Buckeye Valley Fire District

Basic Financial Statements

Year ended June 30, 2022

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Walker & Armstrong

CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

Independent Auditor's Report

Board of Directors
Buckeye Valley Fire District
Buckeye, Arizona

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the 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, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, the budgetary comparison information on pages 41 and 42, the schedule of the District's proportionate share of net pension liability – cost-sharing pension plans on page 43, the schedule of changes in the District's net pension/OPEB liability and related ratios – agent pension/OPEB plans on pages 44 and 45, the schedule of District pension/OPEB contributions on page 46 and the notes to pension plan schedules on pages 47 and 48, 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 January 12, 2023, 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
January 12, 2023

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, 2022. We encourage readers to consider the information presented here in conjunction with District's financial statements, which begin on page 11. 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 $1,620,778. Of this amount, $1,555,229 is invested in capital assets, net of related debt.
- During the year, the District's total net position increased by $1,104,408 or 214% from the previous year. Total net position increased due to revenues in excess of expenses.
- Total revenues increased over the previous fiscal year by $2,527,658 or 18.6% due to an increase in charges for services of $1,057,756, an increase in operating grants of $732,888, an increase in property tax revenues of $568,273 and an increase in miscellaneous revenues of $136,766.
- Total expenses increased over the previous fiscal year by $958,789 or 6.8% primarily due to an increase in personnel expenses of $829,275, general operation expenses of $247,733 and interest of $221,655; offset by a decrease in employee benefits of $210,109 and administration expenses of $155,043.
- At the end of the current fiscal year, unrestricted net position for the governmental activities was a deficit of $741,981. The predominant reason for the increase in unrestricted net position was due to increased revenues.

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 11-12 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 41 and 42. 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 13-16 of this report while the fiduciary fund statements can be found at pages 17-18 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 19-40 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 41 and 42 of this report and certain pension and other post-employment benefit information is reported on pages 43 through 48.

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 $1,620,778 at the close of the 2022 fiscal year. A portion of the District's net position $1,555,229 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 District had $807,530 in restricted fund balance for debt service. The remaining unrestricted deficit is $741,981.

The District's $7,810,034 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

	2022	2021
Assets		
Cash and investments	$ 8,713,166	$ 2,772,874
Other assets	1,622,381	1,497,740
Net OPEB asset	136,426	58,641
Capital assets, net	7,810,034	8,028,627
Total assets	18,282,007	12,357,882
Deferred outflows of resources related to pensions and OPEB	4,108,490	4,672,079
Liabilities		
Current liabilities	795,315	842,448
Long-term liabilities	15,750,889	14,119,568
Total liabilities	16,546,204	14,962,016
Deferred inflows of resources related to pensions and OPEB	4,223,515	1,551,575
Net position		
Net investment in capital assets	1,555,229	1,411,571
Restricted	807,530	-
Unrestricted (deficit)	(741,981)	(895,201)
Total net position	$ 1,620,778	$ 516,370

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

	2022	2021
Revenues:		
Program revenue		
Operating and capital grants	$ 1,309,031	$ 576,143
Charges for services	7,421,240	6,363,484
General revenues:		
Property taxes	6,756,578	6,188,305
Fire district assistance tax	406,254	407,699
Investment earnings	15,914	27,569
Miscellaneous	163,962	27,196
Gain on disposal of assets	50,000	4,925
Total revenues	16,122,979	13,595,321
Expenses:		
Public safety	15,018,571	14,059,782
Total expenses	15,018,571	14,059,782
Change in net position	1,104,408	(464,461)
Net position, beginning of year	516,370	980,831
Net position, ending of year	$ 1,620,778	$ 516,370

During 2022, the operating and capital grants increased $732,888 from the previous year due to additional COVID-19 grant awards from Maricopa County, also the charges for services increased $1,057,756 from additional ambulance transports and increasing the rate during the year. The cost of all governmental activities for the year ended June 30, 2022, was $15,018,571, the majority of which is salaries, wages and related costs. The total expenses increased primarily due to a District-wide wage assessment and additional overtime and related benefits during the year.

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 $8,475,743. Revenues for the year included property tax revenues, charges for services, intergovernmental agreements and wildland revenues.

Of the $8,475,743 total combined governmental fund balance, $177,323 is nonspendable in the form of prepaid expenses, $6,042,099 is restricted for debt service and the amount committed by the Board for capital projects totaled $779,696. The remaining amount of $1,476,625 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 $1,476,625. 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 10.3% of total general fund expenditures of $14,355,655.

The capital projects fund was established for the purpose of capital expenditures for specific projects. As of June 30, 2022, the ending fund balance in the capital projects fund was $779,696, which was an decrease of $3,943 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, 2022, the ending fund balance in the debt service fund was $6,042,099, which was an increase of $5,141,874 from the prior year due to unspent proceeds from bonds issued during the year.

General Fund Budgetary Highlights

Total revenues were $735,687 more than budgeted revenues while total expenditures were $580,367 more than budgeted expenditures. The increase in budgeted revenues occurred primarily due to more than anticipated intergovernmental revenues of $1,227,031, driven by COVID-19 relief from Maricopa County; more than anticipated revenues from charges for services in the amount of $267,402; offset by less than budgeted miscellaneous revenue of $784,176. The negative expenditure variance resulted primarily from more than anticipated personnel costs of $205,242, primarily from additional overtime and related benefits; more than anticipated general operations expenditures of $461,010; more than anticipated administration expenditures of $156,112; more than anticipated expenditures in capital outlay of $445,862, primarily from the recognition of the remaining administration building lease; more than anticipated principal portion of debt $96,668 and interest portion of debt of $22,743, representing the lease payments made during the year; offset by less than anticipated expenditures of $627,173 for fire operations.

Capital Assets and Long-Term Liabilities

Capital Assets – The District's investment in capital assets as of June 30, 2022, totaled $7,810,034 (net of accumulated depreciation). These assets include land and improvements, buildings and improvements, apparatus and general fire, emergency medical, communications and administrative equipment. Major capital asset transactions during the year included $185,580 in capital asset acquisitions which included the completion of Burndt Mountain Tower, and equipment.

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 26.

Long-Term Liabilities – At the end of the current year, the District had liabilities totaling $15,750,889, which included compensated absences of $560,755, unfunded pension and other post-employment benefit (OPEB) obligation liabilities in the amount of $3,731,910, lease liabilities of $448,845, bond payable of $10,335,000 and the related net premium on the bond payable of $674,379. 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 pages 27 and 28.

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, 2022

	Governmental Activities
Assets	
Cash and investments	$ 3,509,747
Cash and investments - restricted	5,203,419
Receivables, net:	
Ambulance billings	958,092
Property taxes	208,718
Intergovernmental	278,248
Prepaid items	177,323
Net other post-employment benefits asset	136,426
Capital assets, not being depreciated	337,949
Capital assets, being depreciated, net	7,472,085
Total assets	18,282,007
Deferred outflows of resources	
Deferred outflows related to pensions and other post-employment benefits	4,108,490
Total deferred outflows of resources	4,108,490
Liabilities	
Accounts payable	316,419
Accrued payroll and related	318,496
Due to fiduciary fund	14,471
Accrued interest	143,929
Security deposit	2,000
Noncurrent liabilities:	
Due within one year	986,559
Due in more than one year	14,764,330
Total liabilities	16,546,204
Deferred inflows of resources	
Deferred inflows related to pensions and other post-employment benefits	4,223,515
Total deferred inflows of resources	4,223,515
Net position	
Net investment in capital assets	1,555,229
Restricted	807,530
Unrestricted (deficit)	(741,981)
Total net position	$ 1,620,778

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

Buckeye Valley Fire District
Statement of Activities
Year Ended June 30, 2022

	Governmental Activities
Program expenses	
Public safety-fire protection and emergency medical services	
Personnel	$ 8,157,465
Employee benefits	2,867,835
Administration	1,104,063
General operations	1,316,110
Emergency Medical Services operations	219,953
Training	48,930
Fire operations	23,923
Depreciation and amortization	850,035
Interest	430,257
Total program expenses	15,018,571
Program revenues	
Charges for services	7,421,240
Operating grants	1,309,031
Total program revenues	8,730,271
Net program expense	6,288,300
General revenues	
Taxes:	
Real and personal property taxes	6,756,578
Fire district assistance tax	406,254
Investment earnings	15,914
Miscellaneous	163,962
Gain on disposal of assets	50,000
Total general revenues	7,392,708
Change in net position	1,104,408
Net position, July 1, 2021	516,370
Net position, June 30, 2022	$ 1,620,778

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

Buckeye Valley Fire District
Balance Sheets
Governmental Funds
June 30, 2022

	General Fund	Capital Projects	Debt Service	Total Governmental Funds
Assets				
Cash and investments	$ 1,747,442	$ 779,696	$ 982,609	$ 3,509,747
Cash and investments - restricted	-	-	5,203,419	5,203,419
Receivables, net:				
Ambulance	958,092	-	-	958,092
Taxes	208,718	-	-	208,718
Intergovernmental	278,248	-	-	278,248
Prepaid items	177,323	-	-	177,323
Total assets	$ 3,369,823	$ 779,696	$ 6,186,028	$ 10,335,547
Liabilities				
Accounts payable	$ 316,419	$ -	$ -	$ 316,419
Accrued payroll and related	318,496	-	-	318,496
Due to fiduciary fund	14,471	-	-	14,471
Accrued interest	-	-	143,929	143,929
Security desposit	2,000	-	-	2,000
Total liabilities	651,386	-	143,929	795,315
Deferred inflows of resources				
Unavailable revenues	1,064,489	-	-	1,064,489
Total deferred inflows of resources	1,064,489	-	-	1,064,489
Fund balances				
Nonspendable	177,323	-	-	177,323
Restricted	-	-	6,042,099	6,042,099
Committed	-	779,696	-	779,696
Unassigned	1,476,625	-	-	1,476,625
Total fund balances	1,653,948	779,696	6,042,099	8,475,743
Total liabilities, deferred inflows of resources and fund balances	$ 3,369,823	$ 779,696	$ 6,186,028	$ 10,335,547

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, 2022

Total fund balances		$ 8,475,743
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	$ 16,193,714	
Less accumulated depreciation	(8,383,680)	7,810,034
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.		1,064,489
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.		136,426
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	(560,755)	
Leases payable	(448,845)	
Net pension liability	(3,731,910)	
Bonds payable	(10,335,000)	
Net premium on bonds	(674,379)	(15,750,889)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.		(115,025)
Net position of governmental activities		$ 1,620,778

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

Buckeye Valley Fire District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2022

	General Fund	Capital Projects	Debt Service	Total Governmental Funds
Revenues				
Taxes:				
Real and personal property taxes	$ 5,777,773	$ -	$ 977,166	$ 6,754,939
Fire district assistance tax	406,254	-	-	406,254
Intergovernmental	1,309,031	-	-	1,309,031
Charges for services	7,282,402	-	-	7,282,402
Investment earnings	10,085	-	5,829	15,914
Miscellaneous	163,962	-	-	163,962
Total revenues	14,949,507	-	982,995	15,932,502
Expenditures				
Fire protection and emergency medical services				
Current:				
Personnel	7,971,462	-	-	7,971,462
Employee benefits	3,105,941	-	-	3,105,941
Administration	1,104,063	-	-	1,104,063
General operations	1,316,110	-	-	1,316,110
Emergency Medical Services operations	219,953	-	-	219,953
Training	48,930	-	-	48,930
Fire operations	23,923	-	-	23,923
Capital outlay	445,862	185,580	-	631,442
Debt service:				
Principal portion	96,668	-	725,000	821,668
Interest	22,743	-	245,979	268,722
Bond issuance costs	-	-	179,130	179,130
Total expenditures	14,355,655	185,580	1,150,109	15,691,344
Excess (deficiency) of revenues over expenditures	593,852	(185,580)	(167,114)	241,158
Other financing sources (uses)				
Proceeds from bonds	-	-	4,895,000	4,895,000
Proceeds from bond premium	-	-	339,569	339,569
Lease agreements	445,862	-	-	445,862
Proceeds from sale of capital assets	50,000	-	-	50,000
Transfers in	-	181,637	74,419	256,056
Transfers out	(256,056)	-	-	(256,056)
	239,806	181,637	5,308,988	5,730,431
Net change in fund balances	833,658	(3,943)	5,141,874	5,971,589
Fund balances, July 1, 2021	820,290	783,639	900,225	2,504,154
Fund balances, June 30, 2022	$ 1,653,948	$ 779,696	$ 6,042,099	$ 8,475,743

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

Buckeye Valley Fire District
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-wide Statement of Activities
Year Ended June 30, 2022

Net change in fund balances - total governmental funds	$ 5,971,589
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	631,442
Depreciation/amortization expense	(850,035)
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.	140,477
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	(997,347)
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	(186,002)
Debt issued or incurred	(5,340,862)
Proceeds from bond premium	(339,569)
Principal payments on general obligation bonds	725,000
Amortization of bond premium	17,595
Principal payments on lease obligation	96,668
Change in net position of governmental activities	$ 1,104,408

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, 2022

		Alternate Pension and Benefit Plan
Assets		
Due from general fund	$	14,471
Total assets	$	14,471
Net position		
Held in trust for pension trust participants	$	14,471

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, 2022

	Alternate Pension and Benefit Plan
Additions	
Investment earnings	
Interest and dividends	$ -
Net change in the fair value of investments	(209)
Net investment earnings (loss)	(209)
Deductions	
Distributions to participants	-
Total deductions	-
Change in net position	(209)
Net position - July 1, 2021	14,680
Net position - June 30, 2022	$ 14,471

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, 2022, the District implemented the provisions of GASB Statement No. 87, *Leases*, as amended, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. As a result, the District's financial statements have been modified to reflect the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as outflows of resources based on contract payment provisions.

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, 2022, $6,042,099 is restricted for debt service and the Board of Directors had committed $779,696 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, 2022.

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, 2022, the allowance for uncollectible accounts was $2,800,563.

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
Intangibles:	
Right-to-use lease assets:	
Buildings	Useful life or lease term
Vehicles	Useful life or lease term

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.

Leases – The District recognizes lease liabilities with an initial, individual value of $20,000 or more. The District uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The District's estimated incremental borrowing rate is based on existing leases.

Note 1 – Summary of Significant Accounting Policies – Continued

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.

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.

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, 2022, the carrying amount of the total cash in bank was $579,627 and the bank balance was $579,989 of which all are insured or collateralized.

Investments – The District's investments at June 30, 2022, are comprised of the amount held by the Maricopa County Treasurer totaling $8,133,539.

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.

Note 2 – Cash and Investments – Continued

Credit Risk – At June 30, 2022, 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, 2022, 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	$ 579,627
Amounts held by Maricopa County Treasurer's Office	8,133,539
Total	$ 8,713,166

	Governmental Activities	Fiduciary Funds	Total
Cash and investments	$ 3,509,747	$ -	$ 3,509,747
Cash and investments - restricted	5,203,419	-	5,203,419
Total	$ 8,713,166	$ -	$ 8,713,166

Note 3 – Capital Assets

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

	Balance, July 1, 2021	Increases	Decreases	Balance, June 30, 2022
Capital assets not being depreciated:				
Land and improvements	$ 173,571	$ -	$ -	$ 173,571
Construction in progress	878,667	-	(714,289)	164,378
Total capital assets not being depreciated	1,052,238	-	(714,289)	337,949
Capital assets being depreciated:				
Buildings and improvements	6,285,818	732,768	-	7,018,586
Furniture and equipment	2,846,753	167,101	-	3,013,854
Vehicles	5,325,353	-	(60,537)	5,264,816
Intangibles:				
Right-to-use lease assets:				
Buildings and improvements	-	445,862	-	445,862
Vehicles	112,647	-	-	112,647
Total capital assets being depreciated	14,570,571	1,345,731	(60,537)	15,855,765
Less accumulated depreciation for:				
Buildings and improvements	(1,778,501)	(230,340)	-	(2,008,841)
Furniture and equipment	(2,253,706)	(232,804)	-	(2,486,510)
Vehicles	(3,532,796)	(280,762)	60,537	(3,753,021)
Intangibles:				
Right-to-use lease assets:				
Buildings and improvements	-	(83,599)	-	(83,599)
Vehicles	(29,179)	(22,530)	-	(51,709)
Total accumulated depreciation	(7,594,182)	(850,035)	60,537	(8,383,680)
Total capital assets being depreciated, net	6,976,389	495,696	-	7,472,085
Total capital assets, net	$ 8,028,627	$ 495,696	$(714,288)	$ 7,810,034

Governmental activities depreciation and amortization expense in the amount of $850,035, 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, 2022, follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within 1 Year
Compensated absences	$ 374,753	$ 450,870	$ (264,868)	$ 560,755	$ 140,189
Net pension liability	7,127,759	-	(3,395,849)	3,731,910	-
General obligation bonds	6,165,000	4,895,000	(725,000)	10,335,000	705,000
Net premium on bond obligation	352,405	339,569	(17,595)	674,379	39,277
Leases payable	99,651	445,862	(96,668)	448,845	102,093
	$ 14,119,568	$ 6,131,301	$ (4,499,980)	$ 15,750,889	$ 986,559

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.

On April 12, 2018, the District issued $7,415,000 in General Obligation Bonds, Series A, with a premium of $384,866. The net proceeds were used for capital improvements throughout the District. The bonds, which are not subject to redemption prior to maturity, have interest rates ranging from 2% to 4%, payable semiannually on January 1 and July 1 each year through 2037.

On April 8, 2022, the District issued $4,895,000 in General Obligation Bonds, Series B, with a premium of $339,569. The net proceeds will be used for capital improvements throughout the District. The bonds, which are not subject to redemption prior to maturity, have an interest rate of 4%, payable semiannually on January 1 and July 1 each year through 2041.

The following is a summary of debt service requirements to maturity for the bonds:

Year Ending June 30,	Principal	Interest	Total
2023	$ 705,000	$ 331,529	$ 1,036,529
2024	675,000	363,575	1,038,575
2025	775,000	338,200	1,113,200
2026	435,000	317,125	752,125
2027	440,000	301,000	741,000
2028-2032	2,495,000	1,217,500	3,712,500
2033-2037	3,000,000	671,000	3,671,000
2038-2042	1,810,000	152,200	1,962,200
	$ 10,335,000	$ 3,692,129	$ 14,027,129

Note 4 – Long-Term Liabilities – Continued

Lease Payable – The District acquired office space and vehicles under the provisions of various lease agreement. The assets acquired through the leases are as follows:

	Governmental Activities
Intangible right-to-use lease assets	$ 558,509
Less accumulated amortization	(135,308)
	$ 423,201

Minimum future lease payments under the leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 102,093	$ 12,119	$ 114,212
2024	107,756	9,084	116,840
2025	113,670	5,878	119,548
2026	93,286	2,493	95,779
2027	32,040	201	32,241
	$ 448,845	$ 29,775	$ 478,620

Line of Credit – The District maintains a credit line in the amount of $1,800,000 through the Maricopa County Treasurer. During 2022, 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, 2022, are reported in the financial statements as follows:

Gross ambulance service revenues	$ 14,774,799
Contractual adjustments and uncompensated services	(7,545,695)
Net ambulance service revenue	$ 7,229,104

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

Net ambulance service revenue	$ 7,229,104
Contracted fire suppression services	106,883
Other charges for services	85,253
Charges for services revenues	$ 7,421,240

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, 2022, was $35,743.

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, 2022, 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	$ 2,152,259	$ 1,579,651	$ 3,731,910
Net OPEB asset	-	136,426	136,426
Deferred outflows of resources	827,904	3,280,586	4,108,490
Deferred inflows of resources	689,089	3,534,426	4,223,515
Pension and OPEB expense	388,469	816,651	1,205,120

<u>Note 6 – Employee Retirement Systems and Post Employment Plans – Continued</u>

The District's accrued payroll and employee benefits includes $51,817 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2022. 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, 2022, statute required active ASRS members to contribute at the actuarially determined rate of 12.41 percent (12.22 percent retirement and 0.19 percent for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.41 percent (12.01 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.19 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, 2022, was $242,029.

During fiscal year 2022, the District paid for ASRS from the general fund.

Liability – At June 30, 2022, the District reported $2,152,259 for its proportionate share of the ASRS net pension liability.

The net liability was measured as of June 30, 2021. 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, 2020, to the measurement date of June 30, 2021. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7–7.2 percent to 2.9–8.4 percent.

The District’s proportion of the net asset or net liability was based on the District’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2021. The District’s proportions measured as of June 30, 2021 was 0.01638%, which was a decrease from its proportions measure as of June 30, 2020, of 0.00001%.

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

Expense – For the year ended June 30, 2022, the District recognized $388,469 in pension expense.

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

	Pension	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 32,809	$ -
Changes of assumptions or other inputs	280,134	-
Net difference between projected and actual earnings on plan investments	-	681,911
Changes in proportion and differences between District contributions and proportionate share of contributions	272,932	7,178
District contributions subsequent to the measurement date	242,029	-
Total	$ 827,904	$ 689,089

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, 2023. 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
2023	$ 145,093
2024	137,012
2025	(150,327)
2026	(234,992)

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

Actuarial valuation date	June 30, 2020
Actuarial roll forward date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP
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, 2020, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 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%	4.90%
Fixed income - credit	20%	5.20%
Fixed income - interest rate sensitive	10%	0.70%
Real estate	20%	5.70%
Total	100%	

Discount Rate – At June 30, 2021, the discount rate used to measure the ASRS total pension liability was 7.0 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the 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 to Changes in the Discount Rate – The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 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 (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	$ 3,385,324	$ 2,152,259	$ 1,124,225

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 report is 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, 2022, the following employees were covered by the agent plan's benefit terms:

	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	9	9
Inactive employees entitled to but not yet receiving benefits	7	-
Active employees	56	56
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, 2022, are indicated below. Rates are a percentage of active members' annual covered payroll.

The rate for the year ended June 30, 2022, was 21.59% for the pension plan and 0.28% for the health insurance premium benefit for the District portion and 7.65% - 10.65% for the employee portion. In addition, statute required the District to contribute at the actuarially determined rate of 9.05% for the pension portion and 0.13% for the health insurance premium benefit for employees participating in the PSPRS Tier 3 Risk Pool. Total pension contributions made during the year were $1,185,818, and the total health insurance premium benefit contributions were $15,379. During fiscal year 2022, 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, 2022, the District reported liabilities and (assets) of $1,579,651 and ($136,426) for pension and health insurance premium benefit, respectively. The net assets and net liabilities were measured as of June 30, 2021, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

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

Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.75% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an 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	24%	4.08%
International public equity	16%	5.20%
Global private equity	20%	7.67%
Other assets (Capital appreciation)	7%	5.43%
Core bonds	2%	0.42%
Private credit	20%	5.74%
Diversifying strategies	10%	3.99%
Cash - Mellon	1%	-0.31%
Total	100%	

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

Discount Rates – At June 30, 2021, 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, 2021	$ 20,172,925	$ 15,417,167	$ 4,755,758
Changes for the current year:			
Service cost	993,725	-	993,725
Interest on the total pension liability	1,533,979	-	1,533,979
Differences between expected and actual experience in the measurement of the pension liability	(246,041)	-	(246,041)
Net investment income	-	4,128,448	(4,128,448)
Contributions - employer	-	966,712	(916,712)
Contributions - employee	-	382,991	(382,991)
Benefit payments	(306,469)	(306,469)	-
Pension plan administrative expense	-	(20,381)	20,381
Net changes	1,975,194	5,151,301	3,176,107
Balances at June 30, 2022	$ 22,148,119	$ 20,568,468	$ 1,579,651

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, 2021	$ 362,373	$ 421,014	$ (58,641)
Changes for the current year:			
Service cost	20,868	-	20,120
Interest on the total OPEB liability	27,556	-	25,263
Changes of benefit terms	3,034	-	3,034
Net investment income	-	112,542	(112,542)
Contributions – employer	-	17,173	(17,173)
Benefit payments	(11,515)	(11,515)	-
OPEB plan administrative expense	-	(472)	472
Net changes	39,943	117,728	(77,785)
Balances at June 30, 2022	$ 402,316	$ 538,742	$ (136,426)

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	$ 5,516,007	$ 1,579,651	$(1,577,988)
Net OPEB (asset) liability	(82,556)	(136,426)	(181,637)

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, 2022, the District recognized pension expense of $817,782 and OPEB expense of ($1,131).

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

	Pension		Health 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	$ 1,425,121	$ 1,430,498	$ 23,508	$ 87,987
Changes of assumptions or other inputs	626,980	-	3,780	25,844
Net difference between projected and actual earnings on plan investments	-	1,941,414	-	48,683
District contributions subsequent to the measurement date	1,185,818	-	15,379	-
Total	$ 3,237,919	$ 3,371,912	$ 42,667	$ 162,514

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, 2023. 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
2023	$(370,719)	$ (18,737)
2024	(381,393)	(19,068)
2025	(434,030)	(20,591)
2026	(611,408)	(25,591)
2027	93,957	(8,826)
Thereafter	383,782	(42,413)

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, 2022, 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 2022, net interfund transfers made from the general fund to the capital projects fund and the debt services fund totaled $181,637 and $74,419, respectively, for certain expenditures.

Note 9 – Subsequent Events

Subsequent to year-end, the Board of Directors approved the purchase of three new ambulances, not to exceed $350,000 with the use of the bond funding. The Board also approved the purchase of two Type I refurbished pumpers and a mechanical chest compression device not to exceed $800,000 and $343,000, respectively.

On December 20, 2022, the Board approved a transition plan to join the Arizona Fire & Medical Authority (AFMA) effective December 20, 2022. AFMA is a joint powers authority that assists with operations of multiple districts. The operations and employees will become AFMA operations and employees. The District will continue to exist as a member of AFMA.

Buckeye Valley Fire District
Budgetary Comparison Schedule -
General Fund
Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Real and personal property taxes	$ 5,768,682	$ 5,777,773	$ 9,091
Fire district assistance tax	400,000	406,254	6,254
Intergovernmental	82,000	1,309,031	1,227,031
Charges for services	7,015,000	7,282,402	267,402
Investment earnings	-	10,085	10,085
Miscellaneous	948,138	163,962	(784,176)
Total revenues	14,213,820	14,949,507	735,687
Expenditures:			
Fire protection and emergency medical services			
Current:			
Personnel	7,766,220	7,971,462	(205,242)
Employee benefits	3,180,621	3,105,941	74,680
Administration	947,951	1,104,063	(156,112)
General operations	855,100	1,316,110	(461,010)
Emergency Medical Services operations	226,000	219,953	6,047
Training	148,300	48,930	99,370
Fire operations	651,096	23,923	627,173
Capital outlay	-	445,862	(445,862)
Debt service:			
Principal portion	-	96,668	(96,668)
Interest portion	-	22,743	(22,743)
Total expenditures	13,775,288	14,355,655	(580,367)
Excess of revenues over expenditures	438,532	593,852	155,320
Other financing sources (uses)			
Lease agreements	-	445,862	445,862
Proceeds from sale of capital assets	-	50,000	50,000
Transfers out	-	(256,056)	(256,056)
	-	239,806	239,806
Net change in fund balances	438,532	833,658	395,126
Fund balances, July 1, 2021	150,000	820,290	670,290
Fund balances, June 30, 2022	$ 588,532	$ 1,653,948	$ 1,065,416

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, 2022, expenditures that exceeded final budget amounts were as follows:

Category	Amount
Personnel	$ 205,242
Administration	156,112
General operations	461,010
Capital outlay	445,862
Debt service – principal payments	96,668
Debt service – interest payments	22,743

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, 2022

ASRS - Pension

	Reporting Fiscal Year (measurement date)									
	2022 (2021)	**2021 (2020)**	**2020 (2019)**	**2019 (2018)**	**2018 (2017)**	**2017 (2016)**	**2016 (2015)**	**2015 (2014)**	**2014 (2013)**	**2013 (2012)**
District's proportion of the net pension liability	0.01638%	0.01369%	0.01384%	0.01344%	0.00928%	0.00818%	0.00769%	0.00249%		
District's proportionate share of the net pension liability	$ 2,152,259	$ 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	$ 2,159,370	$ 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	99.67%	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	78.58%	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, 2022

PSPRS - Pension

	Reporting fiscal year (measurement date)									
	2022 (2021)	**2021 (2020)**	**2020 (2019)**	**2019 (2018)**	**2018 (2017)**	**2017 (2016)**	**2016 (2015)**	**2015 (2014)**	**2014 (2013)**	**2013 (2012)**
Total pension liability										
Service cost	$ 993,725	$ 921,904	$ 1,006,487	$ 986,827	$ 1,007,904	$ 795,000	$ 759,211	$ 846,403		
Interest on total pension liability	1,533,979	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	(246,041)	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	(306,469)	(267,155)	(304,445)	(498,321)	(114,920)	(60,533)	(199,292)	(42,020)		
Net change in pension liability	1,975,194	3,632,066	1,626,696	1,397,558	1,631,813	3,163,384	1,232,741	274,905		
Total pension liability - beginning	20,172,925	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)	$ 22,148,119	$ 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	$ 966,712	$ 825,626	$ 793,288	$ 870,618	$ 527,412	$ 507,402	$ 466,888	$ 505,048		
Contributions - employee	382,991	519,443	362,451	418,309	510,169	488,975	428,877	429,785		
Net investment income	4,128,448	186,183	702,517	815,580	1,177,737	53,292	302,803	903,216		
Benefit payments, including refunds of employee contributions	(306,469)	(267,155)	(304,445)	(498,321)	(114,920)	(60,533)	(199,292)	(42,020)		
Administrative expenses	(20,381)	(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	5,151,301	1,248,918	1,537,271	961,457	2,089,692	624,285	985,725	1,509,628		
Plan fiduciary net position - beginning	15,417,167	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)	$ 20,568,468	$ 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)	$ 1,579,651	$ 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	92.87%	76.43%	85.66%	84.69%	86.33%	80.61%	102.68%	106.43%		
Covered-employee 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 net pension liability as a percentage of covered-employee payroll	31.28%	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, 2022

PSPRS - OPEB

	Reporting fiscal year (measurement date)									
	2022 (2021)	**2021 (2020)**	**2020 (2019)**	**2019 (2018)**	**2018 (2017)**	**2017 (2016)**	**2016 (2015)**	**2015 (2014)**	**2014 (2013)**	**2013 (2012)**
Total OPEB liability										
Service cost	$ 20,868	$ 20,120	$ 14,283	$ 16,447	$ 16,604					
Interest on total OPEB liability	27,556	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	3,034	(561)	(80,120)	(36,243)	34,633					
Changes of assumptions or other inputs	-	-	4,914	-	(43,134)					
Benefit payments, including refunds of employee contributions	(11,515)	(7,454)	(7,454)	(3,727)	(3,120)					
Net change in OPEB liability	39,943	37,368	(40,545)	3,723	33,362					
Total OPEB liability - beginning	362,373	325,005	365,550	361,827	328,465					
Total OPEB liability - ending (a)	$ 402,316	$ 362,373	$ 325,005	$ 365,550	$ 361,827					
Plan fiduciary net position										
Contributions - employer	$ 17,173	$ 14,648	$ 15,872	$ 14,178	$ 18,128					
Net investment income	112,542	4,507	23,973	24,139	35,404					
Benefit payments, including refunds of employee contributions	(11,515)	(7,454)	(7,454)	(3,727)	(3,120)					
Administrative expenses	(472)	(418)	(356)	(367)	(313)					
Net change in plan fiduciary net position	117,728	11,283	32,035	34,223	50,099					
Plan fiduciary net position - beginning	421,014	409,731	377,696	343,473	293,374					
Plan fiduciary net position - ending (b)	538,742	421,014	409,731	377,696	343,473					
District's net OPEB (asset) - ending (a) - (b)	$ (136,426)	$ (58,641)	$ (84,726)	$ (12,146)	$ 18,354					
Plan fiduciary net position as a percentage of the total OPEB (asset)	133.91%	116.18%	126.07%	103.32%	94.93%					
Covered-employee payroll	$ 5,050,744	$ 4,438,849	$ 4,528,229	$ 4,328,188	$ 4,487,549					
District's net OPEB (asset) as a percentage of covered-employee payroll	(2.70%)	(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, 2022

ASRS - Pension

	Reporting Fiscal Year									
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Statutorily required contribution	$ 242,029	$ 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	242,029	251,567	167,930	165,253	145,651	97,572	83,117	77,103	23,990	
District's contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
District's covered payroll	$ 2,015,226	$ 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	12.01%	11.65%	11.45%	11.18%	11.50%	11.48%	11.47%	11.60%	11.54%	

PSPRS - Pension

	Reporting Fiscal Year									
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Actuarially determined contribution	$ 1,185,818	$ 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	1,185,818	966,712	825,626	793,288	870,618	527,412	507,402	466,888	505,048	
District's contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
District's covered payroll	$ 5,492,442	$ 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	21.59%	19.14%	18.60%	17.52%	20.12%	11.75%	12.14%	12.84%	12.86%	

PSPRS - OPEB

	Reporting Fiscal Year									
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Actuarially determined contribution	$ 15,379	$ 17,173	$ 14,648	$ 15,872	$ 14,178	$ 18,128		Information not available		
District's contributions in relation to the actuarially determined contribution	15,379	17,173	14,648	15,872	14,178	18,128				
District's contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -				
District's covered payroll	$ 5,492,442	$ 5,050,744	$ 4,438,849	$ 4,528,229	$ 4,328,188	$ 4,487,549				
District's contributions as a percentage of covered payroll	0.28%	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 2020 actuarial valuation	16 years
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
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 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

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.