22.12%	416.86%	33.70%	34.60%	26.79%	28.25%	20.83%	23.58%	17.14%

PSPRS, Health Insurance Premium Benefit	Reporting Fiscal Year								2016 - 2015
	2024	2023	2022	2021	2020	2019	2018	2017	
Actuarially determined contribution	\$ 21,288	\$ 6,950	\$ 12,111	\$ 20,776	\$ 20,021	\$ 22,710	\$ 11,386	\$ 20,209	Information not available
District's contributions in relation to the actuarially determined contribution	21,288	6,950	12,111	20,776	20,021	22,710	11,386	20,209	
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
District's covered payroll	\$ 5,454,668	\$ 5,922,475	\$ 6,377,908	\$ 6,413,504	\$ 6,473,645	\$ 6,684,780	\$ 6,677,374	\$ 6,948,284	
District's contributions as a percentage of covered payroll	0.39%	0.12%	0.19%	0.32%	0.31%	0.34%	0.17%	0.29%	

See notes to pension/OPEB plan schedules

Superstition Fire & Medical District

Notes to Pension/OPEB Plan Schedules

Year Ended June 30, 2023

1. Actuarially Determined Contribution Rates

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

Actuarial cost method	Entry age normal
Amortization method	PSPRS members with initial membership date before July 1, 2017; Level percent-of-pay, closed PSPRS members with initial membership on or after July 1, 2017; Level dollar closed
Remaining amortization period as of the 2022 actuarial valuation	PSPRS members with initial membership date before July 1, 2017; 19 years for underfunded; 20 years for overfunded. PSPRS members with initial membership on or after July 1, 2017; 10 years
Asset valuation method	PSPRS members with initial membership date before July 1, 2017; 7-year smoothed market value; 80%/120% market corridor PSPRS members with initial membership on or after July 1, 2017; 5-year smoothed market value; 80%/120% market corridor
Actuarial assumptions: Investment rate of return	PSPRS members with initial membership date before July 1, 2017; In the 2022 actuarial valuation, the investment rate of return was decreased from 7.3% to 7.2%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8% to 7.85%. PSPRS member with initial membership on or after July 1, 2017; 7%
Projected salary increases	In the 2017 actuarial valuation, projected salary increase were decreased from 4.0%-8.0% to 3.5%-7.5% for PSPRS. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0% for PSPRS. In the 2013 actuarial valuation, projected salary increase were decreased from 5.0%-9.0% to 4.5%-8.5% for PSPRS.
Wage growth	In the 2022 actuarial valuation, wage growth was decrease from 4% to 3.5% for PSPRS. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006-June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2020 tables. In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females).

Superstition Fire & Medical District

Notes to Pension/OPEB Plan Schedules

Year Ended June 30, 2023

2. Factors That Affect Trends

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

Supplementary Information

Combining Nonmajor Fund Statements

Debt Service Fund - accounts for the accumulation of resources for, and the payment of current and future debt service requirements for governmental debt principal and interest.

Special Revenues Fund - accounts for miscellaneous federal and state grants and other contributions that are restricted for specific use.

Budgetary Comparison Schedules

Capital Projects Fund
Nonmajor Funds



Superstition Fire & Medical District

Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2024

	Debt Service Fund	Special Revenue Fund	Total Nonmajor Funds
Assets			
Receivables:			
Accounts receivable	\$ 11,038	\$ -	\$ 11,038
Restricted cash and cash equivalents	90,551	-	90,551
	<u>101,589</u>	<u>-</u>	<u>101,589</u>
Total assets	<u>\$ 101,589</u>	<u>\$ -</u>	<u>\$ 101,589</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Deferred Inflows of Resources			
Deferred revenue	\$ 23,685	\$ -	\$ 23,685
	<u>23,685</u>	<u>-</u>	<u>23,685</u>
Total deferred inflows of resources	<u>23,685</u>	<u>-</u>	<u>23,685</u>
Fund Balances			
Restricted for debt retirement:			
Debt retirement	77,904	-	77,904
	<u>77,904</u>	<u>-</u>	<u>77,904</u>
Total fund balances	<u>77,904</u>	<u>-</u>	<u>77,904</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 101,589</u>	<u>\$ -</u>	<u>\$ 101,589</u>

Superstition Fire & Medical District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2024

	Debt Service Fund	Special Revenue Fund	Total Nonmajor Funds
Revenues			
Taxes	\$ 598,693	\$ -	\$ 598,693
Centrally assessed taxes	14,914	-	14,914
Interest revenues	13,553	2,455	16,008
Other income	-	22,652	22,652
	<hr/>	<hr/>	<hr/>
Total revenues	627,160	25,107	652,267
Expenditures			
Current:			
Administration	-	6,213	6,213
Community services	-	18,894	18,894
Debt service:			
Principal	622,000	-	622,000
Interest and fiscal charges	73,552	-	73,552
	<hr/>	<hr/>	<hr/>
Total expenditures	695,552	25,107	720,659
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(68,392)	-	(68,392)
Other Financing Sources			
Transfers out	-	(65,062)	(65,062)
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(68,392)	(65,062)	(133,454)
	<hr/>	<hr/>	<hr/>
Fund Balances, Beginning	146,296	65,062	211,358
	<hr/>	<hr/>	<hr/>
Fund Balances, Ending	\$ 77,904	\$ -	\$ 77,904
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Superstition Fire & Medical District

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -

Capital Projects - Major Fund

Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 111,984	\$ 111,984
Investment earnings	30,000	30,000	88,352	58,352
Total revenues	30,000	30,000	200,336	170,336
Expenditures				
Current:				
Administration				
Community services	-	-	1,500	(1,500)
Capital outlay	1,024,005	1,024,005	672,134	351,871
Debt service:				
Principal	-	-	228,216	(228,216)
Interest and fiscal charges	-	-	42,299	(42,299)
Total expenditures	1,024,005	1,024,005	944,149	79,856
Excess (deficiency) of revenues over (under) expenditures	(994,005)	(994,005)	(743,813)	250,192
Other Financing Sources				
Transfers in	1,000,000	1,000,000	1,000,000	-
Total other financing sources and uses	1,000,000	1,000,000	1,000,000	-
Net change in fund balances	5,995	5,995	256,187	250,192
Fund Balances, Beginning	3,315,268	3,315,268	3,315,268	-
Fund Balances, Ending	\$ 3,321,263	\$ 3,321,263	\$ 3,571,455	\$ 250,192

Superstition Fire & Medical District

Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Nonmajor Funds
Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 625,727	\$ 625,727	\$ 598,693	\$ (27,034)
Centrally assessed taxes	14,640	14,640	14,914	274
Investment income	3,250	3,250	16,008	12,758
Other income	14,000	14,000	22,652	8,652
Total revenues	<u>657,617</u>	<u>657,617</u>	<u>652,267</u>	<u>(5,350)</u>
Expenditures				
Current:				
Administration	202	202	6,213	(6,011)
Community services	63,060	63,060	18,894	44,166
Capital outlay	16,600	16,600	-	16,600
Debt service:				
Principal	622,000	622,000	622,000	-
Interest and other charges	73,552	73,552	73,552	-
Total expenditures	<u>775,414</u>	<u>775,414</u>	<u>720,659</u>	<u>54,755</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(117,797)</u>	<u>(117,797)</u>	<u>(68,392)</u>	<u>49,405</u>
Other Financing Sources (Uses)				
Transfers out	-	-	(65,062)	(65,062)
Total other financing sources	-	-	(65,062)	(65,062)
Net change in fund balances	(117,797)	(117,797)	(133,454)	(15,657)
Fund Balances, Beginning	<u>211,358</u>	<u>211,358</u>	<u>211,358</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 93,561</u>	<u>\$ 93,561</u>	<u>\$ 77,904</u>	<u>\$ (15,657)</u>

Statistical Section



Superstition Fire & Medical District

Property Tax Levies And Collections

Last Ten Fiscal Years

Pinal County Arizona

Fiscal Year	Property Tax Levy	Corrections	Property Tax Levy (Adjusted)	Collected Within the Fiscal Year of the Levy		Collections in Subsequent	Total Collections to Date	
				Amount	% of Levy		Amount	% of Levy
2014/2015	\$ 10,772,125	\$ (8,115)	\$ 10,764,010	\$ 10,545,718	97.9%	\$ 212,357	\$ 10,758,074	99.9%
2015/2016	10,937,775	1,624	10,939,399	10,722,793	98.0%	209,161	10,931,954	99.9%
2016/2017	11,495,746	7,271	11,503,017	11,260,771	98.0%	233,296	11,494,067	99.9%
2017/2018	12,024,842	(4,552)	12,020,290	11,825,900	98.3%	182,483	12,008,383	99.9%
2018/2019	12,625,315	(26,507)	12,598,809	12,376,078	98.0%	204,598	12,580,677	99.9%
2019/2020	13,221,129	4,392	13,225,521	12,994,775	98.3%	198,443	13,193,218	99.8%
2020/2021	14,008,228	10,676	14,018,905	13,801,584	98.5%	186,496	13,988,080	99.8%
2021/2022	14,934,335	-	14,934,335	14,676,206	98.3%	215,780	14,891,985	99.7%
2022/2023	16,453,236	-	16,453,236	16,157,064	98.2%	213,970	16,371,035	99.5%
2023/2024	18,258,413	-	18,258,413	17,866,985	97.9%	-	17,866,985	97.9%

Source: Pinal County Treasurer's reports

Superstition Fire & Medical District

Net Limited Assessed Property Value by Property Classification

Last Ten Fiscal Years

Pinal County Arizona

Fiscal Year	Commercial, Industrial Utilities and Mines	Agricultural and Vacant	Residential (Owner owner)	Residential (Rental)	Improvements on Governmental Properties	Total Net Limited Assessed Assessed
2014/2015	\$ 53,016,331	\$ 26,211,411	\$ 198,369,649	\$ 63,607,880	\$ 19,402	\$ 341,224,673
2015/2016	51,386,587	25,041,150	166,056,892	105,673,274	8,967	348,166,870
2016/2017	49,381,292	23,484,854	169,816,920	110,617,805	78,305	353,379,176
2017/2018	50,070,105	23,481,200	168,966,805	127,190,471	70,344	369,778,925
2018/2019	52,001,091	23,610,608	262,620,582	47,533,099	73,358	385,838,738
2019/2020	55,254,062	24,770,338	276,735,456	49,308,554	75,094	406,143,504
2020/2021	58,766,174	24,480,087	296,128,015	50,952,439	78,159	430,404,874
2021/2022	60,718,504	23,412,421	320,309,945	53,724,166	70,666	458,235,702
2022/2023	61,793,604	25,623,596	353,029,494	48,793,434	82,755	489,322,882
2023/2024	62,878,856	27,734,770	387,309,042	43,421,070	94,848	521,438,586

Source: Pinal County Assessor's Office Abstract by Tax Authority and Legal Class reports

Superstition Fire & Medical District

Principal Property Taxpayers
Fiscal Year 2014 and 2024
Pinal County Arizona

Taxpayer	Fiscal Year					
	Tax Year 2024			Tax Year 2014		
	Net Limited Assessed Value	Rank	Percent of District's Net Limited Assessed Valuation	Net Limited Assessed Value	Rank	Percent of District's Net Limited Assessed Valuation
Arizona Water Company	\$ 4,391,916	1	0.8%	\$ 3,526,520	1	1.0%
Smith's Food & Drug Centers Inc. #302	2,680,624	2	0.5%			
Paragon Mesa Owner	2,274,413	3	0.4%			
Southwest Gas Corporation	2,106,053	4	0.4%	1,206,839	8	0.4%
Wal-Mart Stores Inc.	2,029,502	5	0.4%	2,297,823	3	0.7%
Gold Canyon MJ LLC	1,540,765	6	0.3%	1,258,915	7	0.4%
JSH Time LLC	1,486,882	7	0.3%	1,428,814	5	0.4%
Gold Canyon Sewer Company	1,471,140	8	0.3%	1,588,780	4	0.5%
WW Clyde & Co (formerly Blount Contracting Inc.)	1,384,404	9	0.3%			
Gilligan Gold Canyon LLC	1,377,033	10	0.3%	1,327,539	6	0.4%
Roberts Properties LTD	1,176,526	12	0.2%	1,189,074	9	0.4%
Empire Southwest LLC	1,168,875	13	0.2%	1,173,186	10	0.3%
Qwest Corporation	1,035,355	16	0.2%	2,017,641	2	0.6%

Source: Pinal County Treasurer's reports

