

GOLDEN SHORES FIRE DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2022

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GOLDEN SHORES FIRE DISTRICT

FINANCIAL STATEMENTS JUNE 30, 2022

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GOLDEN SHORES FIRE DISTRICT

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SAUNDERS COMPANY, LTD

JAMES H. SAUNDERS, CPA, CFE, CGFM, PI, AUDIT PARTNER

TRICIA E. SAUNDERS, PI, AUDITOR

CERTIFIED PUBLIC ACCOUNTANT
CERTIFIED FRAUD EXAMINER
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INDEPENDENT AUDITOR'S REPORT

To the Governing Board
Golden Shores Fire District
Topock, Arizona

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Golden Shores 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 Golden Shores Fire District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. 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 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.

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

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

Other Legal and Regulatory Requirements

Arizona Revised Statutes require disclosure of certain additional supplementary information required to comply with section 48-251 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by statute as 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.

Arizona Revised Statutes require disclosure of certain additional supplementary information required to comply with section 9-956 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Arizona State Fire Marshal as mandated by statute as 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.

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Other Information

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 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 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 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.

Saunders Company, Ltd.
Glendale, Arizona
January 9, 2023

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Golden Shores Fire District

Management's Discussion and Analysis of Basic Financial Statements June 30, 2022

The following discussion and analysis of the Golden Shores Fire District (the district's) financial performance presents management's overview of the District's financial activities for the year ended June 30, 2022. Please read it in conjunction with the District's basic financial statements which begin immediately following this analysis. This annual financial report consists of two parts, Management's Discussion and Analysis (this section) and the Basic Financial Statements.

Nature of Operations

The Golden Shores Fire 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.

Results of Operations

Description of things District has done in 2021-2022 fiscal year

- λ 285 Fire and other non-medical runs
- λ 330 Ambulance runs
- λ Fire Safety week at Topock Elementary School, Trunk or Treat, Toys for Joy, Fire Department BBQ

Financial Highlights

- § District investment in capital assets increased by \$106,199 or 18.95%.
- § The District's net position decreased \$99,156 or 12.02% from the previous fiscal year.
- § Total revenues increased \$ 171,063 or 21.44% over the previous fiscal year.
- § At the end of the current fiscal year, unrestricted net position for the Governmental Activities was \$ 219,158.

Overview of the Financial Statements

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

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 private-sector business.

The statement of net position presents information on all of the District’s assets and liabilities, with the difference between the two 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 District’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.

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, use fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Net Position June 30, 2022

	BALANCE <u>JUNE 30, 2021</u>	BALANCE <u>JUNE 30, 2022</u>
Net Investment in Capital Assets	\$ 560,473	\$ 506,672
Unrestricted	<u>264,513</u>	<u>219,158</u>
Total Net Position	<u>\$ 824,986</u>	<u>\$ 725,830</u>

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 Golden Shores Fire District, total net position at the close of the most recent fiscal year was \$ 725,830.

A large portion of the District’s net position reflects its investment in capital assets (e.g., land, construction in progress, buildings, machinery, vehicles, and equipment); less any related debt still outstanding used to acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for

future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

Condensed Statement of Net Position

	Governmental	Activities
	2021	2022
Assets		
Current and other Assets	\$ 284,398	\$ 212,229
Net Pension/OPEB Asset	15,128	40,783
Capital Assets, Net	560,473	666,672
Total Assets	859,999	919,684
Deferred outflow of resources	435,002	418,097
Liabilities		
Current and other liabilities	27,980	66,345
Non-current liabilities	255,384	146,516
Total liabilities	253,364	212,861
Deferred inflow of resources	216,651	399,090
Net position:		
Net investment in capital assets	560,473	506,672
Unrestricted	264,513	219,158
Total Net Position	\$ 824,986	\$ 725,830

The unrestricted net position of \$ 219,158 is available to meet the District’s ongoing obligations to citizens and creditors.

Governmental Activities

Most of the revenues for the District were derived from assessed property taxes and Fire District Assistance Tax from the County.

- λ Ambulance revenue on the cash basis of accounting was \$139,503 and increased by \$10,783 from the previous year. Fidelity Medical Billing specializes in medical billing providing effective claim submittal to ensure timely payment.

Ambulance revenues are regulated by the Arizona Department of Health Services.

Governmental Activities net position decreased by \$ 96,156. Key elements of this decrease are reported below:

Statement of Activities

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2022</u>
Expenditures:		
Public Safety:		
Personnel	\$ 791,354	\$ 730,196
Materials & Services	69,074	94,635
Administration	52,425	77,726
Operating Grants	17,507	0
Debt Service Interest	2,964	0
Depreciation	58,478	53,801
	<hr/>	<hr/>
Total Expenditures	991,802	956,358
	<hr/>	<hr/>
Revenues:		
Program Revenue:		
Operating Grants	17,809	0
Fees for services	130,450	124,526
Total program revenues	148,259	124,526
	<hr/>	<hr/>
Net Program Expenditures	843,543	831,832
	<hr/>	<hr/>
General Revenues:		
Property Taxes	562,309	591,205
Fire District Assistance Tax	60,616	71,550
Gain on Pension Investments	0	35,030
Interest Earnings	2,364	695
Miscellaneous	14,901	34,196
Total General Revenues	640,190	732,676
	<hr/>	<hr/>
Increase (Decrease) in Net Position	(203,353)	(99,156)
Net position, Beginning of the Year	1,028,339	824,986
Net position, End of the Year	<u>\$ 824,986</u>	<u>\$ 725,830</u>

General Fund Budgetary Highlights

The District follows procedures in establishing the budgetary data reflected in the financial statements. Formal budgetary integration is employed as a management control device during the year. The budget is adopted on a cash basis of accounting. The Board of Directors approves the total budget appropriation and amendments.

- λ Over the course of the year there were no amendments to the budget.
- λ The District's EMS type activities had some challenges as a result of the COVID 19 situation and this impacted the year's operations.
- λ Safe and Smart funds were allocated to municipalities pursuant to Title 48 Chapter 5. The District was allocated \$20,266 of these funds.
- λ The District entered into a lease agreement with Zions Bancorporation in the amount of \$160,000 for the purchase of a 2012 Custom Fire Apparatus Pumper.
- λ The approved budget was \$1,078,591. On the cash basis of accounting total revenue was \$836,175 and total expenses were \$894,341.
- λ On the cash basis of accounting, revenues increased by \$39,461 and expenses increased by \$19,057. Operating reserve balance was \$46,377 and capital reserve was \$21,789.
- λ Carryover normally transferred to operating reserve was restricted for payroll on June 30, 2022, and was \$27,676.
- λ The legal compliance of budgeting for Special Districts in Arizona is at the fund level. The District did not overspend its budget at the fund level, staying well within the governing board approved budget. However, the District did go over-budget on some line items which are explained in more detail below.

The District expended \$40,342 more in personnel costs than was budgeted. This was due to unexpected personnel costs related in large part to increased costs in items such as workers compensation insurance, PSPRS contributions and other personnel related costs the District has little or no control over. In addition, the District is still dealing with increased costs as a result of COVID 19.

Increased costs for materials and supplies resulted in an overage of \$ 1,985. The materials and supplies line item includes repairs and maintenance which cannot always be predicted during budgeting.

In addition, the Administration line item was over by \$10,376. Some individual line items making up Administration costs which increased significantly over the prior year include ambulance billing costs which were up by \$3,044 and legal costs which were up by \$20,290.

Capital Assets and Non-Current Liabilities

Capital Assets

In order to continue to provide the best service possible, the District spends a portion of the budget on fixed asset acquisition and capital projects.

For fiscal year ended June 30, 2022, the District was able to purchase a 2012 *Custom Fire Engine* thru a lease/purchase with Zions Bank.

Capital Assets, Net of Depreciation June 30, 2022

Capital asset activity for the year ended:

	BALANCE <u>06/30/2021</u>	BALANCE <u>06/30/2022</u>
<u>Depreciable Assets</u>		
Vehicles	\$ 1,020,107	\$ 1,180,107
Buildings	534,599	534,599
Equipment, Fire	<u>281,169</u>	<u>281,169</u>
Total Historical Costs	<u>1,835,875</u>	<u>1,995,875</u>
Less Accumulated Depreciation		
Vehicles	926,539	955,124
Buildings	163,366	174,058
Equipment, Fire	<u>245,870</u>	<u>260,394</u>
Less: Total Accumulated Depreciation	<u>1,335,775</u>	<u>1,389,576</u>
Depreciable Capital Assets, Net	500,100	606,299
<u>Non-Depreciable Assets</u>		
Land	<u>60,373</u>	<u>60,373</u>
Capital Assets, Net	<u>\$ 560,473</u>	<u>\$ 666,672</u>

Non-Current Liabilities

At the end of the current fiscal year, the District had non-current liabilities of \$146,516. All of the debt is backed by the full faith and credit of the District.

Changes in Non-Current Liabilities:

	Balance <u>June 30, 2021</u>	Balance <u>June 30, 2022</u>
Custom Fire Engine	\$ 0	\$ 160,000
Total Lease Obligations	0	160,000
Compensated Absences – Due in More than One Year	<u>16,665</u>	<u>17,130</u>
Total Lease Obligations and Compensated Absences	16,665	177,130
Less: Current Capital Liabilities	<u>0</u>	<u>30,614</u>
Totals	<u>\$ 16,665</u>	<u>\$ 146,516</u>

Factors Affecting Future Results

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

- λ There are additional new homes being built in the District.
- λ Decreases/Increases in property value.
- λ Topock 66 Spa and Resort expansion project.
- λ Solar plant
- λ Annexation

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 Golden Shores Fire District at 12950 Oatman Highway, PO Box 66, Topock, Arizona 86436.

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BASIC FINANCIAL STATEMENTS

**GOLDEN SHORES FIRE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022**

Exhibit A

		<u>Governmental Activities</u>
ASSETS		
Cash & Cash Equivalents	\$	146,524
Receivables:		
Property Taxes		25,226
Ambulance, Net		40,479
Net OPEB Asset-(PSPRS)		25,662
Net Pension Asset- (PSPRS)		15,121
Capital Assets, Net		<u>666,672</u>
Total Assets		919,684
DEFERRED OUTFLOW OF RESOURCES		
Deferred Outflows Related to OPEB(PSPRS)		827
Deferred Outflows Related to Pension(PSPRS)		<u>417,270</u>
Total Assets and Deferred Outflow of Resources		<u>1,337,781</u>
LIABILITIES		
Current Liabilities		
Accounts Payable		8,689
Payroll Taxes Payable		7,909
Wages Payable		14,850
Due in less than one year:		
Compensated Absences		4,283
Notes Payable		30,614
Non-Current Liabilities		
Due in more than one year:		
Compensated Absences		17,130
Notes Payable		<u>129,386</u>
Total Liabilities		212,861
DEFERRED INFLOW OF RESOURCES		
Deferred Inflows Related to OPEB (PSPRS)		20,287
Deferred Inflows Related to Pension (PSPRS)		<u>378,803</u>
Total Liabilities and Inflow of Resources		<u>611,951</u>
NET POSITION		
Net Investment in Capital Assets		506,672
Unrestricted		<u>219,158</u>
Total Net Position	\$	<u>725,830</u>

-The Notes to the Financial Statements are an Integral Part of This Statement-

**GOLDEN SHORES FIRE DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Exhibit B

**Governmental
Activities**

EXPENDITURES

Public Safety:		
Personnel	\$	730,196
Materials & Supplies		94,635
Administration		77,726
Depreciation		<u>53,801</u>
Total Program Expenditures		<u>956,358</u>

PROGRAM REVENUES

Fees for Service		<u>124,526</u>
Net Program Expenditures		<u>831,832</u>

GENERAL REVENUES

Property Taxes		591,205
Fire District Assistance Tax		71,550
Gain on Pension Investments		35,030
Interest Earnings		695
Miscellaneous		<u>34,196</u>
Total General Revenues		<u>732,676</u>

Increase (Decrease) in Net Position		(99,156)
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NET POSITION-BEGINNING OF THE YEAR		<u>824,986</u>
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NET POSITION-END OF THE YEAR		<u><u>\$ 725,830</u></u>
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-The Notes to the Financial Statements are an Integral Part of This Statement-

**GOLDEN SHORES FIRE DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2022**

Exhibit C

General

ASSETS

Cash and Cash Equivalents	\$	146,524
Receivables:		
Property Taxes		25,226
Ambulance, Net		40,479
		<u>40,479</u>
Total Assets		<u><u>\$ 212,229</u></u>

LIABILITIES

Accounts Payable	\$	8,689
Payroll Taxes Payable		7,909
Wages Payable		14,850
		<u>14,850</u>
Total Liabilities		31,448

DEFERRED INFLOW OF RESOURCES

Unavailable Revenues		
Deferred Property Taxes		15,344
		<u>15,344</u>
Total Liabilities and Inflow of Resources		<u>46,792</u>

FUND BALANCES

Assigned		95,842
Unassigned		69,595
		<u>69,595</u>
Total Fund Balances		<u>165,437</u>
Total Liabilities, Deferred Inflow of Resources & Fund Balances		<u><u>\$ 212,229</u></u>

-The Notes to the Financial Statements are an Integral Part of This Statement-

**GOLDEN SHORES FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND
FOR THE YEAR ENDED
JUNE 30, 2022**

Exhibit D

	General
REVENUE	
Property Taxes	\$ 587,799
Fire District Assistance Tax	71,550
Fees for Service	124,526
Interest Earnings	695
Miscellaneous	24,196
Total Revenues	808,766
EXPENDITURES	
Public Safety:	
Personnel	729,614
Materials & Supplies	94,635
Administration	77,726
Capital Outlay	150,000
Total Expenditures	1,051,975
Excess (Deficiency) of Revenues over Expenditures	(243,209)
OTHER FINANCING SOURCES	
Proceeds from Capital Lease/Purchase Agreements	160,000
Total Other Financing Sources	160,000
Net Change in Fund Balances	(83,209)
Fund Balances-Beginning of the Year	248,646
Fund Balances-End of the Year	\$ 165,437

-The Notes to the Financial Statements are an Integral Part of This Statement-

**GOLDEN SHORES FIRE DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Exhibit E

**Reconciliation of Governmental Fund Balance to Net Position
(Exhibit A) of governmental activities:**

Fund Balances - Total Governmental Fund (Exhibit C)	\$	165,437
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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 other funds.

Governmental Capital Assets	2,056,248	
Less: Accumulated Depreciation	<u>(1,389,576)</u>	
		666,672

Net OPEB/Pension Assets:

Related to OPEB (PSPRS)		25,662
Related to Pension (PSPRS)		15,121

Deferred Outflows of Resources

Related to OPEB (PSPRS)		827
Related to Pension (PSPRS)		417,270

Non-Current liabilities are not due and payable in the current period and therefore are not reported in the funds

(181,413)

Deferred Inflows of Resources

Related to OPEB (PSPRS)		(20,287)
Related to Pension (PSPRS)		(378,803)
Related to Deferred Property Taxes		<u>15,344</u>

Net Position of Governmental Activities (Exhibit A)	\$	<u><u>725,830</u></u>
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**GOLDEN SHORES FIRE DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED
JUNE 30, 2022**

Exhibit F

**Reconciliation of the change in fund balance-total governmental fund
to the change in net position of governmental activities:**

Net Change in Fund Balances - Total Governmental Fund (Exhibit D)	\$	(83,209)
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Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because of the following:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		106,199
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Net Change in Deferred Outflows and Inflows of Resources		(282,727)
--	--	-----------

The issuance of non-current liabilities (e.g., bonds, leases, leave) provides current financial resources to governmental funds, while the repayment of the principal of non-current liabilities consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of non-current liabilities and related items.		160,581
--	--	---------

Change in Net Position of Governmental Activities (Exhibit B)	\$	(99,156)
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**GOLDEN SHORES FIRE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022**

Exhibit G

	<u>Volunteer Pension Fund</u>
ASSETS	
Cash & Cash Equivalents	\$ 15,087
Investments, at fair value	
Mutual Funds	<u>216,284</u>
Total Assets	<u>231,371</u>
LIABILITIES	
Accounts Payable	<u>-0-</u>
Total Liabilities	<u>-0-</u>
NET POSITION	
Held in trust for pension and other purposes	<u><u>\$ 231,371</u></u>

-The Notes to the Financial Statements are an Integral Part of This Statement-

**GOLDEN SHORES FIRE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

Exhibit H

	Volunteer Pension Fund
ADDITIONS	
Other	
Contributions	\$ 5,193
State Fire Marshal	232
Total Other Contributions	5,425
Investment Earnings:	
Interest & Dividends	14,161
Total Investment Earnings	14,161
Less Investment Expense	(4,151)
Net Investment Earnings	10,010
Total Additions	15,435
DEDUCTIONS	
Benefits Paid to Participants	11,326
Loss on Investments	56,689
Total Deductions	68,015
Increase (Decrease) in Net Position	(52,580)
Net Position - Beginning of the Year	283,951
Net Position - End of the Year	\$ 231,371

-The Notes to the Financial Statements are an Integral Part of This Statement-

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GOLDEN SHORES FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The District is a local governmental unit formed as a political subdivision of Mohave County which is a political subdivision of the State of Arizona. The District was formed under the provisions of Title 48 of Arizona Revised Statutes. The District operates under the guidance 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 and the surrounding area. The day to day operations are supervised by the fire chief and their staff.

The District has the power to issue bonds, levy taxes, bill for services and raise revenues with the power of the County government. 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.

Introduction

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, all organizations for which the primary government is financially accountable, and other organizations which by nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

Basic Financial Statements

The accounting policies for the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

Government -Wide Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to users of the services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

The government -wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available as net current assets. All sources of revenue except interest become measurable when the District has rendered a service. Interest revenue is measurable when its rate becomes known. Revenues are considered available if they are received within 60 days of the end of any accounting period. Expenditures are generally recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Fiduciary Funds* are used to account for resources held for the benefit of parties outside the government. This fund's activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements.

Financial Statements Amounts

Cash & Cash Equivalents

All savings, checking and money market accounts with an original maturity of less than 90 days are considered to be cash equivalents.

Prepaid Items

Payments to vendors that benefit future accounting periods are classified as prepaid items until charged to expenditures in the period benefited.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$2,500 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

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

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Buildings	27.5 to 40 years
Equipment	5 to 7 years
Fire Trucks	10 years
Automobiles	5 years
Office Equipment	5 years

Deferred Outflows/Inflows of Resources

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

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

Compensated Absences

Accumulated unpaid vacation and leave time is recorded in the Government -Wide Statement of Net Position.

Non-Current Liabilities

In the government -wide financial statements, non-current liabilities and other non-current obligations are reported as liabilities in the applicable governmental activities in the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

Net Position on Government Wide Financial Statements – Exhibit A

Fund Equity, as defined in GASB Statement No. 34, “Basic Financial Statements for State and Local Governments” is defined as net position and is classified in the following categories:

- § Restricted—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- § Unrestricted – this balance is the amount of equity which is not included in the restricted fund balance and the investments in capital assets balances.
- § Net Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Fund Balances on Government Fund Financial Statements – Exhibit C

GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- § Nonspendable fund balance—amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- § Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- § Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., District Board). To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint.
- § Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board or by an official or body to which the District Board delegates the authority.
- § Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The District Board establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by District Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amount and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

A fire district shall prepare an annual budget that contains detailed estimated expenditures for each fiscal year and that clearly shows salaries payable to employees of the district. The budget summary shall be posted in three public places and a complete copy of the budget shall be published on the district's official website for twenty days before a public hearing at a meeting called by the board to adopt the budget. Copies of the budget shall also be available to members of the public on written request to the district. Following the public hearing, the district board shall adopt a budget. A complete copy of the adopted budget shall be posted in a prominent location on the district's official website within seven business days after final adoption and shall be retained on the website for at least sixty months. For any fire district that does not maintain an official website, the fire district may comply with this subsection by posting on a website of an association of fire districts in this state. ARS 48-805.02(a)

Pursuant to ARS 48.805.02(d), all fire districts are required to submit certain information accompanying the budget which has been certified to by the chairman and clerk of the District Board. The budget and the accompanying certification are required to be submitted to the County Board of Supervisors no later than August 1st of each year. Budgets are adopted by the District on basis consistent with Arizona Revised Statutes. Encumbrance accounting is not employed by the District. All appropriations lapse at year-end.

NOTE 3 - DEPOSITS, INVESTMENT RISK & CASH MANAGEMENT

Deposits and Investments

The deposit of public funds is regulated by Arizona Revised Statutes (ARS). ARS 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 Mohave County Treasurer, accounts for monies from property taxes, grants, contributions and donations. The Mohave 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 Mohave County Treasurer for each governmental fund of the District. Warrants may only be registered on the maintenance and operation account, the unrestricted capital outlay account and the special revenue accounts, and only if the total cash balance of all three accounts is insufficient to pay the warrants and only after any revolving line of credit has been expended. Registered warrants may not exceed ninety per cent 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 fire district general fund at the end of the fiscal year shall be credited to the fire district general fund of the district 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.

The District accounts with the Mohave County Treasurer are part of an investment pool operated by the Mohave County Treasurer. The Mohave County Treasurer invests the cash in a pool under policy guidelines established by the Mohave County Treasurer's office. The County accounts for the investment pool in their Fiduciary Investment Trust Fund. Credit risk, concentration of credit risk, and interest rate risk regarding the Mohave County Treasurer's Investment pool is included in the Comprehensive Annual Financial Report of the County. The fair value of each participant's position in the Mohave County Treasurer's Investment Pool approximates the value of the participant's shares in the pool.

Financial institutions accepting governmental monies in the State of Arizona are required to collateralize at 102% all government deposits which exceed the FDIC insurance limit. The current FDIC limit is \$250,000 for the total of all interest bearing accounts and \$250,000 for the total of all demand deposit accounts. The collateralization is required to be separately identifiable securities and be held by a third party financial institution or trust agency. ARS (Title 35) requires this to be monitored by the Arizona State Treasurer’s Office.

The District may also place monies in investments which are subject to the risks identified below.

The following is a summary of the Cash and Cash Equivalents held by financial institutions at June 30, 2022:

DEPOSITORY ACCOUNTS:

	<u>General Fund</u>	<u>Fiduciary Fund</u>	<u>Total</u>
Insured Deposits (FDIC)	\$ 28,498	\$ 7,827	\$ 36,325
Mohave Co. Treasurer Investment Pool	<u>126,170</u>	<u>0</u>	<u>126,170</u>
Total Deposits	154,668	7,827	162,495
In Transit Items	<u>(8,144)</u>	<u>(0)</u>	<u>(8,144)</u>
Total Cash & Cash Equivalents	146,524	7,827	154,351
Mutual Funds & Investments	<u>0</u>	<u>223,544</u>	<u>223,544</u>
Total Cash & Investments	<u>\$ 146,524</u>	<u>\$ 231,371</u>	<u>\$ 377,895</u>

GASB Statement No. 72 establishes standards for measuring fair value and applying fair value to certain investments, establishes a three-tier hierarchy of inputs to valuation techniques used to measure fair value and enhances disclosures related to fair value hierarchy and valuation techniques.

These fair value measurement reporting levels are:

Level 1 - Quoted prices in active markets for identical assets.

Level 2 - Significant other observable inputs.

Level 3 - Significant unobservable inputs.

Mohave County Treasurer Investment Pool:	Level One
Volunteer Pension Mutual Funds:	Level Two

Breakdown of investments measured at fair value:

Mohave County Treasurer Investment Pool	\$ 126,170
Volunteer Pension Mutual Funds	<u>223,371</u>
Total	<u>\$ 349,541</u>

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the system will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools and in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Foreign Currency Risk. Arizona Revised Statutes do not allow foreign investments.

Investment Policy. The District does not have a formal policy with respect to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

Credit Risk – Credit Risk is the risk that an issuer or other counterparty to an investment in a debt security will not fulfill its obligations. The District has no investment policy that would further limit its investment choices other than what is in the Arizona Revised Statutes (ARS). The Mohave County Treasurer’s Investment Pool (MCTIP) are external investment pools with no regulatory oversight. The MCTIP is not required to register (and is not registered) with the Securities and Exchange Commission. As of June 30, 2022, the MCTIP had not received a credit quality rating from a national rating agency.

Arizona Revised Statutes authorize the District to invest in obligations of the U.S. Treasury and federal agency securities, along with certain public obligations such as bonds or other obligations of any state of the United States of America or of any agency, instrumentality, or local governmental unit of any such state of which the District invests, that are rated in the highest rating category of nationally recognized statistical rating organizations.

Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk.

Concentration of Credit Risk Concentration of credit risk is associated with investments in any one issuer that represent 5 percent or more of total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are considered as excluded from this requirement.

Arizona Revised Statutes do not include any requirement for concentration of risk.

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The Mohave County Treasurer invests the cash in a pool under policy guidelines established by the Mohave County Treasurer's office (the County). The County accounts for the investment pool in their Fiduciary Investment Trust Fund. Credit risk, concentration of credit risk, and interest rate risk regarding the Mohave County Treasurer's Investment Pool (MCTIP) is included in the Comprehensive Annual Report of the County. The fair value of each participant's position in the MCTIP approximates the value of the participant's shares in the pool.

Volunteer Pension Mutual Funds. The Volunteer Pension Fund of the District invests in open-end mutual funds in the District's name and managed by an independent third party administrator. These funds are invested in SEC regulated securities. The District reports these investments at fair market value. These mutual funds are unrated and not insured. The investments are spread among several independent investment pools, each with a distinct investment type, none of which exceed 5% of the total funds invested in the investment family of funds.

NOTE 4 – 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 the public; and natural or manmade disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have never exceeded commercial insurance coverage for the District.

In addition, as the owner and operator of emergency response vehicles, the District is exposed to a high risk of loss related to these activities. The District carries commercial insurance on all vehicles and requires insurance coverage on all privately owned vehicles used for District activities.

NOTE 5 - INVENTORIES

The costs of governmental fund-type inventories are recorded as expenditures when purchased. All inventories of the District are considered immaterial.

NOTE 6 - RECEIVABLES

General and governmental fund receivables are recorded as received except for those funds collected and held by other governments on behalf of the Fire District.

These amounts are recorded as soon as they are measurable and available in accordance with governmental accounting standards.

Ambulance receivables were \$64,737 with an allowance for bad debt of \$24,258 at June 30, 2022. This gave a net of \$40,479, before contractual write offs and was expected to be collectable. The allowance for bad debt is the amount over 150 days in the accounts receivable aging report as of June 30, 2022.

NOTE 7 – PROPERTY TAX REVENUE RECEIVABLE

Property Tax Revenue Receivable arises when property taxes are levied but not currently collected. The collectible portion (taxes levied less estimated uncollectible) are recorded as deferred inflow of resources in the period when an enforceable legal claim to the assets arise.

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended.

	<u>BALANCE</u> <u>06/30/2021</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>06/30/2022</u>
<u>Depreciable Assets</u>				
Vehicles	\$ 1,020,107	\$ 160,000	\$ 0	\$ 1,180,107
Buildings	534,599	0	0	534,599
Equipment, Fire	<u>281,169</u>	<u>0</u>	<u>0</u>	<u>281,169</u>
Total Historical Costs	<u>1,835,875</u>	<u>160,000</u>	<u>0</u>	<u>1,995,875</u>
Less Accumulated Depreciation				
Vehicles	926,539	28,585	0	955,124
Buildings	163,366	10,692	0	174,058
Equipment, Fire	<u>245,870</u>	<u>14,524</u>	<u>0</u>	<u>260,394</u>
Less: Total Accumulated Depreciation	<u>1,335,775</u>	<u>53,801</u>	<u>0</u>	<u>1,389,576</u>
Depreciable Capital Assets, Net	500,100	106,199	0	606,299
<u>Non-Depreciable Assets</u>				
Land	<u>60,373</u>	<u>0</u>	<u>0</u>	<u>60,373</u>
Capital Assets, Net	<u>\$ 560,473</u>	<u>\$ 106,199</u>	<u>\$ 0</u>	<u>\$ 666,672</u>

NOTE 9 - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,*” and GASB Statement No. 65, “*Items Previously Reported as Assets and Liabilities,*” the District recognized deferred outflows of resources in the governmentwide statements. These items are a consumption of net position by the District that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The District reports the deferred inflows and outflows as follows:

	<u>Government - Wide Activities</u>
Government-wide Deferred Outflows:	
Related to OPEB (PSPRS)	\$ 827
Related to Pension (PSPRS)	417,270
Total Government-wide Activities	<u>\$ 418,097</u>
Government-wide Deferred Inflows:	
Related to OPEB (PSPRS)	\$ 20,287
Related to Pension (PSPRS)	378,803
Total Government-wide Activities	<u>\$ 399,090</u>
	<u>Governmental Activities</u>
Unavailable Revenues	
Deferred Property Taxes	\$ 15,344
Total Governmental Activities	<u>\$ 15,344</u>

NOTE 10 - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

NOTE 11 – ACCUMULATED COMPENSATED ABSENCES

Accumulated unpaid compensated absences are accrued in the Government -Wide Statement of Net Position. The accrual at year-end consisted of \$ 4,283 payable in less than one year and \$ 17,130 payable in future years.

The District’s non-vested sick leave on June 30, 2022 was \$42,014.

NOTE 12 – CURRENT LIABILITIES

Accounts Payable are liabilities considered due and payable in 60 days or less.

Current Liabilities are those liabilities payable within one year.

Changes in Current Liabilities :

	Balance <u>June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2022</u>
Accounts Payable	\$ 5,340	\$ 3,349	\$ 0	\$ 8,689
Payroll Taxes Payable	6,799	1,110	0	7,909
Wages Payable	11,675	3,175	0	14,850
Compensated Absences	4,166	8,005	7,888	4,283
Notes Payable	<u>0</u>	<u>30,614</u>	<u>0</u>	<u>30,614</u>
Totals	<u>\$ 27,980</u>	<u>\$ 46,253</u>	<u>\$ 7,888</u>	<u>\$ 66,345</u>

NOTE 13- LINE OF CREDIT

The District has an unsecured revolving line of credit with the County totaling \$150,000. The line of credit expires at the end of each fiscal year. The interest rate is determined by the County and is usually a percentage of the prime interest rate at the time of use.

The District did not have a balance outstanding on this line of credit as of June 30, 2022.

NOTE 14- COMMITMENTS

A commitment is an obligation arising from an existing contract, agreement or legislative enactment or regulation that will become an actual liability upon the fulfillment of specified conditions. At the close of the Fiscal Year, the District had no committed funds.

NOTE 15 – NON-CURRENT LIABILITIES

In the government-wide financial statements, non-current liabilities and other non-current obligations are reported as liabilities in the applicable governmental activities in the Statement of Net Assets.

General Obligation Bonds

The District does not currently have any general obligation bonds.

Operating Leases

The District does not currently have any operating leases.

Notes Payable

Fire Truck: The District entered into a lease/purchase agreement for a 2012 Custom Fire Apparatus Pumper with Zions Bancorporation, N.A. The lease/purchase was dated May 5, 2022 in the amount of \$160,000 with an interest rate of 3.580%. It has varying annual payments, starting May 5th, 2023, with a final payment due on May 5th, 2027.

<u>Description</u>	<u>Interest Rate</u>	<u>Lease Term</u>	<u>Balance June 30, 2022</u>
Custom Fire Engine	3.580%	5/05/2027	\$ 160,000

The following assets were acquired through notes payable:

<u>Description</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Carrying Value</u>
Custom Fire Engine	<u>\$ 160,000</u>	<u>\$ 0</u>	<u>\$ 160,000</u>
Total	<u><u>\$ 160,000</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 160,000</u></u>

Changes in Non-Current Liabilities :				
	Balance <u>June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2022</u>
Custom Fire Engine	\$ 0	\$160,000	\$ 0	\$ 160,000
Total Lease Obligations	0	160,000	0	160,000
Compensated Absences – Due in More than One Year	<u>16,665</u>	<u>32,018</u>	<u>31,553</u>	<u>17,130</u>
Total Lease Obligations and Compensated Absences	16,665	192,018	31,553	177,130
Less: Current Capital Liabilities	<u>0</u>	<u>30,614</u>	<u>0</u>	<u>30,614</u>
Totals	<u>\$ 16,665</u>	<u>\$161,404</u>	<u>\$ 31,553</u>	<u>\$ 146,516</u>

NOTE 16- FUTURE MINIMUM LEASE/PURCHASE OBLIGATIONS

The future minimum lease/purchase obligations and the net present value of these minimum lease/purchase payments as of June 30, 2022 were as follows:

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 30,614	\$ 5,728	\$ 36,342
2024	31,201	4,632	35,833
2025	31,911	3,515	35,426
2026	32,702	2,372	35,074
2027	<u>33,572</u>	<u>1,202</u>	<u>34,774</u>
Total Obligation	160,000	<u>\$ 17,449</u>	177,449
Less Amount Representing Interest			<u>17,449</u>
Less amount due within 1 year	<u>30,614</u>		
Future Minimum Lease Payments			<u>\$ 160,000</u>
Amount due after 1 year	<u>\$ 129,386</u>		

NOTE 17 – NET POSITION/FUND BALANCE

The District's Net Position balances consist of restricted, unrestricted, and net investment in capital assets amounts.

The District's Governmental Funds fund balances consist of restricted, committed, assigned and unassigned amounts.

Restricted balances are amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balances are amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., District Board). To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint.

Assigned fund balance is amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board or by an official or body to which the District Board delegates the authority.

Unassigned or unrestricted fund balances are amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Net Position:

Net Investment in Capital Assets	\$ 506,672
Unrestricted	<u>219,158</u>
Total Net Position	<u>\$ 725,830</u>

Governmental Fund Balances :

Assigned -Payroll	\$ 27,676
Assigned -Capital	<u>68,166</u>
Total Assigned Fund Balances	95,842
Total Unassigned Fund Balance	<u>69,595</u>
Total Fund Balance	<u>\$ 165,437</u>

NOTE 18 - PROPERTY TAXES

The District is authorized to levy property taxes in an amount sufficient to operate the District. This levy cannot exceed three dollars and twenty-five cents per one hundred dollars of assessed valuation. It also cannot exceed the amount of the levy in the preceding tax year multiplied by 1.08.

The District levies real 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.

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

A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

The taxpayers may, by vote of the electorate, authorize either a five year budget override or a permanent override, depending upon certain criteria being met. The taxpayers also may authorize the issuance of bonds for capital acquisitions in addition to the operating taxes referred to above.

The County collects a County-Wide Fire District Assistance Tax (FDAT) and distributes the funds to all Fire Districts in the County, according to a formula established by state law. The maximum awarded to a District cannot exceed \$400,000 per year.

NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND POST EMPLOYMENT PLANS

The District contributes to the plan described below. The plan is a component unit 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 the plan to which it contributes:

<u>Statement of net position and statement of activities</u>	<u>Governmental activities</u>
Net pension and OPEB asset	\$ 40,783
Net pension and OPEB liability	0
Deferred outflows of resources related to pensions and OPEB	267,428
Deferred inflows of resources related to pensions and OPEB	184,895
Pension and OPEB expense	2,251

The District’s accrued payroll and employee benefits includes \$3,402 of outstanding pension and OPEB contribution amounts payable to the plan for the year ended June 30, 2022. Also, the District reported \$77,133 of pension and OPEB contributions as expenditures in the governmental funds related to the plan to which it contributes.

Public Safety Personnel Retirement System Plan

Plan descriptions—District firefighters who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. A 9-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the District’s financial statements.

The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPRS plan. The report is available on the PSPRS website 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	On or after 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	15 years of credited service, age 52.5 15 or more years of service, age 55
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years	Highest 60 consecutive months of last 15 years
Benefit percent			
Normal retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%	
Accidental disability retirement	50% or normal retirement, whichever is greater		
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater		
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20		

PSPRS

	Initial membership date:		
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017	On or after July 1, 2017
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 plans' benefit terms:

	PSPRS Firefighters	
	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	1	1
Inactive employees entitled to but not yet receiving benefits	3	3
Active employees	6	6
Total	10	10

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 the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2022, are indicated below. Rates are a percentage of active members' annual covered payroll.

	Active member— pension	District—pension	District—health insurance premium benefit
PSPRS Firefighters	7.65%	20.44%	0.14%

In addition, the statute required the District to contribute at the actuarially determined rate indicated below of annual covered payroll of employees participating in the PSPRS Tier 3 Risk Pool.

	Pension	Health insurance premium benefit
PSPRS Firefighters	9.00%	0.12%

The District's contributions to the plans for the year ended June 30, 2022, were:

	Pension	Health insurance premium benefit
PSPRS Firefighters	\$ 77,133	\$ 0

During fiscal year 2022, the District paid for PSPRS and OPEB contributions from the General Fund.

Liability—At June 30, 2022, the District reported the following assets and liabilities.

	Net pension (asset) liability	Net OPEB (asset) liability
PSPRS Firefighters	(15,121)	(25,262)

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:

PSPRS

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 actuarial experience study for the 5-year period ended June 30, 2017.

The long-term expected rate of return on PSPRS 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:

PSPRS Asset class	Target allocation	Long-term expected geometric real 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	<u>1%</u>	-0.31%
Total	<u>100%</u>	

Discount rate—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 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 plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

The projection of cash flows used to determine the PSPRS discount rates 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 PSPRS plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments for these plans to determine the total pension/OPEB liability.

Changes in the Net Pension/OPEB liability :

	Pension Increase (decrease)			Health insurance premium benefit Increase (decrease)		
	Total pension liability (a)	Plan fiduciary net position (b)	Net pension (asset) liability (a) – (b)	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB (asset) liability (a) – (b)
Balances at June 30, 2021	1,873,814	1,665,095	208,719	29,733	44,861	(15,128)
Changes for the year:						
Service cost	90,029	-	92,029	2,211	-	2,211
Interest on the total liability	142,249	-	142,249	2,332	-	2,332
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the liability	112,264	-	112,264	(1,995)	-	(1,995)
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions —employer	-	60,735	(60,735)	-	686	(686)
Contributions —employee	-	38,792	(38,792)	-	-	-
Net investment income	-	473,055	(473,055)	-	12,447	(12,447)
Benefit payments, including refunds of employee contributions	(34,452)	(34,452)	-	-	-	-
Administrative expense	-	(2,200)	(2,200)	-	(51)	51
Other changes	-	-	-	-	-	-
Net changes	312,090	535,930	(223,840)	2,548	13,082	(10,534)
Balances at June 30, 2022	2,185,904	2,201,025	(15,121)	32,281	57,943	(25,662)

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

	1% Decrease rate (6.3%)	Current discount rate (7.3%)	1% Increase rate (8.3%)
PSPRS Firefighters			
Net pension (asset) liability	\$ 342,492	\$ (15,121)	\$ (303,618)
Net OPEB (asset) liability			

Plan fiduciary net position—Detailed information about the plans’ fiduciary net position is available in the separately issued PSPRS financial reports.

Expense—For the year ended June 30, 2022, the District recognized the following pension and OPEB expense:

	Pension expense	OPEB expense
PSPRS Firefighters	\$ 2,200	\$ 51

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:

PSPRS	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	\$ 266,898	\$ 170,675	\$ 530	\$ 14,220
Changes of assumptions or other inputs	73,239	0	297	705
Net difference between projected and actual earnings on plan investments	0	208,128	0	5,362
Changes in proportion and differences between District contributions and proportionate share of contributions	0	0	0	0
District contributions subsequent to the measurement date	77,133	0	0	0
Total	<u>\$ 417,270</u>	<u>\$ 378,803</u>	<u>\$ 827</u>	<u>\$ 20,287</u>

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase in 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 and OPEB will be recognized as expenses as follows:

Year ending June 30	PSPRS Firefighters	
	Pension	Health
2023	(15,662)	(2,877)
2024	(16,852)	(2,907)
2025	(24,083)	(3,070)
2026	(56,443)	(3,604)
2027	17,167	(1,774)
Thereafter	57,207	(5,228)

NOTE 20 – PENSION AND RELIEF TRUST FUNDS

ARS 9-981. Authority to purchase alternative pension and benefit plan

A. In lieu of pension and relief benefits provided for under the provisions of article 3 of this chapter, a city, town or fire district may provide for an alternative pension and benefit program for fire fighters not covered under the provisions of article 3 of this chapter or under the public safety personnel retirement system.

B. The fire insurance premium tax received by the city, town or district under section 9-952, contributions from the city, town or district, and deductions from the salaries or compensation of firemen may be used to purchase a private pension or benefit program for firemen. Firemen not covered under the public safety personnel retirement system may elect to be covered under the provisions of the alternative pension and benefit program upon filing a request in writing with the city, town or district.

C. The terms, conditions, benefits, eligibility requirements and contribution rates of the alternative pension and benefit program shall be established by:

1. For a city or town, by the adoption of a resolution of the city or town council.
2. For a fire district with a board, by the adoption of a resolution of the board.
3. For a fire district without a board, by the adoption of a resolution of the board of trustees of the firemen's relief and pension fund and the approval of the board of supervisors.

D. Notwithstanding any other provision of law, pension and benefit programs authorized under this article shall not be construed to be a contract between the employee and employer and are subject to annual appropriations of the city, town or district.

Pursuant to ARS, the District contributes to a pension and relief fund for volunteer firefighters. The funds are administered by an outside consulting firm who prepares a separate annual report. This report is available through Innes & Associates, 4302 East Ray Road, Suite 117, Phoenix, Arizona, 85044

NOTE 21 - SUBSEQUENT EVENTS

Management has evaluated subsequent events and does not know of any additional comments or disclosures that should be made thru the date of this report.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

**GOLDEN SHORES FIRE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED
JUNE 30, 2022**

Exhibit I

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 602,598	\$ 602,598	\$ 587,799	\$ (14,799)
Fire District Assistance Tax	69,303	69,303	71,550	2,247
Fees for Service	202,000	202,000	124,526	(77,474)
Interest Earnings	-	-	695	695
Miscellaneous	-	-	24,196	24,196
	<u>873,901</u>	<u>873,901</u>	<u>808,766</u>	<u>(65,135)</u>
Total Revenues				
Expenditures:				
Public Safety:				
Personnel	689,272	689,272	729,614	(40,342)
Materials & Supplies	92,650	92,650	94,635	(1,985)
Administration	67,350	67,350	77,726	(10,376)
Debt Service-Principal	31,185	31,185	-	31,185
- Interest	-	-	-	-
Capital Outlay	198,134	198,134	150,000	48,134
	<u>1,078,591</u>	<u>1,078,591</u>	<u>1,051,975</u>	<u>26,616</u>
Total Expenditures				
Excess (Deficiency) of Revenues over Expenditures	<u>(204,690)</u>	<u>(204,690)</u>	<u>(243,209)</u>	<u>(38,519)</u>
Other Financing Sources				
Proceeds from Capital L/P Agreements	-	-	160,000	160,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>160,000</u>	<u>160,000</u>
Net Change in Fund Balances	(204,690)	(204,690)	(83,209)	121,481
Fund Balances at Beginning of Year	<u>204,690</u>	<u>204,690</u>	<u>248,646</u>	<u>43,956</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,437</u>	<u>\$ 165,437</u>

See Accompanying Notes To The Budgetary Comparison Schedule

**GOLDEN SHORES FIRE DISTRICT
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 – BUDGETARY REQUIREMENTS AND BASIS OF ACCOUNTING

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

NOTE 2 - OVER-EXPENDITURE OF BUDGET LINE ITEMS

The District expended \$40,342 more in personnel costs than was budgeted. This was due to unexpected personnel costs related in large part to increased costs in items such as workers compensation insurance, PSPRS contributions and other personnel related costs the District has little or no control over.

Increased costs for materials and supplies resulted in an overage of \$ 1,985. The materials and supplies line item includes repairs and maintenance which cannot always be predicted during budgeting.

In addition, the Administration line item was over by \$10,376. Some individual line items which increased significantly over the prior year include ambulance billing costs which were up by \$3,044 and legal costs which were up by \$20,290.

The legal compliance of budgeting for Special Districts in Arizona is at the fund level. The District did not overspend its budget at the fund level.

GOLDEN SHORES FIRE DISTRICT
Schedule of Changes in the District's Net Pension Liability and Related Ratios
Agent Plans (PSPRS) Last Ten Fiscal Years
Year Ended June 30, 2022

RSI-1

PSPRS

Reporting Year Measurement Date	FISCAL YEAR								2014 THROUGH 2012
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total Pension Liability									Information not available
Service Cost	\$ 92,029	\$ 84,059	\$ 83,496	\$ 73,167	\$ 75,973	\$ 83,158	\$ 91,161	\$ 75,169	
Interest on total pension liability	142,249	118,119	109,571	88,591	76,790	61,192	73,559	69,034	
Changes of benefit terms	-	-	-	-	14,470	104,068	-	(2,579)	
Difference between expected and actual experience in the measurement of the pension liability	112,264	154,521	(47,118)	98,656	(36,306)	13,800	(220,404)	(67,391)	
Changes of assumptions or other inputs	-	-	27,437	-	47,900	45,835	-	13,181	
Benefit payments including refund of employee contributions	(34,452)	(33,776)	(39,380)	(8,237)	-	(120,209)	(75,520)	-	
Net change in pension liability	312,090	322,923	134,006	252,177	178,827	187,844	(131,204)	87,414	
Total pension liability - beginning	1,873,814	1,550,891	1,416,885	1,164,708	985,881	798,037	929,241	841,827	
Total pension liability - ending (a)	<u>\$ 2,185,904</u>	<u>\$ 1,873,814</u>	<u>\$ 1,550,891</u>	<u>\$ 1,416,885</u>	<u>\$ 1,164,708</u>	<u>\$ 985,881</u>	<u>\$ 798,037</u>	<u>\$ 929,241</u>	
Plan Fiduciary net position									
Contributions - employer	\$ 60,735	\$ 57,009	\$ 49,422	\$ 54,860	\$ 33,798	\$ 50,754	\$ 44,782	\$ 45,495	
Contributions - employee	38,792	39,321	35,688	32,815	42,349	54,183	47,095	39,849	
Net investment income	473,055	20,577	80,397	93,971	136,699	6,173	40,896	123,715	
Benefit payments, including refunds of employee contributions	(34,452)	(33,776)	(39,380)	(8,237)	-	(120,209)	(75,520)	-	
Hall/Parker Settlement	-	-	-	(45,879)	-	-	-	-	
Pension plan administrative expense	(2,200)	(1,800)	(2,397)	(2,130)	(1,610)	(1,288)	(1,388)	-	
Other changes	-	-	-	15	15	(4,186)	(817)	(19,775)	
Net change in plan fiduciary net position	535,930	81,331	123,730	125,415	211,251	(14,573)	55,048	189,284	
Plan fiduciary net position - beginning	1,665,095	1,583,764	1,460,034	1,334,619	1,123,368	1,137,941	1,082,893	893,609	
Plan fiduciary net position - ending (b)	<u>\$ 2,201,025</u>	<u>\$ 1,665,095</u>	<u>\$ 1,583,764</u>	<u>\$ 1,460,034</u>	<u>\$ 1,334,619</u>	<u>\$ 1,123,368</u>	<u>\$ 1,137,941</u>	<u>\$ 1,082,893</u>	

See accompanying notes to the Pension/OPEB Plan Schedules

GOLDEN SHORES FIRE DISTRICT
Schedule of Changes in the District's Net Pension Liability and Related Ratios
Agent Plans (PSPRS) Last Ten Fiscal Years
Year Ended June 30, 2022

RSI-1

PSPRS	FISCAL YEAR								2014 THROUGH 2012
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Reporting Year Measurement Date									
District's net pension liability - ending (a) - (b)	\$ (15,121)	\$ 208,719	\$ (32,873)	\$ (43,149)	\$ (169,911)	\$ (137,487)	\$ (339,904)	\$ (153,652)	
Plan fiduciary net position as a percentage of the total pension liability	100.69%	88.86%	102.12%	103.05%	114.59%	113.95%	142.59%	116.54%	
Covered-employee payroll	\$ 415,030	\$ 416,232	\$ 382,840	\$ 342,703	\$ 355,181	\$ 465,089	\$ 413,519	\$ 481,525	
District's net pension liability as a percentage of covered-employee payroll	-3.64%	50.14%	-8.59%	-12.59%	-47.84%	-29.56%	-82.20%	-31.91%	

See accompanying notes to the Pension/OPEB Plan Schedules

GOLDEN SHORES FIRE DISTRICT
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
Agent Plans (PSPRS) Last Ten Fiscal Years
Year Ended June 30, 2022

RSI-2

OPEB

FISCAL YEAR

Reporting Year Measurement Date	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 THROUGH 2012
Total Pension Liability						Information not available	Information not available	Information not available	Information not available
Service Cost	\$ 2,211	\$ 2,108	\$ 1,302	\$ 1,234	\$ 1,314				
Interest on total pension liability	2,332	2,005	1,970	2,702	2,565				
Changes of benefit terms	-	-	-	-	-				
Difference between expected and actual experience in the measurement of the pension liability	(1,995)	639	(4,013)	(14,246)	(185)				
Changes of assumptions or other inputs	-	-	397	-	(1,080)				
Benefit payments including refund of employee contributions	-	-	-	(520)	-				
Net change in pension liability	2,548	4,752	(344)	(10,830)	2,614	-	-	-	
Total pension liability - beginning	29,733	24,981	25,325	36,155	33,541				
Total pension liability - ending (a)	<u>\$ 32,281</u>	<u>\$ 29,733</u>	<u>\$ 24,981</u>	<u>\$ 25,325</u>	<u>\$ 36,155</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Plan Fiduciary net position									
Contributions - employer	686	122	1,366	1,295	1,253				
Contributions - employee	-	-	-	-	-				
Net investment income	12,447	563	2,243	2,636	3,860				
Benefit payments, including refunds of employee contributions	-	-	-	(520)	-				
Pension plan administrative expense	(51)	(46)	(39)	(40)	(34)				
Other changes	-	-	-	-	-				
Net change in plan fiduciary net position	13,082	639	3,570	3,371	5,079	-	-	-	
Plan fiduciary net position - beginning	44,861	44,222	40,652	37,281	32,202				
Plan fiduciary net position - ending (b)	<u>\$ 57,943</u>	<u>\$ 44,861</u>	<u>\$ 44,222</u>	<u>\$ 40,652</u>	<u>\$ 37,281</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

See accompanying notes to the Pension/OPEB Plan Schedules

GOLDEN SHORES FIRE DISTRICT
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
Agent Plans (PSPRS) Last Ten Fiscal Years
Year Ended June 30, 2022

RSI-2

OPEB

FISCAL YEAR

Reporting Year Measurement Date	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 THROUGH 2012
District's net pension liability - ending (a) - (b)	<u>\$ (25,662)</u>	<u>\$ (15,128)</u>	<u>\$ (19,241)</u>	<u>\$ (15,327)</u>	<u>\$ (1,126)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>Information not available</u>
Plan fiduciary net position as a percentage of the total pension liability	179.50%	150.88%	177.02%	160.52%	103.11%	Information not available	Information not available	Information not available	Information not available
Covered-employee payroll	\$ 415,030	\$ 416,232	\$ 382,840	\$ 342,703	\$ 355,181				
District's net pension liability as a percentage of covered-employee payroll	-6.18%	-3.63%	-5.03%	-4.47%	-0.32%				

See accompanying notes to the Pension/OPEB Plan Schedules

GOLDEN SHORES FIRE DISTRICT
Schedule of Pension Contributions (PSPRS)
Year Ended June 30, 2022

RSI-3

PSPRS - Pension

	2021 Measurement Date (2021)	2021 Measurement Date (2020)	2020 Measurement Date (2019)	2019 Measurement Date (2018)	2018 Measurement Date (2017)	2017 Measurement Date (2016)	2016 Measurement Date (2015)	2015 Measurement Date (2014)	2014 through 2012
Actuarially determined contribution	\$ 60,735	\$ 57,009	\$ 49,422	\$ 54,860	\$ 33,798	\$ 50,754	\$ 44,782	\$ 45,495	Information not available
District's contributions in relation to the actuarially determined contribution	60,735	57,009	49,422	54,860	33,798	50,754	44,782	45,495	
District's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered-employee payroll	<u>\$ 415,030</u>	<u>\$ 416,232</u>	<u>\$ 382,840</u>	<u>\$ 342,703</u>	<u>\$ 355,181</u>	<u>\$ 465,089</u>	<u>\$ 413,519</u>	<u>\$ 481,525</u>	
District's contributions as a percentage of covered-employee payroll	<u>14.63%</u>	<u>13.70%</u>	<u>12.91%</u>	<u>16.01%</u>	<u>9.52%</u>	<u>10.91%</u>	<u>10.83%</u>	<u>9.45%</u>	

See accompanying notes to the Pension/OPEB Plan Schedules

GOLDEN SHORES FIRE DISTRICT
Schedule of OPEB Contributions (PSPRS)
Year Ended June 30, 2022

RSI-4

PSPRS - OPEB

	2022	2021	2020	2019	2018	2017	2016	2015	2014
	Measurement	Measurement	Measurement	Measurement	Measurement	Measurement	Measurement	Measurement	through
	Date (2021)	Date (2020)	Date (2019)	Date (2018)	Date (2017)	Date (2016)	Date (2015)	Date (2014)	Date (2012)
Actuarially determined contribution	\$ 686	\$ 122	\$ 1,366	\$ 1,295	\$ 1,253	Information	Information	Information	Information
District's contributions in relation to the actuarially determined contribution	686	122	1,366	1,295	1,253	not available	not available	not available	not available
District's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
District's covered-employee payroll	<u>\$ 415,030</u>	<u>\$ 416,232</u>	<u>\$ 382,840</u>	<u>\$ 342,703</u>	<u>\$ 355,181</u>				
District's contributions as a percentage of covered-employee payroll	<u>0.17%</u>	<u>0.03%</u>	<u>0.36%</u>	<u>0.38%</u>	<u>0.35%</u>				

See accompanying notes to the Pension/OPEB Plan Schedules

**GOLDEN SHORES FIRE DISTRICT
NOTES TO PENSION PLAN SCHEDULES
FISCAL YEAR ENDED JUNE 30, 2022**

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:	20 years; if the actuarial value of assets exceeded the actuarial accrued liability, the excess was amortized over an open period of 20 years and applied as a credit to reduce the normal cost which otherwise would be payable.
Asset valuation method:	7-year smoothed market value; 80%/120% market corridor
Wage growth:	In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0 - 8.0%. 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%
Projected Salary Increases:	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%-8.0% to 3.75%-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%
Investment Rate of Return	In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Retirement age:	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality:	In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales RP-2000 mortality table (adjusted by 105% for both males and females)
Assumed future permanent benefit increases:	Members retiring on or before July 1, 2011: 2% of overall average benefit compounded annually. All members receive the same dollar amount of increase. Members retired on or after August 1, 2011: 0.5% of overall average benefit compounded annually. All members receive the same dollar amount of increase.

Arizona courts have ruled that provisions of a 2011 law changing 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 will increase 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 pension contributions were less than the actuarially or statutorily determined contributions for 2018 and 2019.

See accompanying notes to the Pension/OPEB Schedules

OTHER SUPPLEMENTARY INFORMATION

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**GOLDEN SHORES FIRE DISTRICT
ANNUAL REPORT INFORMATION
FISCAL YEAR ENDED JUNE 30, 2022**

AZ Revised Statutes (ARS) requires certain additional information be attached to the audit report to comply with ARS 48-251 & 48-253 as required to meet the requirements of the AZ “Annual Report” of Special Districts. This information is included as other supplementary information.

REGULAR FIRE BOARD MEETINGS:

<u>Date</u>	<u>Time</u>	<u>Location</u>
July 22, 2021	3:30 p.m.	12950 Oatman Highway, Topock, AZ
August 26, 2021	3:30 p.m.	12950 Oatman Highway, Topock, AZ
Sept 23, 2021	3:30 p.m.	12950 Oatman Highway, Topock, AZ
October 27, 2021	3:30 p.m.	12950 Oatman Highway, Topock, AZ
Nov 18, 2021	3:30 p.m.	12950 Oatman Highway, Topock, AZ
December 21, 2021	3:30 p.m.	12950 Oatman Highway, Topock, AZ
January 27, 2022	3:30 p.m.	12950 Oatman Highway, Topock, AZ
February 24, 2022	3:30 p.m.	12950 Oatman Highway, Topock, AZ
March 24, 2022	3:30 p.m.	12950 Oatman Highway, Topock, AZ
April 228, 2022	3:30 p.m.	12950 Oatman Highway, Topock, AZ
May 26, 2022	3:30 p.m.	12950 Oatman Highway, Topock, AZ
June 23, 2022	3:30 p.m.	12950 Oatman Highway, Topock, AZ

BOARD MEMBERS:

<u>Name</u>	<u>Business Phone Number</u>	<u>Occupation</u>
Larry Addante	(928) 768-4546	Chairperson
Joy Bancroft	(928) 768-4546	Clerk of the Board
Clarence Christiansen	(928) 768-4546	Member
Butch Delk	(928) 768-4546	Member
Joe Buckles	(928) 768-4546	Member

LOCATION OF POSTING OF MEETING NOTICES (all meetings):

Golden Shores Fire Department
Golden Shores Fire Department Website
Topock Elementary School
Golden Shores Community Center

LEGAL DESCRIPTION OF BOUNDARY CHANGES:

NONE

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**GOLDEN SHORES FIRE DISTRICT
ANNUAL REPORT INFORMATION
VOLUNTEER PENSION DISTRIBUTIONS
FISCAL YEAR ENDED JUNE 30, 2022**

Arizona Revised Statutes (ARS) requires certain additional information be attached to the audit report to comply with ARS 9-956 as required to meet the requirements of the Arizona Annual “Report of Volunteer Fire Fighters Relief and Pension Fund”. This information is included as other supplementary information.

<u>TYPE OF DISTRIBUTION</u>	<u>NAME</u>	<u>AMOUNT</u>
Article 4	Jim Boyle	10,000
Article 4	Wendell Ormiston	<u>1,326</u>
Total		<u>\$ 11,326</u>

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GOLDEN SHORES FIRE DISTRICT
GOVERNMENT AUDIT STANDARDS SECTION
June 30, 2022

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SAUNDERS COMPANY, LTD

JAMES H. SAUNDERS, CPA, CFE, CGFM, PI, AUDIT PARTNER
TRICIA E. SAUNDERS, PI, AUDITOR

CERTIFIED PUBLIC ACCOUNTANT
CERTIFIED FRAUD EXAMINER
CERTIFIED GOVERNMENT FINANCIAL MANAGER
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Arizona Society of Certified Public Accountants

Arizona Association of Licensed Private Investigators

International Association of Certified Fraud Examiners
Arizona Association of Certified Fraud Examiners

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

To the Governing Board
Golden Shores Fire District
Topock, Arizona

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Golden Shores 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 Golden Shores Fire District's basic financial statements, and have issued our report thereon dated January 9, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Independent Auditor's Report on Internal Control...

June 30, 2022

Page 2

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Saunders Company, Ltd.

Glendale, Arizona

January 9, 2023

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SAUNDERS COMPANY, LTD

JAMES H. SAUNDERS, CPA, CFE, CGFM, PI
TRICIA E. SAUNDERS, PI

CERTIFIED PUBLIC ACCOUNTANT
CERTIFIED FRAUD EXAMINER
CERTIFIED GOVERNMENT FINANCIAL MANAGER
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Arizona Society of Certified Public Accountants

Arizona Association of Licensed Private Investigators

International Association of Certified Fraud Examiners
Arizona Association of Certified Fraud Examiners

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE OF ARIZONA FIRE DISTRICT REGULATORY REQUIREMENTS

To the Governing Board
Golden Shores Fire District
Topock, Arizona

Report on Compliance

We have audited the Golden Shores Fire District's (the District) compliance with the requirements of Arizona Revised Statutes Title 48-805 for the year ended June 30, 2022, and have issued our report thereon dated January 9, 2023. Our audit included test work on the District's compliance with the selected requirements identified in the State of Arizona Revised Statutes and the Arizona State Constitution including, but not limited to, Title 48, Chapter 5, Article 1 and ARS 48-805.

Management's Responsibility

The management of the District is responsible for compliance with all requirements identified above.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance with those requirements based on our audit; specifically, the following statements:

1. That the District has not incurred any debt or liability in excess of taxes levied and to be collected and the monies actually available and unencumbered at that time in the District general fund except for those liabilities as prescribed in section 48-805, subsection B, paragraph 2 and sections 48-806 and 48-807.
2. That the District complies with subsection F of section 48-805.
3. Whether the audit or report disclosed any information contrary to the certification made as prescribed by subsection D, paragraph 1 of section 48-805.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

Opinion

In our opinion, the District complied with the requirements identified above for the year ended June 30, 2022.

The purpose of this report is solely to describe the scope of our testing of the applicable compliance requirements identified in the Arizona Revised Statutes as noted above and the results of that testing based on the state requirements. Accordingly, this report is not suitable for any other purpose.

Sincerely,

Saunders Company, Ltd.

Glendale, Arizona
January 9, 2023

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