Buckeye Valley Fire District

Basic Financial Statements

Year ended June 30, 2021

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Walker & Armstrong

CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

Independent Auditor's Report

Board of Directors
Buckeye Valley Fire District
Buckeye, Arizona

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9, the budgetary comparison information on pages 40 and 41, the schedule of the District's proportionate share of net pension liability – cost-sharing pension plans on page 42, the schedule of changes in the District's net pension/OPEB liability and related ratios – agent pension/OPEB plans on pages 43 and 44, the schedule of District pension/OPEB contributions on page 45 and the notes to pension plan schedules on pages 46 and 47, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated February 22, 2022, 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.

Walker & Armstrong, LLP

Phoenix, Arizona
February 22, 2022

As management of Buckeye Valley Fire District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with District's financial statements, which begin on page 10. This annual financial report consists of two parts, Management's Discussion and Analysis (this section) and the basic financial statements.

Nature of Operations

The District provides fire, ambulance and paramedic services to homes, property and persons residing within the District boundaries, as well as services to locations and persons outside the District through mutual aid agreements and contracts.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $516,370. Of this amount, $1,411,571 is invested in capital assets, net of related debt.
- During the year, the District's total net position decreased by $464,461 or 47.4% from the previous year. Total net position decreased due to expenses in excess of revenues.
- Total revenues increased over the previous fiscal year by $603,965 or 4.6% due to an increase in charges for services of $722,072 and an increase in operating grants of $376,126; offset by a decrease in property taxes of $372,637 and a decrease in miscellaneous revenues of $141,047.
- Total expenses increased over the previous fiscal year by $788,846 or 5.9% primarily due to an increase in personnel expenses of $361,473, employee benefits of $232,751, and general operation expenses of $196,623.
- At the end of the current fiscal year, unrestricted net position for the governmental activities was a deficit of $895,201. The predominant reason for the decrease in unrestricted net position was due to increased expenses.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements which are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the basic financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

The main purpose of these statements is to provide the reader with sufficient information to assess whether or not the District's overall financial position has improved or deteriorated.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. Consequently, the entity-wide presentation utilizes the accrual basis of accounting and consolidates all governmental funds of the District.

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

The *statement of activities* presents information showing how the government's net position 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).

The government–wide financial statements can be found on pages 10-11 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Management establishes governmental funds based on the application of generally accepted accounting principles and the evaluation of applicable laws, regulations and reporting objectives.

Governmental Funds

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

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

Fund Financial Statements - Continued

The District maintains three (3) individual governmental funds: the general fund, capital projects fund and debt service fund. Information is presented separately in the governmental fund balance sheets and governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects fund and debt service fund (major governmental funds). The concept and determination of major funds has been established by the Governmental Accounting Standards Board (GASB).

The District adopts an annual appropriated budget to provide for its general fund. A budgetary comparison statement for the general fund has been provided as part of the supplementary information following the basic financial statements to demonstrate compliance with the budget and is presented on pages 40 and 41. The District revises its capital improvement plan annually to outline anticipated replacements and projects to be completed during the year using transfers from the general fund.

There is no budget adopted for the capital project fund or the debt service fund as they are generally comprised of restricted monies that carryover from year-to-year for the purpose of supporting specified projects or programs as related to the funding received. Detailed tracking of these resources and the associated expenditures are continuously maintained to ensure funds are used for their intended purpose. The basic governmental fund financial statements can be found on pages 12-15 of this report while the fiduciary fund statements can be found at pages 16-17 of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 18-39 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes required supplementary information, other than *Management's Discussion and Analysis,* concerning a comparison of the District's budget to actual revenues and expenditures, as described earlier and can be found on pages 40 and 41 of this report and certain pension and other post-employment benefit information is reported on pages 42 through 47.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $516,370 at the close of the 2021 fiscal year. A portion of the District's net position ($1,411,571) reflects its investment in capital assets (e.g., land, construction in progress, buildings, vehicles, and equipment); less any related outstanding debt used to acquire those assets.

Government-Wide Financial Analysis - Continued

The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The remaining unrestricted deficit is $895,201.

The District's $8,028,627 in capital assets, net of accumulated depreciation, consists of an administration office, four fully staffed fire stations and two medic stations housed within the City of Buckeye's stations which are strategically placed throughout the District's service area. The District maintains a fleet of approximately fifty-one fire apparatuses, ambulances and staff vehicles. The District has also acquired state-of-the art medical and firefighting equipment which is all well-maintained in order to provide the highest level of care. The remaining assets consist mainly of cash and investments and other program revenue receivables which are used to meet the District's ongoing obligations to its citizens.

The following table contains an analysis of the current year government-wide statements.

Condensed Statement of Net Position

Governmental Activities

	2021	2020
Assets		
Cash and investments	$ 2,772,874	$ 2,791,084
Other assets	1,497,740	1,807,986
Net OPEB asset	58,641	84,726
Capital assets, net	8,028,627	8,671,122
Total assets	12,357,882	13,354,918
Deferred outflows of resources related to pensions and OPEB	4,672,079	2,424,204
Liabilities		
Current liabilities	842,448	958,421
Long-term liabilities	14,119,568	11,964,644
Total liabilities	14,962,016	12,923,065
Deferred inflows of resources related to pensions and OPEB	1,551,575	1,875,226
Net position		
Net investment in capital assets	1,411,571	1,338,469
Unrestricted (deficit)	(895,201)	(357,638)
Total net position	$ 516,370	$ 980,831

Government-Wide Financial Analysis - Continued

The following table presents a summary of the District's revenues and expenses for the current fiscal year:

Condensed Statement of Activities

Governmental Activities

	2021	2020
Revenues:		
Program revenue		
Operating and capital grants	$ 576,143	$ 200,017
Charges for services	6,363,484	5,641,412
General revenues:		
Property taxes	6,188,305	6,560,942
Fire district assistance tax	407,699	393,725
Investment earnings	27,569	27,017
Miscellaneous	27,196	168,243
Gain on disposal of assets	4,925	-
Total revenues	13,595,321	12,991,356
Expenses:		
Public safety	14,059,782	13,270,936
Total expenses	14,059,782	13,270,936
Change in net position	(464,461)	(279,580)
Net position, beginning of year	980,831	1,260,411
Net position, ending of year	$ 516,370	$ 980,831

During 2021, the operating and capital grants increased $376,126 from the previous year due to additional COVID-19 grant awards from Maricopa County, also the charges for services increased $722,072 from additional ambulance transports during the year. The cost of all governmental activities for the year ended June 30, 2021, was $14,059,782, the majority of which is salaries, wages and related costs. The total expenses increased primarily due to additional overtime and related benefits during the COVID-19 pandemic.

Financial Analysis of the Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and accounting principles generally accepted in the United States of America (GAAP).

Financial Analysis of the Governmental Funds - Continued

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $2,504,154. Revenues for the year included property tax revenues, charges for services, intergovernmental agreements and wildland revenues.

Of the $2,504,154 total combined governmental fund balance, $99,485 is nonspendable in the form of prepaid expenses, $900,225 is restricted for debt service and the amount committed by the Board for capital projects totaled $783,639. The remaining amount of $720,805 is unassigned.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was $720,805. As a measure of the general fund's liquidity, it may be useful to compare spendable fund balance to total fund expenditures. Spendable fund balance represents 5.7% of total general fund expenditures of $12,707,085.

The capital projects fund was established for the purpose of capital expenditures for specific projects. As of June 30, 2021, the ending fund balance in the capital projects fund was $783,639, which was an increase of $7,391 from prior year.

The debt service fund was established for the collection of property taxes and payment of the District's long-term liabilities. As of June 30, 2021, the ending fund balance in the debt service fund was $900,225, which was a decrease of $476,233 from the prior year.

General Fund Budgetary Highlights

Total revenues were $464,396 more than budgeted revenues while total expenditures were $825,872 more than budgeted expenditures. The increase in budgeted revenues occurred primarily due to more than anticipated intergovernmental revenues of $494,143, driven by COVID-19 relief from Maricopa County; more than anticipated revenues from charges for services in the amount of $42,075; offset by less than budgeted property taxes of $73,934. The negative expenditure variance resulted primarily from more than anticipated personnel costs of $253,322 and related benefits of $608,304, primarily from additional overtime and related benefits; more than anticipated general operations expenditures of $333,577; more than anticipated administration expenditures of $330,390; offset by less than anticipated expenditures of $555,823 for fire operations.

Capital Assets and Long-Term Liabilities

Capital Assets - The District's investment in capital assets as of June 30, 2021, totaled $8,028,627 (net of accumulated depreciation). These assets include land and improvements, buildings and improvements, apparatus and general fire, emergency medical, communications and administrative equipment.

Capital Assets and Long-Term Liabilities - Continued

Major capital asset transactions during the year included $482,783 in capital asset acquisitions which included the completion of improvements to the administrative building, purchase of one vehicle, equipment and additions reported in construction in progress (type 3 apparatus and radio tower).

The District depreciates capital assets, except for land and improvements and construction-in-progress, consistent with generally accepted accounting principles, utilizing the straight-line depreciation method. The cost of the asset is divided by the expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. Major outlays for capital assets and improvements are capitalized as projects are completed and placed into service. The District's threshold for capitalization was maintained at $5,000. Additional information on the District's capital assets can be found in Note 3 in the basic financial statements on page 25.

Long-Term Liabilities - At the end of the current year, the District had liabilities totaling $14,119,568, which included compensated absences of $374,753, unfunded pension and other post-employment benefit (OPEB) obligation liabilities in the amount of $7,127,759, capital lease liability of $99,651, bond payable of $6,165,000 and the related net premium on the bond payable of $352,405. The unfunded pension debt will be satisfied through actuarially established annual contributions rates. The general obligation bonds were approved by voters in November 2017 and are due in annual installments through 2037 at an interest rate ranging from 2% to 4%.

The bond payable and capital lease liability are backed by the full faith and credit of the District. Additional information on the District's long-term liabilities can be found in Note 4 in the basic financial statements on page 26.

Economic Factors Affecting Future Results

The District is subject to general economic conditions such as increases or declines in property tax values or other types of revenues that vary with economic conditions.

Although there is still uncertainty surrounding the COVID-19 pandemic and the economic impacts associated with it, Arizona is on pace to recover to pre-pandemic levels of economic activity in 2022 and the long-run outlook for the state is strong (www.azeconomy.org).

Contacting the District

This financial report is designed to provide an overview of the District’s finances for anyone with an interest in the government’s finances. Any questions regarding this report or requests for additional information may be directed to Buckeye Valley Fire District at 6213 South Miller Road, Buckeye, Arizona 85326.

Buckeye Valley Fire District
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Cash and investments	$ 2,772,874
Receivables, net:	
Ambulance billings	1,055,982
Property taxes	214,548
Intergovernmental	127,725
Prepaid items	99,485
Net other post-employment benefits asset	58,641
Capital assets, not being depreciated	1,052,238
Capital assets, being depreciated, net	6,976,389
Total assets	12,357,882
Deferred outflows of resources	
Deferred outflows related to pensions and other post-employment benefits	4,672,079
Total deferred outflows of resources	4,672,079
Liabilities	
Accounts payable	212,899
Accrued payroll and related	514,624
Accrued interest	112,925
Security deposit	2,000
Noncurrent liabilities:	
Due within one year	832,506
Due in more than one year	13,287,062
Total liabilities	14,962,016
Deferred inflows of resources	
Deferred inflows related to pensions and other post-employment benefits	1,551,575
Total deferred inflows of resources	1,551,575
Net position	
Net investment in capital assets	1,411,571
Unrestricted (deficit)	(895,201)
Total net position	$ 516,370

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

Buckeye Valley Fire District
Statement of Activities
Year Ended June 30, 2021

	Governmental Activities
Program expenses	
Public safety-fire protection and emergency medical services	
Personnel	$ 7,328,190
Employee benefits	3,077,944
Administration	1,259,106
General operations	1,068,377
Emergency Medical Services operations	211,420
Training	43,883
Fire operations	19,897
Depreciation	842,363
Interest	208,602
Total program expenses	14,059,782
Program revenues	
Charges for services	6,363,484
Operating grants	576,143
Total program revenues	6,939,627
Net program expense	7,120,155
General revenues	
Taxes:	
Real and personal property taxes	6,188,305
Fire district assistance tax	407,699
Investment earnings	27,569
Miscellaneous	27,196
Gain on disposal of assets	4,925
Total general revenues	6,655,694
Change in net position	(464,461)
Net position, July 1, 2020	980,831
Net position, June 30, 2021	$ 516,370

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

Buckeye Valley Fire District
Balance Sheets
Governmental Funds
June 30, 2021

	General Fund	Capital Projects	Debt Service	Total Governmental Funds
Assets				
Cash	$ 976,085	$ 783,639	$ 1,013,150	$ 2,772,874
Receivables, net:				
Ambulance	1,055,982	-	-	1,055,982
Taxes	214,548	-	-	214,548
Intergovernmental	127,725	-	-	127,725
Prepaid items	99,485	-	-	99,485
Total assets	$ 2,473,825	$ 783,639	$ 1,013,150	$ 4,270,614
Liabilities				
Accounts payable	$ 212,899	$ -	$ -	$ 212,899
Accrued payroll and related	514,624	-	-	514,624
Accrued interest	-	-	112,925	112,925
Security desposit	2,000	-	-	2,000
Total liabilities	729,523	-	112,925	842,448
Deferred inflows of resources				
Unavailable revenues	924,012	-	-	924,012
Total deferred inflows of resources	924,012	-	-	924,012
Fund balances				
Nonspendable	99,485	-	-	99,485
Restricted	-	-	900,225	900,225
Committed	-	783,639	-	783,639
Unassigned (deficit)	720,805	-	-	720,805
Total fund balances	820,290	783,639	900,225	2,504,154
Total liabilities, deferred inflows of resources and fund balances	$ 2,473,825	$ 783,639	$ 1,013,150	$ 4,270,614

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

Buckeye Valley Fire District
Reconciliation of the Governmental Funds Balance Sheets
to the Government-wide Statement of Net Position
June 30, 2021

Total fund balances		$ 2,504,154
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	$ 15,622,808	
Less accumulated depreciation	(7,594,181)	8,028,627
Some of the District's receivables will be collected after year-end, but are not available soon enough to pay for the current period expenditures and therefore are deferred in the funds.		924,012
Net other post-employment benefits assets held in trust for future benefits are not available for operations and therefore, are not report in the funds.		58,641
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as a liability in the funds.		
Compensated absences	(374,753)	
Capital lease	(99,651)	
Net pension liability	(7,127,759)	
Bonds payable	(6,165,000)	
Net premium on bonds	(352,405)	(14,119,568)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.		3,120,504
Net position of governmental activities		$ 516,370

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

Buckeye Valley Fire District
Statements of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

	General Fund	Capital Projects	Debt Service	Total Governmental Funds
Revenues				
Taxes:				
Real and personal property taxes	$ 5,213,279	$ -	$ 1,017,652	$ 6,230,931
Fire district assistance tax	407,699	-	-	407,699
Intergovernmental	576,143	-	-	576,143
Charges for services	6,272,075	-	-	6,272,075
Interest earnings (loss)	(783)	7,391	20,961	27,569
Miscellaneous	27,196	-	-	27,196
Total revenues	12,495,609	7,391	1,038,613	13,541,613
Expenditures				
Fire protection and emergency medical services				
Current:				
Personnel	7,198,935	-	-	7,198,935
Employee benefits	2,882,118	-	-	2,882,118
Administration	1,259,106	-	-	1,259,106
General operations	1,068,377	-	-	1,068,377
Emergency Medical Services operations	211,420	-	-	211,420
Training	43,883	-	-	43,883
Fire operations	19,897	-	-	19,897
Capital outlay	-	482,783	-	482,783
Debt service:				
Principal portion	23,349	-	675,000	698,349
Interest	-	-	225,850	225,850
Total expenditures	12,707,085	482,783	900,850	14,090,718
(Deficiency) excess of revenues over expenditures	(211,476)	(475,392)	137,763	(549,105)
Other financing sources (uses)				
Transfers in	131,213	482,783	-	613,996
Transfers out	-	-	(613,996)	(613,996)
Proceeds from sale of capital assets	287,840	-	-	287,840
	419,053	482,783	(613,996)	287,840
Net change in fund balances	207,577	7,391	(476,233)	(261,265)
Fund balances, July 1, 2020	612,713	776,248	1,376,458	2,765,419
Fund balances, June 30, 2021	$ 820,290	$ 783,639	$ 900,225	$ 2,504,154

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

Buckeye Valley Fire District
Reconciliation of the Governmental Funds Statements of Revenues,
Expenditures and Changes in Fund Balances to the
Government-wide Statement of Activities
Year Ended June 30, 2021

Net change in fund balances - total governmental funds	$ (261,265)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense in the current period:	
Expenditures for capital outlays	482,783
Depreciation expense	(842,363)
Loss on disposal of assets	(282,915)
Property tax revenues and certain charges for services reported in the statement of activities do not provide current financial resources and therefore, are not reported as revenues in the governmental funds.	48,781
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the reported net pension liability is measured a year before the District's report. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the statement of activities (includes both PSPRS & ASRS):	
Pension and OPEB contributions	1,235,452
Pension and OPEB expense	(1,431,278)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Changes in compensated absences	(129,253)
Principal payments on general obligation bonds	675,000
Amortization of bond premium	17,248
Principal payments on capital lease obligation	23,349
Change in net position of governmental activities	$ (464,461)

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

Buckeye Valley Fire District
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2021

		Alternate Pension and Benefit Plan
Assets		
Cash	$	143
Investments at fair value		14,537
Total assets	$	14,680
Net Position		
Held in trust for pension trust participants	$	14,680

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

Buckeye Valley Fire District
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended June 30, 2021

		Alternate Pension and Benefit Plan
Additions		
Investment Earnings		
Interest and dividends	$	571
Net change in the fair value of investments		3,231
Total investment earnings		3,802
Less: investment expenses		(185)
Net investment earnings		3,617
Deductions		
Distributions to participants		1,461
Total deductions		1,461
Change in net position		2,156
Net position - July 1, 2020		12,524
Net position - June 30, 2021	$	14,680

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

Note 1 – Summary of Significant Accounting Policies

The accounting policies of Buckeye Valley Fire District (the "District") conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

For the year ended June 30, 2021, the District implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes. There were no significant changes to the reporting of the District's activities.

A. Reporting Entity

The District is a local governmental unit formed and is operated pursuant to the provisions of Title 48 of the Arizona Revised Statutes. The District operates under the oversight of an elected board, which is the policy making body of the District. The purpose of the District is to provide fire protection, emergency medical and related services to the residents and guests of the district (which includes approximately 200 square miles for fire service and 2,600 square miles for ambulance service) and the surrounding area. The day-to-day operations are supervised by the fire chief and the chief's staff.

The District has the power to issue bonds, levy taxes, bill for services and raise revenues with the power of the County government. In addition, the District has the power to expend public funds for any legitimate purpose required to further its needs. The District operates as an independent governmental agency directly responsible to the local taxpayers and voters.

B. Basis of Presentation

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

Government-wide financial statements – These statements include a statement of net position and a statement of activities. These statements report the financial activities of the overall District.

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

Program revenues include contributions, grants and charges to customers for ambulance and fire services provided.

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

Note 1 – Summary of Significant Accounting Policies - Continued

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double counting of internal activities. However, charges for interfund services provided and used are not eliminated if the prices approximate their external exchange values.

Fund financial statements – Fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- The *general* fund is the District's primary operating fund which accounts for all financial resources except those required to be accounted for in another fund.
- The *capital projects* fund was established to account for the purchase of major capital additions which are not financed by other funds.
- The *debt service* fund is used for the payment of long-term obligation principal, interest, and related costs.
- The *fiduciary* fund accounts for the activity of the Alternate Pension and Benefit Plan.

C. Basis of Accounting

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

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

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

Taxes, leases, and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measureable and available only when cash is received by the government.

Note 1 – Summary of Significant Accounting Policies - Continued

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

The nonspendable fund balance classification includes amounts that cannot be expended because they are either not in spendable form, such as prepaid items, or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors, such as through debt covenants, grantors, contributors, or laws and regulations.

The unrestricted fund balance category is comprised of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations approved by the District's Board of Directors, which is the highest level of decision-making authority within the District. The constraints placed on committed fund balances can only be removed or changed by the Board of Directors. As of June 30, 2021, $900,225 is restricted for debt service and the Board of Directors had committed $783,639 for capital projects.

Assigned fund balances are resources constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Directors has authorized the Fire Chief to make assignments of resources for specific purposes. There are no assigned amounts as of June 30, 2021.

The unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not reported in the other classifications. Deficits in fund balances of the other governmental funds are reported as unassigned. When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the District's policy to use restricted fund balance first. For the disbursement of unrestricted fund balances, it is the District's policy to use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

Cash and Investments – Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest-earning investment contracts with a remaining maturity of one year or less at the time of purchase are stated at amortized cost. All other investments are stated at fair value.

Investment earnings are composed of interest and net changes in the fair value of applicable investments.

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

Note 1 – Summary of Significant Accounting Policies - Continued

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

Receivables – Receivables outstanding at year-end consist of amounts due for property taxes, wildland fire suppression, due from other governments and emergency medical services. Management periodically evaluates the collectability of receivables based on their age and collection efforts and an allowance is established for estimated uncollectible accounts. Uncollectible accounts are written off after all efforts for collection have been exhausted. As of June 30, 2021, the allowance for uncollectible accounts was $2,038,467.

Capital Assets – Capital assets are reported in the government-wide financial statements at actual cost or estimated historical cost if historical records are not available. Donated capital assets are reported at estimated fair value when received. Capital assets are assets with an initial, individual cost of $5,000 or more and an estimated useful life exceeding one year.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are expensed as incurred.

Capital assets are depreciated using the straight-line method as follows:

Capital asset class	Estimated useful life
Land and improvements	Non-depreciable
Construction in progress	Non-depreciable
Buildings and improvements	7 to 40 years
Furniture and equipment	3 to 10 years
Vehicles	5 to 15 years

Compensated Absences – The District allows employees to accumulate earned but unused vacation. A liability is reported for paid time off that is payable upon termination or retirement. Accordingly, compensated absences are accrued as a liability only in the government-wide financial statements. The District policy on sick leave allows employees to accrue hours based on whether they are administrative or suppression employees. No amount is paid out for sick leave upon termination.

Deferred Outflows/Inflows of Resources – The statement of net position and balance sheets include separate sections, as appropriate, for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as revenue in future periods.

Note 1 – Summary of Significant Accounting Policies - Continued

Postemployment Benefits – For purposes of measuring the net pension and other postemployment benefits (OPEB) assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The related investments are reported at fair value.

Estimates – The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures/expenses during the tax calendar reporting period. Actual results may differ from those estimates.

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

Budgetary Accounting – The District is required, under Arizona Revised Statutes, to adopt a budget each fiscal year and to submit to the County Treasurer and the County Board of Supervisors no later than the first day of August of each year; under the statute only the general fund must legally adopt an annual budget. The adopted budget is on the modified accrual basis of accounting, which is a legally allowable basis for budgetary purposes.

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

Note 2 – Cash and Investments

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

Note 2 – Cash and Investments - Continued

The District utilizes Maricopa County as its repository for cash and allows their pool to invest those funds; accordingly, the District does not have its own formal investment policy with respect to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for investments. A.R.S. §48-807 allows the District to establish bank accounts with any financial institution that is authorized to do business in the State of Arizona for the purpose of operating a payroll account, holding special revenues, ambulance revenues or both as necessary to fulfill the District's fiduciary responsibilities. The District may also establish, through the County Treasurer, accounts for monies from property taxes, grants, contributions and donations. The County Treasurer is required to establish a fund known as the "fire district general fund" for the receipt of all taxes levied on behalf of the District.

The District may register warrants only if separate accounts are maintained by the County Treasurer for each governmental fund of the District. Warrants may only be registered after any revolving line of credit has been expended. Registered warrants may not exceed ninety percent of the taxes levied by the County for the District's current fiscal year. Registered warrants bear interest as prescribed by statute and are redeemed as provided for by law for County warrants.

Unless monies are legally restricted by contract, agreement or law, those monies may be transferred between fund accounts according to the original or amended budget of the Fire District. Any surplus remaining in the District's general fund for the succeeding fiscal year and after subtraction of accounts payable and encumbrances, shall be used to reduce the tax levy for the following year.

Cash on Hand and Deposits – At June 30, 2021, the carrying amount of the total cash in bank was $717,279 and the bank balance was $713,939 of which all are insured or collateralized.

Investments – The District's investments at June 30, 2021, are categorized within the fair value hierarchy established by generally accepted accounting principles as follows:

	Fair value measurement using		
Investment Type	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant Unobservable inputs (Level 3)**
Mutual funds	$ 14,537	$ -	$ -

The District's investments at June 30, 2021, are comprised of the amount held by the Maricopa County Treasurer totaling $2,055,738 and mutual funds totaling $14,537.

Note 2 – Cash and Investments - Continued

The Maricopa County Treasurer's investment pool is not registered with the Securities and Exchange Commission and there is no regulatory oversight of its operations. However, the majority of Maricopa County's investment pool is invested in the State of Arizona's local government investment pool which is regulated by the State Board of Investment. The pool's structure does not provide for shares, and the county has not provided or obtained any legally binding guarantees to support the value of the participants' investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

Credit risk – At June 30, 2021, all of the District's investments were invested in the Maricopa County investment pool and mutual funds which are not rated by rating agencies.

Custodial credit risk – For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. External investment pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Interest rate risk – At June 30, 2021, the District's investments can be withdrawn from the pools at will and therefore, are not subject to a significant amount of interest rate risk.

Foreign currency risk – The District does not have a formal investment policy with respect to foreign currency risk because state statutes do not allow for foreign investments.

A reconciliation of cash and investments to amounts shown on the statements of net position is as follows:

Carrying amount of deposits	$ 717,279
Mutual funds	14,537
Amounts held by Maricopa County Treasurer's Office	2,055,738
Total	$ 2,787,554

	Governmental Activities	Fiduciary Funds	Total
Cash and investments	$ 2,772,874	$ 14,680	$ 2,787,554

Note 3 – Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance, July 1, 2020	Increases	Decreases	Balance, June 30, 2021
Capital assets not being depreciated:				
Land and improvements	$ 173,571	$ -	$ -	$ 173,571
Construction in progress	785,718	317,923	(224,974)	878,667
Total capital assets not being depreciated	959,289	317,923	(224,974)	1,052,238
Capital assets being depreciated:				
Buildings and improvements	6,371,719	315,950	(401,851)	6,285,818
Furniture and equipment	2,829,247	17,506	-	2,846,753
Vehicles	5,381,622	56,378	-	5,438,000
Total capital assets being depreciated	14,582,588	389,834	(401,851)	14,570,571
Less accumulated depreciation for:				
Buildings and improvements	(1,714,228)	(183,209)	118,936	(1,778,501)
Furniture and equipment	(1,971,370)	(282,336)	-	(2,253,706)
Vehicles	(3,185,157)	(376,818)	-	(3,561,975)
Total accumulated depreciation	(6,870,755)	(842,363)	118,936	(7,594,182)
Total capital assets being depreciated, net	7,711,833	(452,529)	(282,915)	6,976,389
Total capital assets, net	$ 8,671,122	$(134,606)	$(507,889)	$ 8,028,627

Governmental activities depreciation expense in the amount of $842,363, was charged to the public safety-fire protection and emergency medical services function of the District.

Note 4 – Long-Term Liabilities

A summary of the changes in long-term liabilities for the year ended June 30, 2021, follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within 1 Year
Compensated absences	$ 245,500	$ 261,158	$ (131,905)	$ 374,753	$ 65,953
Net pension liability	4,386,491	2,741,268	-	7,127,759	-
General obligation bonds	6,840,000	-	(675,000)	6,165,000	725,000
Net premium on bond obligation	369,653	-	(17,248)	352,405	17,595
Capital lease	123,000	-	(23,349)	99,651	23,958
	$ 11,964,644	$ 3,002,426	$ (847,502)	$ 14,119,568	$ 832,506

Accumulated unpaid vacation and leave time is accrued when incurred.

General Obligation Bonds – General Obligation (GO) bonds were issued, after approval by voters at an authorized bond election to finance the remodel and reconstruction of existing fire stations, purchase new and refurbish existing fire safety equipment and fire vehicles, construct a new communication tower, retire existing indebtedness, purchase ambulances and pay costs incurred in connection with the delivery of the bonds.

As of June 30, 2021, bonds payable consisted of 2017 General Obligation Bonds (issued March 22, 2018) due in annual installments of $431,600 to $950,850 through July 1, 2037, with interest ranging from 2% to 4%. The original issue amount was $7,415,000 principal with a premium of $384,866 and bond issuance costs of $126,004.

The following is a summary of debt service requirements to maturity for General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2022	$ 725,000	$ 214,975	$ 939,975
2023	350,000	198,850	548,850
2024	375,000	187,975	562,975
2025	350,000	177,100	527,100
2026	275,000	167,725	442,725
2027-2031	1,500,000	672,000	2,172,000
2032-2036	1,775,000	345,500	2,120,500
2037-2038	815,000	32,900	847,900
	$ 6,165,000	$ 1,997,025	$ 8,162,025

Note 4 – Long-Term Liabilities – Continued

Capital Lease – The District acquired vehicles under the provisions of a long-term lease agreement classified as a capital lease for accounting purposes because it provides for a transfer of ownership at the end of the lease term. The assets acquired through the capital lease are as follows:

	Governmental Activities
Vehicles	$ 112,647
Less accumulated amortization	(29,179)
	$ 83,468

Minimum future lease payments under the capital lease are as follows:

Years ending June 30,	Amount
2022	$ 26,560
2023	26,560
2024	26,560
2025	26,560
	106,240
Less amount representing interest	(6,589)
Present value of net minimum lease payments	99,651
Less, current maturities	(23,958)
	$ 75,693

Line of Credit – The District maintains a credit line in the amount of $1,800,000 through the Maricopa County Treasurer. During 2021, the District used, and subsequently paid off $1,800,000 on its line of credit. As of June 30, 2021, the District had no outstanding balance on the credit line.

Note 5 – Net Revenue

The District provides emergency medical and ambulance transportation services (both emergent and non-emergent interfacility transports), within the same geographic region as it provides fire prevention and suppression services. Charges for such emergency medical and transportation services are recognized as service revenues. Net revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement allowances with third-party payers, provisions for bad debt and uncompensated care.

The difference between customary charges and the contractually established rates is accounted for as a contractual adjustment.

Note 5 – Net Revenue - Continued

The District's customary charges, contractual adjustments, provision for bad debts and uncompensated services for the year ended June 30, 2021, are reported in the financial statements as follows:

Gross ambulance service revenues	$ 10,950,678
Contractual adjustments and uncompensated services	(4,857,100)
Net ambulance service revenue	$ 6,093,578

The net ambulance service revenue is reported in charges for services revenues in the financial statements as follows:

Net ambulance service revenue	$ 6,093,578
Wildland deployments	176,759
Contracted fire suppression services	53,297
Other charges for services	39,850
Charges for services revenues	$ 6,363,484

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

The District has entered into an agreement to provide fire suppression services for Sempra Energy (dba Mesquite Power, LLC now SRP Emergency Response). This agreement is renewed annually. The compensation for this service is $35,743 annually for the term of the agreement and shall be adjusted annually based on the U.S. Department of Labor Index. The amount for the year ended June 30, 2021, was $53,297.

Note 6 – Employee Retirement Systems and Post Employment Plans

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

At June 30, 2021, the District reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

	ASRS	PSPRS	Total
Net pension liability	$ 2,372,001	$ 4,755,758	$ 7,127,759
Net OPEB asset	-	58,641	58,641
Deferred outflows of resources	520,152	4,151,927	4,672,079
Deferred inflows of resources	15,154	1,536,421	1,551,575
Pension and OPEB expense	459,525	971,753	1,431,278

Note 6 – Employee Retirement Systems and Post Employment Plans – Continued

The District's accrued payroll and employee benefits includes $288,891 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2021. The ASRS pension and PSPRS pension and OPEB plans are described below. The ASRS OPEB plans are not described due to their relative insignificance to the District's financial statements.

A. Arizona State Retirement System

Plan Description: The District contributes to 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 administered by the *Arizona State Retirement System* (ASRS) that covers employees of the State of Arizona and employees of participating political subdivisions and school districts.

The ASRS is governed by the Arizona State Retirement System Board according to the provisions of Arizona Revised Statute 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. Reports may be obtained online at www.azasrs.gov.

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

	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 * any years age 65	30 years age 55 25 years age 60 10 years, age 62 5 years age 50* any years age 65
Final average salary is based on:	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

* With actuarially reduced benefits

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

Note 6 – Employee Retirement Systems and Post Employment Plans – Continued

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. 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.

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, 2021, statute required active ASRS members to contribute at the actuarially determined rate of 12.22 percent (12.04 percent retirement and 0.18 percent for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.22 percent (11.65 percent for retirement, 0.39 percent for health insurance premium benefit, and 0.18 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2021 was $251,567.

During fiscal year 2021, the District paid for ASRS from the general fund.

Liability – At June 30, 2021, the District reported $2,372,001 for its proportionate share of the ASRS net pension liability.

The net asset and net liabilities were measured as of June 30, 2020. The total liability used to calculate the net asset or net liability was determined using updated procedures to roll forward the total liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020.

The District’s proportion of the net asset or net liability was based on the District’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2020. The District’s proportions measured as of June 30, 2020 was .01369%, which was a decrease from its proportions measure as of June 30, 2019 of 0.00015%.

Expense – For the year ended June 30, 2021, the District recognized $459,525 in pension expense.

Note 6 – Employee Retirement Systems and Post Employment Plans – Continued

Deferred outflows/inflows of resources – At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 21,459	$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on plan investments	228,782	-
Changes in proportion and differences between District contributions and proportionate share of contributions	18,344	15,154
District contributions subsequent to the measurement date	251,567	-
Total	$ 520,152	$ 15,154

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

Year ending June 30,	Pension
2022	$ 36,941
2023	62,976
2024	82,753
2025	70,761

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

Actuarial valuation date	June 30, 2019
Actuarial roll forward date	June 30, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Projected salary increases	2.7-7.2% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

Note 6 – Employee Retirement Systems and Post Employment Plans – Continued

Actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	6.39%
Fixed income - credit	20%	5.44%
Fixed income - interest rate sensitive	10%	0.22%
Real estate	20%	5.85%
Total	100%	

Discount Rate – The discount rate used to measure the ASRS total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the District's Proportionate Share of the ASRS Net Pension/OPEB(Asset) Liability in the Discount Rate – The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability	$ 3,243,679	$ 2,372,001	$ 1,643,323

Note 6 – Employee Retirement Systems and Post Employment Plans – Continued

Plan Fiduciary Net Position – Detailed information about the plan's fiduciary net position is available in the separately issued ASRS financial report.

B. Public Safety Personnel Retirement System

Plan Description – The District has entered into a Joinder Agreement with the Arizona State Public Safely Personnel Retirement System (PSPRS), an 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, to cover all full-time personnel engaged in fire suppression activities and/or fire support. 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 members on or after July 1, 2017, participate in the cost sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the District's financial statements.

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

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

PSPRS	**Initial membership date**	
	Before January 1, 2012	**On or after January 1, 2012 and before July 1, 2017**
Retirement and Disability		
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	

Note 6 – Employee Retirement Systems and Post Employment Plans – Continued

Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20
Survivor Benefit	
Retired Members	80% to 100% of retired member's pension benefit
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months. Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from $100 per month to $260 per month depending on the age of the member and dependents.

Employees covered by benefit terms – At June 30, 2021, the following employees were covered by the agent plan's benefit terms:

	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	8	8
Inactive employees entitled to but not yet receiving benefits	7	-
Active employees	57	57
Total	72	65

Contributions – State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute at an actuarially determined rate. Contribution rates for the year ended June 30, 2021, are indicated below. Rates are a percentage of active members' annual covered payroll.

The rate for the year ended June 30, 2021, was 19.4% for the pension plan and 0.34% for the health insurance premium benefit for the District portion and 7.65% for the employee portion. In addition, statute required the District to contribute at the actuarially determined rate of 9.21% for the pension portion and 0.14% for the health insurance premium benefit for employees participating in the PSPRS Tier 3 Risk Pool. Total pension contributions made during the year were $966,712, and the total health insurance premium benefit contributions were $17,173. During fiscal year 2021, the District paid for pension and OPEB contributions from the general fund.

Note 6 – Employee Retirement Systems and Post Employment Plans – Continued

Liability – At June 30, 2021, the District reported liabilities and (assets) of $4,755,758 and ($58,641) for pension and health insurance premium benefit, respectively. The net assets and net liabilities were measured as of June 30, 2020, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

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

Actuarial valuation date	June 30, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.75% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actual experience study for the 5-year period ended June 30, 2017.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Geometric Rate of Return
U.S. public equity	23%	4.93%
International public equity	15%	6.09%
Global private equity	18%	8.42%
Other assets (Capital appreciation)	7%	5.61%
Core bonds	2%	0.22%
Private credit	22%	5.31%
Diversifying strategies	12%	3.22%
Cash - Mellon	1%	-0.60%
Total	100%	

Note 6 – Employee Retirement Systems and Post Employment Plans – Continued

Discount Rates – At June 30, 2020, the discount rate used to measure the PSPRS total pension/OPEB liabilities was 7.3 percent. The projection of cash flows used to determine the PSPRS discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Changes in the Net Pension/OPEB Liability (Asset)

Pension	**Increase (Decrease)**		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) – (b)**
Balances at June 30, 2020	$ 16,540,859	$ 14,168,249	$ 2,372,610
Changes for the current year:			
Service cost	921,904	-	921,904
Interest on the total pension liability	1,265,031	-	1,265,031
Differences between expected and actual experience in the measurement of the pension liability	1,712,286	-	1,712,286
Net investment income	-	186,183	(186,183)
Contributions - employer	-	825,626	(825,626)
Contributions - employee	-	519,443	(519,443)
Benefit payments	(267,155)	(267,155)	-
Pension plan administrative expense	-	(15,179)	15,179
Net changes	3,632,066	1,248,918	2,383,148
Balances at June 30, 2021	$ 20,172,925	$ 15,417,167	$ 4,755,758

Note 6 – Employee Retirement Systems and Post Employment Plans – Continued

OPEB	**Increase (Decrease)**		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB (Asset) Liability (a) – (b)**
Balances at June 30, 2020	$ 325,005	$ 409,731	$ (84,726)
Changes for the current year:			
Service cost	20,120	-	20,120
Interest on the total OPEB liability	25,263	-	25,263
Differences between expected and actual experience in the measurement of the OPEB liability	(561)	-	(561)
Net investment income	-	4,507	(4,507)
Contributions – employer	-	14,648	(14,648)
Benefit payments	(7,454)	(7,454)	-
OPEB plan administrative expense	-	(418)	418
Net changes	37,368	11,283	26,085
Balances at June 30, 2021	$ 362,373	$ 421,014	$ (58,641)

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

	1% Decrease 6.3%	**Current Discount Rate 7.3%**	**1% Increase 8.3%**
Net pension (asset) liability	$ 8,433,621	$ 4,755,758	$ 1,818,454
Net OPEB (asset) liability	(8,897)	(58,641)	(100,309)

Note 6 – Employee Retirement Systems and Post Employment Plans – Continued

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

Expense – For the year ended June 30, 2021, the District recognized pension expense of $960,275 and OPEB expense of $11,478.

Deferred outflows/inflows of resources – At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health insurance premium benefit	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 1,586,329	$ 1,410,333	$ 23,525	$ 96,786
Changes of assumptions or other inputs	727,613	-	4,158	29,302
Net difference between projected and actual earnings on plan investments	803,757	-	22,660	-
District contributions subsequent to the measurement date	966,712	-	17,173	-
Total	$ 4,084,411	$ 1,410,333	$ 67,516	$ 126,088

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

Year Ending June 30,	Pension	Health
2022	$ 216,245	$ (4,819)
2023	301,259	(2,248)
2024	290,585	(2,579)
2025	237,948	(4,102)
2026	60,570	(9,102)
Thereafter	600,759	(52,895)

C. Volunteer Fire Pension

In February 1993, the District created an *Alternate Pension and Benefit Fund* as allowed by A.R.S. §9-981. This plan is a defined contribution plan administered by an outside consulting firm who prepares a separate annual report. This report is available through Innis & Associates, 4302 East Ray Road, Suite 117, Phoenix, Arizona 85044. The plan is reviewed by the Arizona State Fire Marshal's office.

Note 6 – Employee Retirement Systems and Post Employment Plans – Continued

There are no requirements as to age or service within the District. Participants are 50% vested within five years of credited service, with an increase of 10% per year thereafter until fully vested at ten years of credit service.

The Districts contribution to the plan is from the fire insurance premium tax received under A.R.S. §9-952 and 10% of current covered payroll. The District's contribution to the plan for the year ended June 30, 2021, was $0. The local pension board has the authority to deviate from these guidelines as they feel necessary under an adopted alternative plan.

Note 7 – Risk Management

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

Note 8 – Interfund Transfers

During 2021, net interfund transfers were made between the general fund, capital projects fund and the debt services fund totaling $131,213, $482,783 and $613,996, respectively, to reimburse the general fund and capital projects fund for certain expenditures.

Note 9 – Operating leases

The District leases the administrative offices under the provisions of a long-term lease agreement classified as an operating lease for accounting purposes. Rental expenditures under the terms of the operating lease was $82,620 for the year ended June 30, 2021. The operating lease has a remaining noncancelable term expiring on October 31, 2026, with a 3 year renewable option. The following future minimum payments are required under the operating lease at June 30, 2021:

Year Ending June 30,	Governmental Activities
2022	$ 85,099
2023	87,652
2024	90,281
2025	92,990
2026	95,779
2027	32,239

Buckeye Valley Fire District
Budgetary Comparison Schedule -
General Fund
Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Real and personal property taxes	$ 5,287,213	$ 5,213,279	$ (73,934)
Fire district assistance tax	400,000	407,699	7,699
Intergovernmental	82,000	576,143	494,143
Charges for services	6,230,000	6,272,075	42,075
Interest	-	(783)	(783)
Miscellaneous	32,000	27,196	(4,804)
Total revenues	12,031,213	12,495,609	464,396
Expenditures:			
Fire protection and emergency medical services			
Current:			
Personnel	6,945,613	7,198,935	(253,322)
Employee benefits	2,273,814	2,882,118	(608,304)
Administration	928,716	1,259,106	(330,390)
General operations	734,800	1,068,377	(333,577)
EMS operations	232,000	211,420	20,580
Training	190,550	43,883	146,667
Fire operations	575,720	19,897	555,823
Debt service:			
Principal portion	-	23,349	(23,349)
Total expenditures	11,881,213	12,707,085	(825,872)
Excess (deficiency) of revenues over expenditures	150,000	(211,476)	(361,476)
Other financing sources (uses)			
Transfers in	-	131,213	131,213
Proceeds from sale of capital assets	-	287,840	287,840
	-	419,053	419,053
Net change in fund balances	150,000	207,577	57,577
Fund balances, July 1, 2020	-	612,713	612,713
Fund balances, June 30, 2021	$ 150,000	$ 820,290	$ 670,290

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

Note 1 – Budgeting and Budgetary Control

A.R.S. requires the District to prepare and adopt a balanced budget annually for its fund. The Board of Directors must approve such operating budget on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. prohibits expenditures or liabilities in excess of the amount budgeted.

A.R.S. requires the District to prepare an annual budget that clearly shows salaries payable to the employees of the District, therefore expenditures cannot legally exceed appropriations at certain expenditure classification levels.

Note 2 – Budgetary Requirements and Basis of Accounting

The District's budget is prepared on a basis of accounting consistent with accounting principles generally accepted in the United States of America. A budgetary comparison schedule for the general fund is included as required supplementary information to provide meaningful comparison of actual results to budget. The Board is responsible for approving the budget on an annual basis.

Note 3 – Expenditures in Excess of Appropriations

For the year ended June 30, 2021, expenditures that exceeded final budget amounts were as follows:

Category	Amount
Personnel	$ 253,322
Employee benefits	608,304
Administration	330,390
General operations	333,577

These excesses were a result of unexpected expenditures.

Buckeye Valley Fire District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Cost-Sharing Plans
June 30, 2021

ASRS - Pension

	Reporting Fiscal Year (measurement date)									
	2021 (2020)	**2020 (2019)**	**2019 (2018)**	**2018 (2017)**	**2017 (2016)**	**2016 (2015)**	**2015 (2014)**	**2014 (2013)**	**2013 (2012)**	**2012 (2011)**
District's proportion of the net pension liability	0.01369%	0.01384%	0.01344%	0.00928%	0.00818%	0.00769%	0.00249%			
District's proportionate share of the net pension liability	$ 2,372,001	$ 2,013,881	$ 1,874,407	$ 1,445,643	$ 1,320,334	$ 1,197,361	$ 368,026		Information not available	
District's covered payroll	$ 1,466,638	$ 1,478,112	$ 1,266,530	$ 849,930	$ 724,647	$ 664,681	$ 207,886			
District's proportionate share of the net pension liability as a percentage of its covered payroll	161.73%	136.25%	148.00%	170.09%	182.20%	180.14%	177.03%			
Plan fiduciary net position as a percentage of the total pension liability	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%			

See accompanying notes to plan schedules.

Buckeye Valley Fire District
Required Supplementary Information
Schedule of Changes in the District's Net Pension/OPEB Liability and Related Ratios
Agent Pension/OPEB Plans
June 30, 2021

PSPRS - Pension

	Reporting fiscal year (measurement date)									
	2021 (2020)	**2020 (2019)**	**2019 (2018)**	**2018 (2017)**	**2017 (2016)**	**2016 (2015)**	**2015 (2014)**	**2014 (2013)**	**2013 (2012)**	**2012 (2011)**
Total pension liability										
Service cost	$ 921,904	$ 1,006,487	$ 986,827	$ 1,007,904	$ 795,000	$ 759,211	$ 846,403			
Interest on total pension liability	1,265,031	1,166,864	1,018,303	924,846	713,458	609,837	597,852	Information not available		
Changes of benefit terms	-	-	-	70,684	1,270,320	-	(23,361)			
Difference between expected and actual experience in the measurement of the pension liability	1,712,286	(670,050)	(109,251)	(328,173)	(99,190)	62,985	(1,192,392)			
Changes of assumptions or other inputs	-	427,840	-	71,472	544,329	-	88,423			
Benefit payments, including refunds of employee contributions	(267,155)	(304,445)	(498,321)	(114,920)	(60,533)	(199,292)	(42,020)			
Net change in pension liability	3,632,066	1,626,696	1,397,558	1,631,813	3,163,384	1,232,741	274,905			
Total pension liability - beginning	16,540,859	14,914,163	13,516,605	11,884,792	8,721,408	7,488,667	7,213,762			
Total pension liability - ending (a)	$ 20,172,925	$ 16,540,859	$ 14,914,163	$ 13,516,605	$ 11,884,792	$ 8,721,408	$ 7,488,667			
Plan fiduciary net position										
Contributions - employer	$ 825,626	$ 793,288	$ 870,618	$ 527,412	$ 507,402	$ 466,888	$ 505,048			
Contributions - employee	519,443	362,451	418,309	510,169	488,975	428,877	429,785			
Net investment income	186,183	702,517	815,580	1,177,737	53,292	302,803	903,216			
Benefit payments, including refunds of employee contributions	(267,155)	(304,445)	(498,321)	(114,920)	(60,533)	(199,292)	(42,020)			
Administrative expenses	(15,179)	(16,540)	(13,113)	(10,821)	(8,069)	(7,776)	-			
Other changes	-	-	(631,616)	115	(356,782)	(5,775)	(286,401)			
Net change in plan fiduciary net position	1,248,918	1,537,271	961,457	2,089,692	624,285	985,725	1,509,628			
Plan fiduciary net position - beginning	14,168,249	12,630,978	11,669,521	9,579,829	8,955,544	7,969,819	6,460,191			
Plan fiduciary net position - ending (b)	$ 15,417,167	$ 14,168,249	$ 12,630,978	$ 11,669,521	$ 9,579,829	$ 8,955,544	$ 7,969,819			
District's net pension liability - ending (a) - (b)	$ 4,755,758	$ 2,372,610	$ 2,283,185	$ 1,847,084	$ 2,304,963	$ (234,136)	$ (481,152)			
Plan fiduciary net position as a percentage of the total pension liability	76.43%	85.66%	84.69%	86.33%	80.61%	102.68%	106.43%			
Covered-employee payroll	$ 4,438,849	$ 4,528,229	$ 4,328,188	$ 4,487,549	$ 4,179,809	$ 3,636,498	$ 3,928,299			
District's net pension liability as a percentage of covered-employee payroll	107.14%	52.40%	52.75%	41.16%	55.15%	(6.44%)	(12.25%)			

See accompanying notes to plan schedules.

Buckeye Valley Fire District
Required Supplementary Information
Schedule of Changes in the District's Net Pension/OPEB Liability and Related Ratios
Agent Pension/OPEB Plans - Continued
June 30, 2021

PSPRS - OPEB

	Reporting fiscal year (measurement date)									
	2021 (2020)	**2020 (2019)**	**2019 (2018)**	**2018 (2017)**	**2017 (2016)**	**2016 (2015)**	**2015 (2014)**	**2014 (2013)**	**2013 (2012)**	**2012 (2011)**
Total OPEB liability										
Service cost	$ 20,120	$ 14,283	$ 16,447	$ 16,604						
Interest on total OPEB liability	25,263	27,832	27,246	25,141			Information not available			
Changes of benefit terms	-	-	-	3,238						
Difference between expected and actual experience in the measurement of the OPEB liability	(561)	(80,120)	(36,243)	34,633						
Changes of assumptions or other inputs	-	4,914	-	(43,134)						
Benefit payments, including refunds of employee contributions	(7,454)	(7,454)	(3,727)	(3,120)						
Net change in OPEB liability	37,368	(40,545)	3,723	33,362						
Total OPEB liability - beginning	325,005	365,550	361,827	328,465						
Total OPEB liability - ending (a)	$ 362,373	$ 325,005	$ 365,550	$ 361,827						
Plan fiduciary net position										
Contributions - employer	$ 14,648	$ 15,872	$ 14,178	$ 18,128						
Contributions - employee	-	-	-	-						
Net investment income	4,507	23,973	24,139	35,404						
Benefit payments, including refunds of employee contributions	(7,454)	(7,454)	(3,727)	(3,120)						
Administrative expenses	(418)	(356)	(367)	(313)						
Net change in plan fiduciary net position	11,283	32,035	34,223	50,099						
Plan fiduciary net position - beginning	409,731	377,696	343,473	293,374						
Plan fiduciary net position - ending (b)	421,014	409,731	377,696	343,473						
District's net OPEB (asset) - ending (a) - (b)	$ (58,641)	$ (84,726)	$ (12,146)	$ 18,354						
Plan fiduciary net position as a percentage of the total OPEB (asset)	116.18%	126.07%	103.32%	94.93%						
Covered-employee payroll	$ 4,438,849	$ 4,528,229	$ 4,328,188	$ 4,487,549						
District's net OPEB (asset) as a percentage of covered-employee payroll	(1.32%)	(1.87%)	(0.28%)	0.41%						

See accompanying notes to plan schedules.

Buckeye Valley Fire District
Required Supplementary Information
Schedule of District Pension/OPEB Contributions
June 30, 2021

ASRS - Pension

	Reporting Fiscal Year									
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Statutorily required contribution	$ 251,567	$ 167,930	$ 165,253	$ 145,651	$ 97,572	$ 83,117	$ 77,103	$ 23,990	Information not available	
District's contributions in relation to the statutorily required contribution	251,567	167,930	165,253	145,651	97,572	83,117	77,103	23,990		
District's contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
District's covered payroll	$ 2,159,370	$ 1,466,638	$ 1,478,112	$ 1,266,530	$ 849,930	$ 724,647	$ 664,681	$ 207,886		
District's contributions as a percentage of covered payroll	11.65%	11.45%	11.18%	11.50%	11.48%	11.47%	11.60%	11.54%		

PSPRS - Pension

	Reporting Fiscal Year									
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Actuarially determined contribution	$ 966,712	$ 825,626	$ 793,288	$ 870,618	$ 527,412	$ 507,402	$ 466,888	$ 505,048	Information not available	
District's contributions in relation to the actuarially determined contribution	966,712	825,626	793,288	870,618	527,412	507,402	466,888	505,048		
District's contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
District's covered payroll	$ 5,050,744	$ 4,438,849	$ 4,528,229	$ 4,328,188	$ 4,487,549	$ 4,179,809	$ 3,636,498	$ 3,928,299		
District's contributions as a percentage of covered payroll	19.14%	18.60%	17.52%	20.12%	11.75%	12.14%	12.84%	12.86%		

PSPRS - OPEB

	Reporting Fiscal Year									
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Actuarially determined contribution	$ 17,173	$ 14,648	$ 15,872	$ 14,178	$ 18,128			Information not available		
District's contributions in relation to the actuarially determined contribution	17,173	14,648	15,872	14,178	18,128					
District's contribution deficiency	$ -	$ -	$ -	$ -	$ -					
District's covered payroll	$ 5,050,744	$ 4,438,849	$ 4,528,229	$ 4,328,188	$ 4,487,549					
District's contributions as a percentage of covered payroll	0.34%	0.33%	0.35%	0.33%	0.40%					

See accompanying notes to plan schedules.

Note 1 – Actuarially Determined Contribution Rates

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

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

Note 2 – Factors That Affect the Identification of 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, 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.