



# NORTH COUNTY FIRE & MEDICAL DISTRICT

## GOVERNING BOARD MEETING AGENDA

### TUESDAY, JANUARY 24, 2023

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the North County Fire & Medical District (NCFMD) Governing Board and the general public that the NCFMD will hold a meeting on Tuesday, January 24, 2023, following the Joint Governing Board Meeting starting at 9:00 a.m. **The meeting will be held in person and virtually. The meeting will be held in person at the Arizona Fire & Medical Authority Administrative Office, 18818 N. Spanish Garden Drive, Sun City West, Arizona 85375.** The Board may vote to go into Executive Session on any agenda item, pursuant to ARS 38-431.03(A)(3) for discussion and consultation for legal advice from the District's Attorney on matters as set forth in the agenda item. The following topics and any variables thereto, will be subject to Board consideration, discussion, approval, or other action. All items are set for possible action. A quorum of the elected officials of the NCFMD Governing Board may attend and possibly participate in a discussion of items identified on the Agenda for the Arizona Fire & Medical Authority (AFMA) Board. That Authority Board meeting will be held following the meeting of the NCFMD Governing Board.

**To attend the meeting virtually click [here](#), to attend via telephone please dial 669-900-6833, and enter webinar ID 88420598878. For technical assistance please call, 623-544-5400.**

1. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS / AFFIRMATION OF QUORUM

2. ELECTION OF GOVERNING BOARD OFFICERS

3. CALL TO THE PUBLIC

The Chairman shall announce this portion of the Board meeting as a Call to the Public which is for public input/comment. The Chairperson will ask those speaking to state their name and address for the record. Individuals addressing the Board are typically limited to three minutes for their comments. The Board cannot discuss or take legal action on any issues raised during the Public Forum unless they are agendaized due to restrictions of the Open Meeting Laws. However, individual Board members may be permitted to respond to criticism directed to them. Therefore, pursuant to A.R.S. 38-431.01(H), action taken as a result of public comment on non-agendaized topics will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date. If warranted, issues raised may be placed on the agenda of a future meeting.

4. FINANCIAL SUMMARIES AND AUDIT REPORTS

A. Discussion and Possible Action relating to approval of the North County Fire & Medical District Fiscal Year-End 2021/22 Final Annual Audit Report.

B. North County Fire & Medical District Financial Reports for December 2022.

5. CONSENT AGENDA

All matters listed under Consent Agenda are considered to be routine by the NCFMD Governing Board and will typically be enacted by one motion. There will be no separate discussion on these items. If discussion is desired, that item will be removed from the consent agenda and considered separately for discussion and possible action.

A. Approve Monthly Financial Reports for December 2022.

B. Approve Transfer of Revenues from North County Fire & Medical District to Arizona Fire & Medical Authority (AFMA) in accordance with the AFMA Joint Power Authority Intergovernmental Agreement.

C. Approve Board Meeting Minutes of December 20, 2022.

6. REGULAR BUSINESS

A. Discussion and Possible Action relating to Arizona Fire & Medical Authority Governing Board Appointees.

7. SUGGESTED ITEMS FOR FUTURE GOVERNING BOARD MEETING AGENDAS.

8. ADJOURNMENT

*A copy of the supplemental agenda materials provided to the Board members (with exception of materials relating to executive sessions) is available for public inspection at the Authority Administrative Office at least 24 hours prior to the meeting.*

*The North County Fire & Medical District meeting location is accessible to the handicapped. In compliance with the Americans with Disabilities Act (ADA), those with special needs, such as large-type face print or other reasonable accommodations, may request those through the Arizona Fire & Medical Authority Administrative Office at (623) 544-5400 at least 24 hours before the meeting.*



## North County Fire & Medical District AGENDA STAFF REPORT

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**Date:** January 24, 2023  
**To:** NCFMD Governing Board  
**From:** David Wilson, Chairman, NCFMD Governing Board  
**Subject:** Call to Order/Roll Call of Board Members

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**Purpose:**

The purpose of this item is to establish that a quorum of the NCFMD Governing Board is present to conduct the meeting.

**Background:**

Per Arizona Revised Statute (ARS) §38-431, a quorum of the Board must be present to conduct an official meeting.

**Fiscal Implications:**

Not applicable.

**Previous Board/Committee Action:**

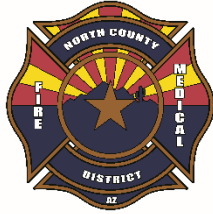
Not applicable.

**Sample Motion:**

Not applicable.

**Attachments:**

None.



## North County Fire & Medical District AGENDA STAFF REPORT

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**Date:** January 24, 2023  
**To:** NCFMD Governing Board  
**From:** Dusty Christopherson, Admin. Director, Business Division - Administration  
**Subject:** Election of NCFMD Governing Board Officers

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### **Purpose:**

The purpose of this item is to elect North County Fire & Medical District (NCFMD) Governing Board Officers.

### **Background:**

As a result of the November 2022 General Election and per the NCFMD By-Laws and Rules of Procedure, terms of office for the Governing Board is set at two years.

Following is an excerpt from the NCFMD By-Laws and Rules of Procedure outlining this process.

### *ARTICLE VI – OFFICERS*

#### *Election of Officers*

*A. Members of the Governing Board of the District shall select a Chairperson from amongst their numbers. The Members of the Governing Board shall also select from amongst their numbers a Clerk of the Board. Election of the two officers, chairman and clerk, may be conducted by secret ballot after each Board member has had an opportunity to state a nomination. A Board member so nominated may decline a nomination and will not be considered. Selection of the Chairman and Clerk shall occur at the first meeting in the month immediately following the general election. In addition to the powers conferred upon the Chairperson and Clerk, that person shall continue to have all the rights, privileges, and immunities of a Member of the Board. If a vacancy occurs in the office of Chairperson or Clerk, the Members of the Board, at their next regular meeting, shall select a Chairperson or Clerk from amongst their numbers.*

*B. The Chairperson and the Clerk shall serve for a period of two (2) years, or until their successor is appointed, at which time the Governing Board shall consider whether to appoint a new*

*Chairperson and new Clerk.*

*C. An officer of the Board may be removed from an Officer position in the following manner: At least two (2) Board members must propose the removal of any one officer. In order for an officer to be successfully removed from office, at least three members of the Board must vote for such removal. An officer may resign at any time by giving the Board written notice of his/her resignation.*

**Fiscal Implications:**

Not applicable.

**Previous Board/Committee Action:**

Not applicable.

**Sample Motion:**

*I nominate \_\_\_\_\_ to serve as Chairperson of the North County Fire & Medical District Governing Board.*

*Nominated Individual: I accept or decline the nomination.*

*I nominate \_\_\_\_\_ to serve as Board Clerk of the North County Fire & Medical District Governing Board.*

*Nominated Individual: I accept or decline the nomination.*

*The Admin. Director will take a roll call vote on each nomination and announce the total vote count for any secret ballots received as allowed by the Governing Board Bylaws.*

**Attachments:**

None.



## North County Fire & Medical District AGENDA STAFF REPORT

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**Date:** January 24, 2023  
**To:** NCFMD Governing Board  
**From:** Chairman, NCFMD Governing Board  
**Subject:** Call to the Public

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### **Purpose:**

The purpose of this item is to provide an opportunity for public input/comment.

### **Background:**

The Chairman shall announce this portion of the North County Fire & Medical District Governing Board meeting as a Call to the Public which is for public input/comment. The Chairman shall ask those wishing to address the Board to type their question into the Q&A box or use the raise hand function so they may be recognized. Individuals addressing the Board are typically limited to three minutes for their comments. The Governing Board cannot discuss or take legal action on any issues raised during Call to the Public unless they are agendaized due to restrictions of the Open Meeting Law. However, individual Board members may be permitted to respond to criticism directed to them. Therefore, pursuant to A.R.S. 38-431.01(H), action taken as a result of public comment on non-agendaized topics will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date. If warranted, issues raised may be placed on the agenda of a future meeting.

### **Fiscal Implications:**

Not applicable.

### **Previous Board/Committee Action:**

Not applicable.

### **Sample Motion:**

Not applicable.

### **Attachments:**

None.



## North County Fire & Medical District AGENDA STAFF REPORT

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**Date:** January 24, 2023  
**To:** NCFMD Governing Board  
**From:** Rebecca Chitwood, Finance Director, Business Division- Finance  
**Subject:** NCFMD Fiscal Year 2021/22 Annual Audit Report

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### **Purpose:**

The purpose of this item is to present the Fiscal Year 2021/22 Annual Audit Report to the Governing Board.

### **Background:**

Per Arizona Revised Statute, Finance Director Chitwood has been working with the Board approved CPA firm of Walker & Armstrong, LLP to finalize the Fiscal Year 2021/22 external financial audit. The Annual Financial Report for Fiscal Year ending June 30, 2022 for the North County Fire & Medical District which includes the financial audit is included for review and discussion.

### **Fiscal Implications:**

Not applicable.

### **Previous Board/Committee Action:**

Not applicable.

### **Sample Motion:**

*I move that the North County Fire & Medical District Governing Board approve the Fiscal Year 2021/22 Final Annual Audit Report.*

### **Attachments:**

- NCFMD Fiscal Year 2021/22 Final Annual Audit Report



# North County Fire & Medical District Maricopa County, Arizona



## Basic Financial Statements For the Fiscal Year Ended June 30, 2022



**North County Fire & Medical District  
BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022**

**GOVERNING BOARD**

**David Wilson  
Chairman**

Term Expires: 12/2024

**James Young  
Clerk**

Term Expires: 12/2024

**Richard Bookie  
Member**

Term Expires: 12/2022

**Merrel "Tony" Sambol  
Member**

Term Expires: 12/2024

**Russell "Smitty" Smith  
Member**

Term Expires: 12/2022

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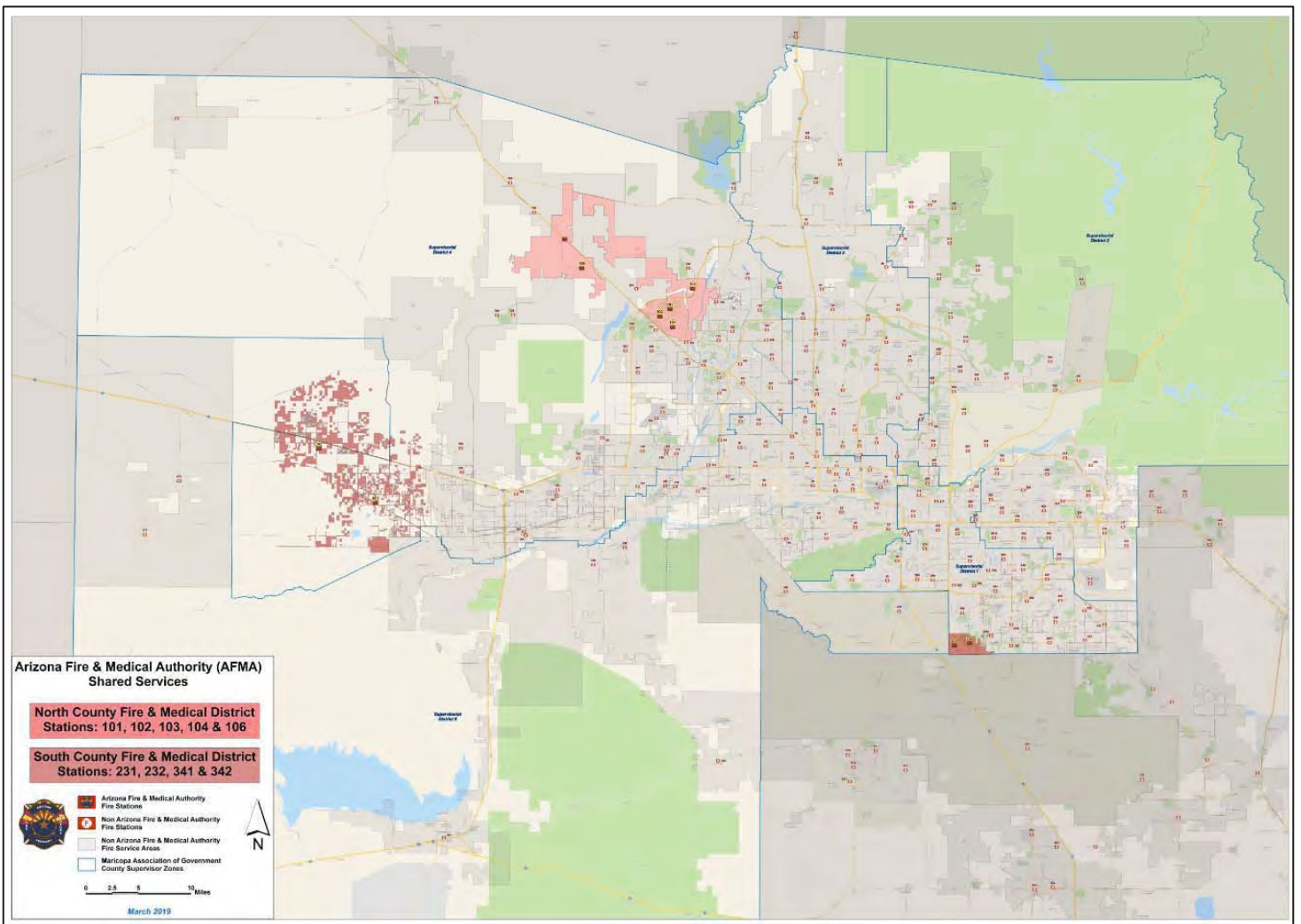
**Mark Burdick  
Fire Chief**

**Prepared by the Financial Services Section  
Rebecca Chitwood, Finance Director  
Anna Wysocki Accountant**

**North County Fire & Medical District  
18818 N. Spanish Garden Drive Sun City West, Arizona 85375**



# Service Area



\*Station 342 is not in operation

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**Independent Auditor's Report**

To the Board of Directors  
North County Fire & Medical District  
Sun City West, 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 North County Fire & Medical 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***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 9 and the budgetary comparison information on pages 24 and 25, 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 December 29, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Handwritten signature in cursive script that reads "Walku & Armstrong, LLP".

Phoenix, Arizona  
December 29, 2022

**North County Fire & Medical District  
Management's Discussion and Analysis  
Year Ended June 30, 2022**

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As management of North County Fire & Medical 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 10.

Effective July 1, 2017, Sun Lakes Fire District and North County Fire & Medical District completed a Joint Power Authority agreement (JPA). The JPA agreement created a new legal entity under authority provided in ARS 48-805.01. Pursuant to the JPA, both Districts transferred and combined their personnel, equipment, fire stations, all other assets and liabilities and services into the new entity, Arizona Fire & Medical Authority (AFMA). AFMA provides the administrative and public safety functions of the Districts. The Districts provide funding to AFMA for these activities pursuant to budgets approved by the respective boards. The purpose of creating AFMA is to facilitate the efficient operation of both organizations through combined resources while reducing costs through combining purchasing, providing services and vendor accounts. As of January 3, 2019, Sun Lakes Fire District merged with Tonopah Valley Fire District to create South County Fire & Medical District. Both South County Fire & Medical District and North County Fire & Medical District continue to exist as legal entities for the purpose of collecting taxes and operating ambulance services.

**Financial Highlights**

- The liabilities of the District exceeded its assets at the close of the fiscal year by (\$9,735,987) (net deficit).
- During the year, the District's total net deficit decreased by \$368,077. Revenues increased by \$1,533,446 and expenses decreased by \$363,557 from the prior year.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$12,653,848, an increase of \$6,268,836 from the prior year. Approximately 8.6% of this total amount, or \$1,082,533, is available for spending at the government's discretion (unassigned fund balance). Of the remaining fund balance, \$11,571,315 is nonspendable and represents the District's proportionate share of AFMA's fund balance.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,082,533 or 2.9% of total general fund expenditures for the fiscal year.

At the onset of budget preparation for the year ended June 30, 2022, the District's board of directors mandated that the District maintain adequate controls over the budgeting process to minimize any potential for increased burden on the District's taxpayers. The budget for the year ended June 30, 2022, accomplished this task. For tax year 2021, the District maintained the tax levy rate at \$2.8644 per \$100 of secondary assessed valuation, generating an estimated fire district annual property tax of \$498, based on a median home value of \$173,917 in the District, per the Maricopa County Assessor's Office.



## Management's Discussion and Analysis - Continued

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During the year ended June 30, 2022, actual district property tax revenues increased by approximately 7.1% from \$14,862,296 to \$15,914,998 to support the public safety functions for the District.

### **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.

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

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

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 and liabilities with the difference between them 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).

### **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.

## Management's Discussion and Analysis - Continued

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### **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.

The District maintains three (3) major governmental funds: the general fund, the capital projects fund and the special projects fund (a special revenue fund). Information is presented separately in the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances for each of these funds, all of which are considered to be the major funds of the District; the concept and determination of major funds has been established by the Governmental Accounting Standards Board (GASB). While the special projects fund is a non-major fund, it is the only fund meeting this criterion and is thus discreetly reported.

The basic governmental financial statements can be found on pages 12-15 of this report.

The District adopts an annual appropriated budget for its general fund and the capital projects fund. A budgetary comparison statement for the general fund has been provided as part of supplementary information following the basic financial statements to demonstrate compliance with the budget and is presented on pages 24-25.

**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 financial statements can be found on pages 16-23 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 24-25 of this report.

## Management's Discussion and Analysis - Continued

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### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Due to the formation of the JPA, the employees, assets and liabilities of the District were transferred to AFMA as of July 1, 2017. Taxing authority and ambulance operations remain with the North County Fire & Medical District. The liabilities exceeded assets by \$9,735,987 at the close of the 2022 fiscal year. This represents a \$368,077 decrease in the net deficit from the prior year.

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

### Condensed Statement of Net Position

	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Cash and investments	\$ 656,150	\$ 114,066
Other assets	897,825	820,607
Total assets	1,553,975	943,673
<b>Liabilities</b>		
Proportionate share of the net position of AFMA	11,289,962	11,038,737
Total liabilities	11,289,962	11,038,737
<b>Net deficit</b>		
Unrestricted	( 9,735,987)	( 10,104,064)
Total net deficit	\$ ( 9,735,987)	\$(10,104,064)

## Management's Discussion and Analysis - Continued

**Governmental Activities** - Governmental activities decreased the District's net deficit by \$368,077. The key elements of this change are as follows:

### Condensed Statement of Activities

	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021</b>
<b>Revenues:</b>		
Program revenue:		
Charges for services	\$ 3,416,785	\$ 2,840,072
Intergovernmental revenues	131,361	-
Proportionate share of AFMA revenues	1,308,144	1,555,473
General revenues:		
Taxes	16,549,312	15,481,120
Investment and other	9,645	5,136
Total revenues	21,415,247	19,881,801
<b>Expenses:</b>		
Proportionate share of AFMA expenses	21,047,170	21,410,727
Total expenses	21,047,170	21,410,727
Increase/(decrease) in net position	368,077	(1,528,926)
Net position (deficit), beginning	(10,104,064)	(8,575,138)
Net position (deficit), ending	\$ (9,735,987)	\$ (10,104,064)

The cost of all governmental activities for the year ended June 30, 2022 was \$21,047,170. Property taxes and fire district assistance taxes (county aid) provided funding of \$15,914,998 and \$634,314, respectively. Ambulance revenues provided net revenues of \$3,416,785.

### **Financial Analysis of the Governmental Funds**

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

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 fiscal year.

## Management's Discussion and Analysis - Continued

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At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$12,653,848 an increase of \$6,268,836 in comparison with the prior year's balance. Revenues increased by \$1,166,561 over the previous fiscal year. Of the \$12,653,848 total combined governmental fund balance, the nonspendable amount representing the District's proportionate share of AFMA fund balances totaled \$11,571,315. The remaining amount of \$1,082,533 is unassigned and available for future spending.

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 \$1,082,533, and the nonspendable balance was \$6,436,550. 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 2.9% of total general fund expenditures of \$37,715,804.

### **Budgetary Highlights**

The District, in its annual budget, budgets for their share of AFMA's revenue and expenses as well as the tax and ambulance revenues. The breakdown of all of the categories is shown in the Budgetary Comparison Schedule.

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

During the annual budgeting process, the District's board of directors considers the impact of the projected levy on the median valued homeowner within the District. The estimated property taxes for the 2021 tax year reflected an increase from the previous year due to an increase in assessed values.

The adopted budgeted expenditures for the year ended June 30, 2023, are approximately \$21.6 million with \$2.5 million for contingencies, debt service and capital projects funding. This leaves a net operating budget of \$19.1 million.

### **Request for Information**

The District's financial statements are designed to present users (citizens, taxpayers, government entities and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. As always, we appreciate your feedback. We take your responses seriously. Please keep your ideas coming – both favorable and critical. If you have any questions about this report or need additional financial information, please contact the District's administrative office at (623) 544-5400. Copies of the District's annual financial reports for the last five years can be found on the District's website under the financial section. You may also obtain copies of current and historical financial reports from the administrative office located at 18818 N. Spanish Garden Drive, Sun City West, Arizona 85375.

# Financial Section



**North County Fire & Medical District**  
**Statement of Net Position**  
**June 30, 2022**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and investments	\$ 656,150
Receivables:	
Property taxes	185,589
Ambulance billings, net	712,236
Total assets	1,553,975
 <b>Liabilities</b>	
Proportionate share of the net position of AFMA	11,289,962
Total liabilities	11,289,962
 <b>Net Position</b>	
Unrestricted	(9,735,987)
Total net position (deficit)	\$ (9,735,987)

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



**North County Fire & Medical District**  
**Statement of Activities**  
**Year Ended June 30, 2022**

	<b>Governmental Activities</b>
<b>Expenses:</b>	
Proportionate share of AFMA expenses	\$ 21,047,170
Total program expenses	21,047,170
<b>Program revenues:</b>	
Ambulance fees	3,416,785
Intergovernmental revenues	131,361
Proportionate share of AFMA revenue	1,308,144
Total program revenues	4,856,290
Net program expense	16,190,880
<b>General revenues:</b>	
Taxes:	
Real and personal property taxes	15,914,998
Fire district assistance tax	634,314
Investment earnings	9,645
Total general revenue	16,558,957
Change in net position	368,077
<b>Net position (deficit) - beginning of year</b>	(10,104,064)
<b>Net position (deficit) - end of year</b>	\$ (9,735,987)

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

**North County Fire & Medical District  
Balance Sheet -  
Governmental Funds  
June 30, 2022**

	<b>Major Funds</b>			<b>Total Governmental Funds</b>
	<b>General</b>	<b>Capital Projects</b>	<b>Special Projects</b>	
<b>Assets</b>				
Cash and investments	\$ 656,150	\$ -	\$ -	\$ 656,150
Receivables (net of allowance for uncollectibles):				
Property taxes	185,589	-	-	185,589
Ambulance billings, net	712,236	-	-	712,236
Proportionate share of AFMA fund balance	6,436,550	5,064,094	70,671	11,571,315
Total assets	<u>\$ 7,990,525</u>	<u>\$ 5,064,094</u>	<u>\$ 70,671</u>	<u>\$ 13,125,290</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>	\$ -	\$ -	\$ -	\$ -
<b>Deferred Inflows of Resources</b>				
Unavailable revenues				
Property tax receivables	125,895	-	-	125,895
Ambulance receivables	345,547	-	-	345,547
Total deferred inflows of resources	471,442	-	-	471,442
<b>Fund balances</b>				
Nonspendable	6,436,550	5,064,094	70,671	11,571,315
Unassigned	1,082,533	-	-	1,082,533
Total fund balances	<u>7,519,083</u>	<u>5,064,094</u>	<u>70,671</u>	<u>12,653,848</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,990,525</u>	<u>\$ 5,064,094</u>	<u>\$ 70,671</u>	<u>\$ 13,125,290</u>

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

**North County Fire & Medical District**  
**Reconciliation of the Balance Sheet - Governmental Funds,**  
**to the Government-wide Statement of Net Position**  
**June 30, 2022**

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<b>Total fund balances</b>	\$	12,653,848
Amounts reported for governmental activities in the statement of net position are different because:		
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.		471,442
Some investments used in governmental activities are not financial resources and, therefore, are not reported in the funds. Proportionate share of the net position of AFMA		(22,861,277)
<b>Net position of governmental activities</b>	<u>\$</u>	<u>(9,735,987)</u>

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

**North County Fire & Medical District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2022**

	<b>Major Funds</b>			<b>Total Governmental Funds</b>
	<b>General</b>	<b>Capital Projects</b>	<b>Special Projects</b>	
<b>Revenues:</b>				
Taxes:				
Property taxes	\$ 15,862,259	\$ -	\$ -	\$ 15,862,259
Fire district assistance tax	634,314	-	-	634,314
Ambulance fees	3,320,843	-	-	3,320,843
Investment earnings	9,645	-	-	9,645
Grants	131,361	-	-	131,361
Proportionate share of AFMA revenues (losses)	1,377,677	(61,061)	23,580	1,340,196
Total revenues	21,336,099	(61,061)	23,580	21,298,618
<b>Expenditures:</b>				
Proportionate share of AFMA expenditures	37,715,804	1,401,755	13,053	39,130,612
Total expenditures	37,715,804	1,401,755	13,053	39,130,612
Excess of revenues over (under) expenditures	(16,379,705)	(1,462,816)	10,527	(17,831,994)
<b>Other financing sources (uses):</b>				
COPs issued	29,287,120	-	-	29,287,120
Premium on COPs issuance	770,417	-	-	770,417
Lease retired	(5,956,707)	-	-	(5,956,707)
Transfers in	-	2,581,722	-	2,581,722
Transfers out	(2,581,722)	-	-	(2,581,722)
Total other financing sources (uses)	21,519,108	2,581,722	-	24,100,830
Net change in fund balances	5,139,403	1,118,906	10,527	6,268,836
Fund balances, beginning of year	2,379,680	3,945,188	60,144	6,385,012
Fund balances, end of year	<u>\$ 7,519,083</u>	<u>\$ 5,064,094</u>	<u>\$ 70,671</u>	<u>\$ 12,653,848</u>

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

**North County Fire & Medical District  
Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balances of Governmental Funds  
to the Government-wide Statement of Activities  
Year Ended June 30, 2022**

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<b>Net change in fund balances - total governmental funds</b>	\$	6,268,836
Amounts reported for governmental activities in the statement of activities are different because:		
Property tax revenues and certain charges for services reported in the Statement of Activities that do not provide current financial resources and therefore, are not reported as revenues in the governmental funds.		148,681
Some investments used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Proportionate share of the net position of AFMA		(6,049,440)
<b>Change in net position of governmental activities</b>	<u>\$</u>	<u>368,077</u>

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

**North County Fire & Medical District**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2022**

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

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

**Reporting Entity**

The District was established in 1981 pursuant to Arizona Revised Statute Title 48 and is a special purpose local government governed by a separately elected governing body. The District is legally separate and fiscally independent of other state and local governments. As required under generally accepted accounting principles, these financial statements present the activities of the District (a primary government) and its component units. Component units are legally separate entities for which the District is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the District's operations. The District has no discretely presented or blended component units.

**Basis of Presentation**

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

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

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

Program revenues include charges to customers for services provided.

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

The effect of interfund activity has been eliminated from the government-wide financial statements to minimize the duplicate reporting of internal activities.

## Notes to Financial Statements - Continued

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

*Fund financial statements* – provide information about the District’s funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. When applicable, 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 is used to account for activities related to the acquisition or construction of significant capital assets.
- The *special projects* fund is a special revenue fund used to account for restricted donations and related expenditures for community service programs.

### **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. Grant and contract revenues are recognized when all eligibility requirements have been met.

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all 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.

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

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

### **Fund Balance Classifications**

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



## Notes to Financial Statements - Continued

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

The classifications are nonspendable, restricted, and unrestricted (which includes committed, assigned, and unassigned fund balance classifications).

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

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

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

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

*Assigned fund balances* - amounts that are 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.

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

### **Cash and Investments**

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

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

## Notes to Financial Statements - Continued

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

#### **Prepaid Items**

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

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

#### **Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds."

All ambulance service receivables are shown net of an allowance for uncollectible accounts. The amount of the estimated uncollectible ambulance service receivables at June 30, 2022, was \$2,648,973 which represents 78.8% of the current program service receivables balance of \$3,361,209.

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

#### **Deferred Outflows/Inflows of Resources**

The statement of net position and balance sheet 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.

#### **Estimates**

The preparation of the basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the tax calendar reporting period. Actual results may differ from those estimates.

## Notes to Financial Statements - Continued

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

#### **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 each year; under statute only the general fund must legally adopt an annual budget. The adopted budget is on the modified accrual basis of accounting, which is a legally allowable basis for budgetary purposes.

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

### **Note 2 – Cash and Investments**

Arizona Revised Statutes (ARS) require all monies levied by the District to be collected and held by the County Treasurer's office and included in the County's Local Government Investment Pool (LGIP). Monies received by the District as part of services, contributions or proceeds from the issuance of long-term debt can be deposited with the County LGIP, the State of Arizona LGIP or with local financial institutions based on the District's policies.

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.

*Cash on Hand and Deposits* – At June 30, 2022, the District's carrying amount of the total cash in bank was \$132,266, and the bank balance was \$132,266, all of which are insured by the Federal Deposit Insurance Corporation.

*Investments* – The District's investments at June 30, 2022 are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

The District's investments at June 30, 2022, were as follows:

<u>Investment Type</u>	<u>Amount</u>
Maricopa County Treasurer's investment pool	\$ 523,884

Maricopa County Treasurers' investment pool and the Arizona State Treasurer's investment pool are not registered with the Securities and Exchange Commission and there is no regulatory oversight of their operations.

## Notes to Financial Statements - Continued

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### **Note 2 – Cash and Investments – Continued**

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 counties have not provided or obtained any legally binding guarantees to support the value of the participants' investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

*Credit risk* - State law limits deposits and investments to the Arizona State Treasurer's Local Government Investment Pool (LGIP); interest bearing savings accounts, and certificates of deposit which have a maturity date of not more than one year and in accounts of any savings and loan associations insured by an agency of the government of the United States, up to the amount of such insurance or pledged collateral.

*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. In the case of demand and time deposits, there is the risk that in the event of a bank failure, the District's deposits may not be returned. Statutes require collateral for demand deposits, certificates of deposit, and repurchase agreements at 101 percent of all deposits not covered by federal depository insurance.

*Interest rate risk* – At June 30, 2022, the District’s investments can be withdrawn from the pool 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 foreign investments.

### **Note 3 – Receivables**

Receivables as of June 30, 2022 for the District's general fund, including the applicable allowances for uncollectible accounts, are as follows:

Taxes	\$ 185,589
Ambulance billings, net	<u>712,236</u>
Net total receivables	<u>\$ 897,825</u>

## Notes to Financial Statements - Continued

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### **Note 4 – 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. 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 program service revenues	\$ 9,259,876
Contractual adjustments and uncompensated services	(5,843,091)
Net program service revenue	<u>\$ 3,416,785</u>

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.

### **Note 5 – Commitments and Contingencies**

The District has received a certificate of necessity from the Arizona Department of Health Services to provide ambulance services within the District's boundaries. Should the certificate be terminated, the District would be unable to provide the extended ambulance services currently provided within the community. AFMA received approval from the Arizona Department of Health Services to put the District's certificate of necessity in AFMA's name.

### **Risk Management**

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

**Notes to Financial Statements - Continued**

**Note 6 – Joint Venture**

Effective July 1, 2017, Sun Lakes Fire & Medical District and North County Fire & Medical District completed a Joint Power Authority agreement (JPA). The JPA agreement created a new legal entity under authority provided in ARS 48-805.01. Pursuant to the JPA, both Districts transferred and combined their personnel, equipment, fire stations, all other assets and liabilities and services into the new entity, Arizona Fire & Medical Authority (AFMA). AFMA provides the administrative and public safety functions of the Districts. The Districts provide funding to AFMA for these activities pursuant to budgets approved by the respective boards. The purpose of creating AFMA is to facilitate the efficient operation of both organizations through combined resources while reducing costs through combining purchasing, providing services and vendor accounts. Both South County Fire & Medical District and North County Fire & Medical District continue to exist as legal entities for the purpose of collecting taxes and certificate of necessity authority.

During the fiscal year ended June 30, 2022, the District had net expenses from AFMA totaling \$21,047,170 and revenues of \$1,308,144. For financial reporting purposes, AFMA is treated as a joint venture. As such, an equity interest is reported on the government-wide financial statements as an asset or liability on the statement of net position, and the change in the equity interest is reported as program income or expense in the statement of activities. At June 30, 2022, the District’s deficit in AFMA was \$(11,289,962). AFMA is considered a related party and separate financial statements are available. Total transfers to AFMA during the fiscal year were \$19,487,801.

The following table summarized the assets and liabilities transferred to AFMA during the year ended June 30, 2022:

	<b>Governmental Funds</b>	<b>Net Position</b>
<b>Proportionate share of net position in AFMA, beginning of year</b>	\$ 5,773,100	\$ ( 11,038,737)
Revenues transferred to AFMA	19,487,801	19,487,801
Proportionate share of AFMA revenues	1,340,196	1,308,144
Proportionate share of AFMA expenditures/expenses	( 39,130,612)	( 21,047,170)
Proportionate share of AFMA proceeds from debt, net	24,100,830	-
<b>Proportionate share of fund balance/net position in AFMA, end of year</b>	<b>\$ 11,571,315</b>	<b>\$ ( 11,289,962)</b>

**Note 7 – Implementation of New Accounting Principles**

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. The District recognizes lease liabilities with an initial, individual value of \$20,000 or more.

**North County Fire & Medical District  
Required Supplementary Information  
Budgetary Comparison Schedule - General Fund  
Year Ended June 30, 2022**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>Revenues:</b>			
<i>Taxes:</i>			
Property taxes	\$ 15,930,601	\$ 15,862,259	\$ (68,342)
Fire district assistance tax	590,101	634,314	44,213
Ambulance fees	2,953,118	3,320,843	367,725
Grants	-	131,361	131,361
Investment earnings	-	9,645	9,645
Proportionate share of AFMA revenues	34,396,254	1,377,677	(33,018,577)
Total revenues	53,870,074	21,336,099	(32,533,975)
<b>Expenditures:</b>			
Proportionate share of AFMA expenditures	53,870,074	37,715,804	16,154,270
Total expenditures	53,870,074	37,715,804	16,154,270
Excess of revenues over (under) expenditures	-	(16,379,705)	(16,379,705)
<b>Other financing sources (uses):</b>			
COPs issuance	-	29,287,120	29,287,120
Premium on COPs issuance	-	770,417	770,417
Lease retired	-	(5,956,707)	(5,956,707)
Transfers out	-	(2,581,722)	(2,581,722)
Total other financing sources (uses)	-	21,519,108	21,519,108
Net change in fund balance	-	5,139,403	5,139,403
Fund balance, beginning of year	-	2,379,680	2,379,680
Fund balance, end of year	\$ -	\$ 7,519,083	\$ 7,519,083

The accompanying notes are an  
integral part of this schedule.



**North County Fire & Medical District  
Notes to Budgetary Comparison Schedule  
Year Ended June 30, 2022**

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

The District's budget is prepared on a basis of accounting consistent with U.S. generally accepted accounting principles. 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.



## North County Fire & Medical District AGENDA STAFF REPORT

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**Date:** January 24, 2023  
**To:** NCFMD Governing Board  
**From:** Rebecca Chitwood, Finance Director, Business Division  
**Subject:** Financial Reports – December 2022

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### **Purpose:**

The purpose of this item is to present the NCFMD Governing Board with the December 2022 Monthly Financial Reports.

### **Background:**

Per Arizona Revised Statutes, the Governing Board is required to review and approve reconciled balance sheet accounts on at least a quarterly basis. These financial reports are approved as part of the Consent Agenda motion.

### **Fiscal Implications:**

Not applicable.

### **Previous Board/Committee Action:**

Not applicable.

### **Sample Motion:**

Not applicable.

### **Attachments:**

- NCFMD Financial Reports – December 2022



# North County Fire & Medical District

Financial Services Division Report

Financial Report - December 2022

## Monthly Collections:

- The Maricopa County Treasurer's Office collected \$1,054,199 during the month, for a total of 63.2% collected fiscal year to date.
- The Ambulance & Subscription Revenue Collections were \$300,380 during the month, for a total of 130.3% collected fiscal year to date.

Overview:	FY 2021-22		FY 2022-23	
	December 2021	Year-To-Date	December 2022	Year-To-Date
<b>Revenues:</b>				
Property Tax Revenues	\$ 1,046,661	\$ 10,313,522	\$ 1,024,985	\$ 10,946,824
Shared Property Tax Revenues	0	0	0	0
Fire District Assistance Tax Revenues	32,620	363,354	29,214	357,915
Ambulance Revenues	214,828	1,361,401	285,882	1,701,507
Non-Emergency Transport Revenues	39,793	256,250	9,567	70,791
Ambulance Subscriptions - New	750	5,625	586	6,113
Ambulance Subscriptions - Renewals	2,095	29,091	4,346	46,497
Interest	2,375	3,124	10,943	12,905
<b>Total Revenues:</b>	<b>\$ 1,339,122</b>	<b>\$ 12,332,367</b>	<b>\$ 1,365,523</b>	<b>\$ 13,142,551</b>
<b>Expenditures:</b>				
<b>Total Expenditures:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Consent Agenda Transfers of Revenues for Approval

Date	From Fund/Account	To Fund/Account	Amount	Reason
12/7/2022	010 North County / Ambulance Fund	100 AFMA / Payroll Account	\$ 160,000	To transfer ambulance revenues to AFMA/payroll processing
12/21/2022	010 North County / Ambulance Fund	100 AFMA / Payroll Account	\$ 145,000	To transfer ambulance revenues to AFMA/payroll processing
			<u>\$ 305,000</u>	

## Statement of Assets

Details	December 2021	December 2022
	Total	Total
<b>Current Assets</b>		
Cash & Investments	\$ 1,755,625	\$ 1,516,002
Accounts Receivable (Ambulance)	861,440	754,682
<b>Total Current Assets</b>	<b>\$ 2,617,065</b>	<b>\$ 2,270,684</b>

This statement was created to provide a basic understanding of the current assets and liabilities of the District and does not include Fixed Assets Net of Depreciation, Deferred Revenues, Property Taxes Receivable, Long Term Debt or Compensated Absences. For more information regarding these items, please refer to the Fire District's Financial Report.



# North County Fire & Medical District

Financial Services Division Report

Financial Report - December 2022

## Ambulance Receivables

### Ambulance Receivables for the Period Ending December 31, 2022

Details	Ambulance Receivables
<b>Ambulance Receivables, Beginning</b>	<b>\$ 1,856,307</b>
Invoices Generated during the Month:	865,808
<b>Less Reductions during the Month</b>	
Payments (Revenue) Received during the period	(300,881)
Subsidies & Contractual Adjustments	(1,666,552)
<b>Total Reductions in Ambulance Receivables</b>	<u>\$ (1,967,433)</u>
<b>Accounts Receivable Ending Balance</b>	<u><u>\$ 754,682</u></u>

## FY 2022-23 Cash Flows

Realized & Projected

Month	Beginning Cash Balance	Revenues*	Expenditures*	Variance	Ending Cash Balance	Cash Balance FY 2021-22
July (Realized)	\$ 656,150	375,935	410,147	(34,213)	\$ 621,937	\$ 189,400
August (Realized)	\$ 621,937	399,659	891,283	(491,624)	\$ 130,312	\$ 211,908
September (Realized)	\$ 130,312	3,124,607	1,405,333	1,719,274	\$ 1,849,587	\$ 2,528,658
October (Realized)	\$ 1,849,587	6,173,616	3,955,202	2,218,414	\$ 4,068,001	\$ 3,459,983
November (Realized)	\$ 4,068,001	1,691,983	5,300,145	(3,608,162)	\$ 459,839	\$ 638,155
December (Realized)	\$ 459,839	1,361,432	305,269	1,056,163	\$ 1,516,002	\$ 1,755,625
January (Projected)	\$ 1,516,002	821,622	1,942,248	(1,120,627)	\$ 395,376	\$ 2,109,151
February (Projected)	\$ 395,376	1,240,749	1,932,225	(691,476)	\$ (296,101)	\$ 984,115
March (Projected)	\$ (296,101)	1,625,845	1,932,225	(306,381)	\$ (602,481)	\$ 1,786,401
April (Projected)	\$ (602,481)	3,909,551	2,523,551	1,385,999	\$ 783,518	\$ 3,307,643
May (Projected)	\$ 783,518	1,470,015	1,922,165	(452,150)	\$ 331,367	\$ 317,444
June (Projected)	\$ 331,367	787,590	2,061,163	(1,273,573)	\$ (942,206)	\$ 656,150

\*\* Transfers Excluded

Per ARS § 48-807(O), the District must produce a Cash Flow Projection Report each fiscal year. This report consists of the combined cash balances of all District funds. The first half of the year's property taxes are due October 1st and the second half are due March 1st.

The Cash Flow Projection Report is updated monthly with the actual revenues and expenditures from the preceding month. This report is generated to demonstrate that the Fire District maintains sufficient cash available to satisfy the projected expenditures budgeted over the course of the fiscal year. Close attention should be paid to the Ending Cash Balance column of this report.

The projections above were derived from an analysis of the District's actual revenues and expenditures for the past four years. These projections will be updated monthly with actual revenues deposited into and expenditures disbursed from all cash accounts.

For more detailed information regarding the revenues, expenditures, cash and investment accounts; please refer to the District's Monthly Financials, Register of Checks, Warrants & Deposits, Reconciliation Summaries, and Bank Statements.



## North County Fire & Medical District AGENDA STAFF REPORT

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**Date:** January 24, 2023  
**To:** NCFMD Governing Board  
**From:** Chairman, NCFMD Governing Board  
**Subject:** Consent Agenda

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### **Purpose:**

The purpose of this item is to provide the NCFMD Governing Board with an opportunity to approve routine business items with one simplified motion.

### **Background:**

Per the Arizona Open Meeting Laws, consent agendas are typically used as a time-saving device when there are certain items on the agenda which are unlikely to generate controversy and are ministerial in nature.

### **Fiscal Implications:**

Not applicable.

### **Previous Board/Committee Action:**

Not applicable.

### **Sample Motion:**

*I move that the North County Fire & Medical District Governing Board approve all items on the Consent Agenda.*

### **Attachments:**

- NCFMD Board Meeting Minutes – December 20, 2022



# NORTH COUNTY FIRE & MEDICAL DISTRICT GOVERNING BOARD REGULAR MEETING MINUTES

Tuesday, December 20, 2022

## MINUTES

1. **CALL TO ORDER / ROLL CALL OF BOARD MEMBERS / AFFIRMATION OF QUORUM**

Board Chairman Wilson called the meeting to order on Tuesday, December 20, 2022, at 10:51 a.m. The meeting was held in person and by video conference.

Members Present: Board Chairman David Wilson, Board Clerk James Young, Board Members Richard Bookie, Tony Sambol, and Russell Smith

Members Absent: None

2. **SWEARING-IN CEREMONY FOR GOVERNING BOARD MEMBERS APPOINTED DURING THE 2022 GENERAL ELECTION**

Board Members Richard Bookie and Russell Smith were successful in their re-election bids during the 2022 General Election. Board Clerk Young performed the swearing-in ceremony for Richard Bookie and Russell Smith, whose new terms in office expire December 2026.

3. **CALL TO THE PUBLIC**

There was no response to the Call to the Public.

4. **FINANCIAL SUMMARIES AND AUDIT REPORTS**

A. North County Fire & Medical District Financial Reports for November 2022.

Rebecca Chitwood, Finance Director presented the North County Fire & Medical District Financial Reports for November 2022 and answered all questions from Board Members.

5. **CONSENT AGENDA**

A. Approve Monthly Financial Reports for November 2022.

B. Approve Transfer of Revenues from North County Fire & Medical District to Arizona Fire & Medical Authority (AFMA) in accordance with the AFMA Joint Power Authority Intergovernmental Agreement.

- C. Approve Board Meeting Minutes of November 15, 2022.

**Board Member Bookie moved that the North County Fire & Medical District Governing Board approve all items on the Consent agenda. Board Member Sambol seconded the motion.**

Vote conducted. **MOTION CARRIED.**

AYES: Bookie, Sambol, Smith, Wilson, Young  
NAYS: None  
ABSENT: None

**6. REGULAR BUSINESS**

- A. Discussion and possible action relating to adoption of Resolution No. NC22-1220-1 approving the Amended and Restated Intergovernmental Agreement (IGA) for the Establishment of a Joint Powers Authority (JPA) Agreement adding the Buckeye Valley Fire District as a partner agency to the Arizona Fire & Medical Authority; and approval of the related Transition Plan.

Legal & Intergovernmental Affairs Director Lee Miller presented the Governing Board with the Resolution officially bringing the Buckeye Valley Fire District into the Authority as a partner agency and answered all questions from Board Members.

Board Members expressed appreciation to Staff for all of the work that went into making this partnership a reality.

**Board Member Sambol moved that the North County Fire & Medical District Governing Board adopt Resolution No. NC22-1220-1 approving the Amended and Restated Intergovernmental Agreement for the establishment of a Joint Powers Authority Agreement adding the Buckeye Valley Fire District as a partner agency to the Arizona Fire & Medical Authority; and, approval of the related Transition Plan. Board Clerk Young seconded the motion.**

Vote conducted. **MOTION CARRIED.**

AYES: Bookie, Sambol, Smith, Wilson, Young  
NAYS: None  
ABSENT: None

**7. SUGGESTED ITEMS FOR FUTURE GOVERNING BOARD MEETING AGENDAS**

There were no additional items suggested.

**8. ADJOURNMENT**

The meeting adjourned at 11:02 a.m.

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James Young, Board Clerk





## North County Fire & Medical District AGENDA STAFF REPORT

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**Date:** January 24, 2023  
**To:** NCFMD Governing Board  
**From:** Dusty Christopherson, Admin. Director, Business Division - Administration  
**Subject:** Appointments to AFMA Governing Board

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### **Purpose:**

The purpose of this item is to elect representatives to serve on the Arizona Fire & Medical Authority Governing Board.

### **Background:**

As a result of the November 2022 General Election and per the Arizona Fire & Medical Authority (AFMA) By-Laws and Rules of Procedure, terms of appointment for the AFMA Governing Board are set at two years and appointments of representatives must be made to serve on the AFMA Governing Board.

Following is an excerpt from the AFMA By-Laws and Rules of Procedure outlining this process.

#### ***ARTICLE V - BOARD MEMBERS***

*The governing body of the Authority shall be its appointed Board of Directors, in which all fiduciary responsibility and legislative power of the Authority is vested. The Authority Board shall be comprised of not less than five (5) Board Members. The number of Authority Board Members may be expanded by the Authority Board. Each Board Member shall be entitled to cast one vote on any matter that comes before the Board.*

*Consistent with the Joint Powers Agreement, each Member of the Authority hereto shall be entitled to appoint from its governing board individuals to serve as a member of the Authority Board. Each Initial Authority Member shall select from its numbers two Authority Board members. Notwithstanding the length of term, the governing body of the Member who appointed the Authority Board Member may replace that individual at any time, with written notice to each member of the Authority Board.*

**TERMS**

*Appointed Authority Board members shall serve a two-year term or until December 1 of the next even year, whichever is shorter, or until said Authority Board Members' successor is appointed. Each such Member will appoint from its governing body an individual who is then serving as an elected official on their respective elected Board.*

**TYPICAL ELECTION PROCESS**

*The election may be conducted by secret ballot after each Board member has had an opportunity to state a nomination. A Board member so nominated may decline a nomination and will not be considered.*

**Fiscal Implications:**

Not applicable.

**Previous Board/Committee Action:**

Not applicable.

**Sample Motion:**

*I nominate \_\_\_\_\_ to serve as representative of the North County Fire & Medical District on the Arizona Fire & Medical Authority Governing Board.*

*Nominated Individual: I accept or decline the nomination.*

*The Admin. Director will take a roll call vote on each nomination and announce the total vote count for any secret ballots received as allowed by the Governing Board Bylaws.*

**Attachments:**

None.

# ARIZONA FIRE & MEDICAL AUTHORITY AND MEMBER FIRE DISTRICTS 2023 MEETING SCHEDULE



***The Governing Boards hold their public meetings in person and by video conference. Members of the public may attend either in person or by telephone/video conference. Public comment will be taken both in person and through several technological solutions.***

## JANUARY 2023

- 11-13 AFDA Winter Conference – Laughlin, NV
- 17 AFMA Budget & Finance Committee Mtg.- 10:00 a.m.
- 23 BVFD Special Board Meeting – 6:00 p.m.
- 24 Joint SCFMD/NCFMD/AFMA Meeting – 9:00 a.m.
  - SCFMD Special Board Meeting
  - NCFMD Special Board Meeting
  - AFMA Board Meeting
  - BVFD Board Meeting – 6:00 p.m.

## FEBRUARY 2023

- 21 AFMA Budget & Finance Committee Mtg. – 10:00 a.m.
- 25 Joint SCFMD/NCFMD/BVFD/AFMA Board Member Retreat – 9:00 a.m.
- 28 Joint SCFMD/NCFMD/AFMA Meeting – 9:00 a.m.
  - SCFMD Special Board Meeting
  - NCFMD Special Board Meeting
  - AFMA Board Meeting
  - BVFD Board Meeting – 6:00 p.m.

## MARCH 2023

- 21 AFMA Budget & Finance Committee Mtg. – 10:00 a.m.
- 28 Joint SCFMD/NCFMD/AFMA Meeting – 9:00 a.m.
  - SCFMD Special Board Meeting
  - NCFMD Special Board Meeting
  - AFMA Board Meeting

## APRIL 2023

- 18 AFMA Budget & Finance Committee Mtg. – 10:00 a.m.
- 25 AFMA Board Meeting – 9:00 a.m.

## MAY 2023

- 16 AFMA Budget & Finance Committee Mtg. – 10:00 a.m.
- 23 Joint SCFMD/NCFMD/AFMA Meeting – 9:00 a.m.
  - SCFMD Special Board Meeting
  - NCFMD Special Board Meeting
  - AFMA Board Meeting

JUNE 2023

- 20 AFMA Budget & Finance Committee Mtg. – 10:00 a.m.
- 27 Joint SCFMD/NCFMD/AFMA Meeting – 9:00 a.m.
  - SCFMD Special Board Meeting
  - NCFMD Special Board Meeting
  - AFMA Board Meeting

JULY 2023

- TBD 2023 AFCA/AFDA Summer Conference, Glendale
- 18 AFMA Budget & Finance Committee Mtg. – 10:00 a.m.
- 25 AFMA Board Meeting – 9:00 a.m.

AUGUST 2023

- 15 AFMA Budget & Finance Committee Mtg. – 10:00 a.m.
- 22 AFMA Board Meeting – 9:00 a.m.

SEPTEMBER 2023

- 19 AFMA Budget & Finance Committee Mtg. – 10:00 a.m.
- 26 Joint SCFMD/NCFMD/AFMA Meeting – 9:00 a.m.
  - SCFMD Special Board Meeting
  - NCFMD Special Board Meeting
  - AFMA Board Meeting

OCTOBER 2023

- 17 AFMA Budget & Finance Committee Mtg. – 10:00 a.m.
- 24 AFMA Board Meeting – 9:00 a.m.

NOVEMBER 2023

- 21 AFMA Budget & Finance Committee Mtg. – 10:00 a.m.
- 28 AFMA Board Meeting – 9:00 a.m.

DECEMBER 2023

- 19 AFMA Budget & Finance Committee Mtg. – 10:00 a.m.
- 26 Joint SCFMD/NCFMD/AFMA Meeting – 9:00 a.m.
  - SCFMD Special Board Meeting
  - NCFMD Special Board Meeting
  - AFMA Board Meeting