

GOLDEN SHORES FIRE DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2023

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GOLDEN SHORES FIRE DISTRICT

FINANCIAL STATEMENTS JUNE 30, 2023

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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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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, 2023, 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, 2023, 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 the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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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 and *Government Auditing Standards*, 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 and *Government Auditing Standards*, 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 11, 2024, 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 11, 2024

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Golden Shores Fire District

Management's Discussion and Analysis of Basic Financial Statements June 30, 2023

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, 2023. 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 2022-2023 fiscal year

- λ 318 Fire and other non-medical runs
- λ 252 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 decreased by \$49,348 or 7.40%.
- § The District's net position decreased \$118,205 or 16.29% from the previous fiscal year.
- § Total revenues decreased \$ 41,282 or 4.26% over the previous fiscal year.
- § At the end of the current fiscal year, unrestricted net position for the Governmental Activities was \$ 119,687.

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, 2023

	BALANCE <u>JUNE 30, 2022</u>	BALANCE <u>JUNE 30, 2023</u>
Net Investment in Capital Assets	\$ 506,672	\$ 487,938
Unrestricted	<u>219,58</u>	<u>119,687</u>
Total Net Position	<u>\$ 725,830</u>	<u>\$ 607,625</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 \$ 607,625 .

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
	2022	2023
Assets		
Current and other Assets	\$ 212,229	\$ 164,569
Net Pension/OPEB Asset	40,783	14,856
Capital Assets, not depreciated	60,373	60,373
Capital Assets, being depreciated, net	1,995,875	556,951
Total Assets	919,684	796,749
Deferred outflow of resources	418,097	442,464
Liabilities		
Current and other liabilities	66,345	68,088
Non-current liabilities	146,516	121,322
Net Pension/OPEB Liabilities	0	289,629
Total liabilities	212,861	479,039
Deferred inflow of resources	399,090	152,549
Net position:		
Net investment in capital assets	506,672	487,938
Unrestricted	219,158	119,687
Total Net Position	\$ 725,830	\$ 607,625

The unrestricted net position of \$ 119,687 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 \$125,785 and decreased

by \$13,718 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 \$ 118,205. Key elements of this decrease are reported below:

Statement of Activities

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2023</u>
Expenditures:		
Public Safety:		
Personnel	\$ 730,196	\$ 835,422
Materials & Services	94,635	83,675
Administration	77,726	55,124
Debt Service Interest	0	5,728
Depreciation	53,801	68,848
	<hr/>	<hr/>
Total Expenditures	956,358	1,048,797
	<hr/>	<hr/>
Revenues:		
Program Revenue:		
Fees for services	124,526	128,731
Total program revenues	124,526	128,731
	<hr/>	<hr/>
Net Program Expenditures	831,832	920,066
	<hr/>	<hr/>
General Revenues:		
Property Taxes	591,205	627,936
Fire District Assistance Tax	71,550	74,497
Smart and Safe AZ Tax	0	19,612
Gain on Pension Investments	35,030	0
Interest Earnings	695	2,712
Miscellaneous	34,196	77,104
Total General Revenues	732,676	801,861
	<hr/>	<hr/>
Increase (Decrease) in Net Position	(99,156)	(118,205)
	<hr/>	<hr/>
Net position, Beginning of the Year	824,986	725,830
Net position, End of the Year	<u>\$ 725,830</u>	<u>\$ 607,625</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 year, there were no amendments to the budget.
- λ The District's emergency medical service activities had some challenges as a result of the COVID-19 situation which impacted the year's operations.
- λ The District stayed within the budget.
- λ Safe and Smart AZ funds were allocated to municipalities pursuant to Title 48 Chapter 5. The District was allocated \$19,612 of these funds.
- λ The Budget was \$1,080,881. On a cash basis, total revenue was \$984,027 and total expenses were \$1,038,734.
- λ On a cash basis revenues increased by \$147,852 and expenses increased by \$144,393.
- λ On a cash basis, the operating reserve balance was \$3,617 and the capital reserve was \$21,789.
- λ Carryover normally transferred to operating reserve was assigned for payroll on June 30, 2023, and was \$21,412.
- λ Payroll account balance was \$44,999.
- λ The District received a donated ambulance from the Golden Shores Fire Department Auxiliary.
- 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 \$31,910 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 Administration line item was over by \$1,474. Some individual line items increased small amounts over the prior year.

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.

- λ For fiscal year ended June 30, 2023, the District received a donated ambulance from the Golden Shores Fire Department Auxiliary with a value of \$ 19,500.

Capital Assets, Net of Depreciation June 30, 2023

Capital asset activity for the year ended:

	BALANCE <u>06/30/2022</u>	BALANCE <u>06/30/2023</u>
<u>Depreciable Assets</u>		
Vehicles	\$ 1,180,107	\$ 1,118,481
Buildings	534,599	534,599
Equipment, Fire	<u>281,169</u>	<u>281,169</u>
Total Historical Costs	<u>1,995,875</u>	<u>1,934,249</u>
Less Accumulated Depreciation		
Vehicles	955,124	918,133
Buildings	174,058	184,750
Equipment, Fire	<u>260,394</u>	<u>274,415</u>
Less: Total Accumulated Depreciation	<u>1,389,576</u>	<u>1,377,298</u>
Depreciable Capital Assets, Net	606,299	556,951
<u>Non-Depreciable Assets</u>		
Land	<u>60,373</u>	<u>60,373</u>
Capital Assets, Net	<u>\$ 666,672</u>	<u>\$ 617,324</u>

Non-Current Liabilities

At the end of the current fiscal year, the District had non-current liabilities of \$121,322. All of the debt is backed by the full faith and credit of the District.

Changes in Non-Current Liabilities:

	Balance <u>June 30, 2022</u>	Balance <u>June 30, 2023</u>
Custom Fire Engine	\$ 160,000	\$ 129,386
Total Notes Payable Obligations	160,000	129,386
Compensated Absences – Due in More than One Year	<u>17,130</u>	<u>23,137</u>
Total Notes Payable Obligations and Compensated Absences	177,130	152,523
Less: Current Note Payable Liabilities	<u>30,614</u>	<u>31,201</u>
Totals	<u>\$ 146,516</u>	<u>\$ 121,322</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 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, 2023**

Exhibit A

	Governmental Activities
ASSETS	
Cash & Cash Equivalents	\$ 91,817
Receivables:	
Property Taxes	29,327
Ambulance, Net	43,425
Net OPEB Asset-(PSPRS)	14,856
Capital Assets, not being depreciated	60,373
Capital Assets, being depreciated,net	556,951
Total Assets	796,749
DEFERRED OUTFLOW OF RESOURCES	
Deferred Outflows Related to OPEB(PSPRS)	5,266
Deferred Outflows Related to Pension(PSPRS)	437,198
Total Assets and Deferred Outflow of Resources	1,239,213
LIABILITIES	
Current Liabilities	
Accounts Payable	6,842
Payroll Taxes/ Withholding Payable	8,558
Wages Payable	15,703
Due in less than one year:	
Compensated Absences	5,784
Notes Payable	31,201
Non-Current Liabilities	
Due in more than one year:	
Compensated Absences	23,137
Notes Payable	98,185
Net Pension Liability(PSPRS)	289,629
Total Liabilities	479,039
DEFERRED INFLOW OF RESOURCES	
Deferred Inflows Related to OPEB (PSPRS)	13,065
Deferred Inflows Related to Pension (PSPRS)	139,484
Total Liabilities and Inflow of Resources	631,588
NET POSITION	
Net Investment in Capital Assets	487,938
Unrestricted	119,687
Total Net Position	\$ 607,625

-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, 2023**

Exhibit B

**Governmental
Activities**

EXPENDITURES

Public Safety:		
Personnel	\$	835,422
Materials & Supplies		83,675
Administration		55,124
Debt Service Interest		5,728
Depreciation		<u>68,848</u>
Total Program Expenditures		<u>1,048,797</u>

PROGRAM REVENUES

Fees for Service		<u>128,731</u>
Net Program Expenditures		<u>920,066</u>

GENERAL REVENUES

Property Taxes		627,936
Fire District Assistance Tax		74,497
Smart and Safe AZ Tax		19,612
Interest Earnings		2,712
Miscellaneous		<u>77,104</u>
Total General Revenues		<u>801,861</u>

Increase (Decrease) in Net Position		(118,205)
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NET POSITION-BEGINNING OF THE YEAR		<u>725,830</u>
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NET POSITION-END OF THE YEAR		<u><u>\$ 607,625</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, 2023**

Exhibit C

General

ASSETS

Cash and Cash Equivalents	\$	91,817
Receivables:		
Property Taxes		29,327
Ambulance, Net		43,425
		<u>43,425</u>
Total Assets		<u><u>\$ 164,569</u></u>

LIABILITIES

Accounts Payable	\$	6,842
Payroll Taxes/Withholding Payable		8,558
Wages Payable		15,703
		<u>15,703</u>
Total Liabilities		31,103

DEFERRED INFLOW OF RESOURCES

Unavailable Revenues		
Deferred Property Taxes		18,453
		<u>18,453</u>
Total Liabilities and Inflow of Resources		<u>49,556</u>

FUND BALANCES

Assigned		70,405
Unassigned		44,608
		<u>44,608</u>
Total Fund Balances		<u>115,013</u>
Total Liabilities, Deferred Inflow of Resources & Fund Balances		<u><u>\$ 164,569</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, 2023**

Exhibit D

	General
REVENUE	
Property Taxes	\$ 624,828
Fire District Assistance Tax	74,497
Smart and Safe AZ Tax	19,612
Fees for Service	128,731
Interest Earnings	2,712
Miscellaneous	77,104
Total Revenues	927,484
EXPENDITURES	
Public Safety:	
Personnel	783,267
Materials & Supplies	83,675
Administration	55,124
Debt Service	
Principal	30,614
Interest	5,728
Capital Outlay	19,500
Total Expenditures	977,908
Excess (Deficiency) of Revenues over Expenditures	(50,424)
Net Change in Fund Balances	(50,424)
Fund Balances-Beginning of the Year	165,437
Fund Balances-End of the Year	\$ 115,013

-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, 2023**

Exhibit E

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

Fund Balances - Total Governmental Fund (Exhibit C)	\$	115,013
---	----	---------

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	1,994,622	
Less: Accumulated Depreciation	<u>(1,377,298)</u>	
		617,324

Net OPEB/Pension Assets:	
Related to OPEB (PSPRS)	14,856

Deferred Outflows of Resources	
Related to OPEB (PSPRS)	5,266
Related to Pension (PSPRS)	437,198

Non-Current liabilities are not due and payable in the current period and therefore are not reported in the funds	(158,307)
---	-----------

Deferred Inflows of Resources	
Related to OPEB (PSPRS)	(13,065)
Related to Pension (PSPRS)	(139,484)
Related to Deferred Property Taxes	<u>18,453</u>

Net OPEB/Pension Liabilities:	
Related to Pension (PSPRS)	(289,629)

Net Position of Governmental Activities (Exhibit A)	\$	<u>607,625</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, 2023**

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)	\$ (50,424)
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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 depreciation expense exceeded capital outlay in the current period.	(49,348)
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Net Change in Deferred Outflows and Inflows of Resources	4,674
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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.	(23,107)
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Change in Net Position of Governmental Activities (Exhibit B)	<u>\$ (118,205)</u>
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-The Notes to the Financial Statements are an Integral Part of This Statement-

**GOLDEN SHORES FIRE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023**

Exhibit G

	<u>Volunteer Pension Fund</u>
ASSETS	
Cash & Cash Equivalents	\$ 9,967
Investments, at fair value	
Mutual Funds	<u>160,997</u>
Total Assets	<u>170,964</u>
LIABILITIES	
Accounts Payable	<u>-0-</u>
Total Liabilities	<u>-0-</u>
NET POSITION	
Held in trust for pension and other purposes	<u><u>\$ 170,964</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, 2023**

Exhibit H

	Volunteer Pension Fund
ADDITIONS	
Contributions	\$ 5,209
State Fire Marshal	366
Total Other Contributions	5,575
Investment Earnings:	
Interest & Dividends	5,689
Gain on Investments	20,913
Total Investment Earnings	26,602
Less Investment Expense	(2,602)
Net Investment Earnings	24,000
Total Additions	29,575
DEDUCTIONS	
Benefits Paid to Participants	89,982
Total Deductions	89,982
Increase (Decrease) in Net Position	(60,407)
Net Position - Beginning of the Year	231,371
Net Position - End of the Year	\$ 170,964

-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, 2023

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 is 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 Statement s – 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 the adopted budget, which has been certified to by the chairman and clerk of the District Board, on forms provided by the Auditor General of the State of Arizona to the County Board of Supervisors no later than August 1st of each year. Every budget adopted by a fire district in Arizona shall include the annual estimate of revenues and expenses of the fire district for the preceding and current fiscal year fully itemized as prescribed on the forms provided by the Auditor General of the State of Arizona. 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, 2023:

DEPOSITORY ACCOUNTS:

	<u>General</u> <u>Fund</u>	<u>Fiduciary</u> <u>Fund</u>	<u>Total</u>
Insured Deposits (FDIC)	\$ 45,000	\$ 8,193	\$ 53,193
Money Market Account(uninsured)		1,774	1,774
Mohave Co. Treasurer Investment Pool	<u>47,246</u>	<u>0</u>	<u>47,246</u>
Total Deposits	92,246	9,967	102,213
In Transit Items	<u>(429)</u>	<u>0</u>	<u>(429)</u>
Total Cash & Cash Equivalents	91,817	9,967	101,784
Mutual Funds & Investments	<u>0</u>	<u>160,997</u>	<u>160,997</u>
Total Cash & Investments	<u>\$ 91,817</u>	<u>\$ 170,964</u>	<u>\$ 262,781</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	\$ 47,246
Volunteer Pension Mutual Funds	<u>160,997</u>
Total	<u>\$ 208,243</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, 2023, 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 \$86,022 with an allowance for bad debt of \$42,597 at June 30, 2023. This gave a net of \$43,425, 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, 2023.

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>06/30/2022</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>06/30/2023</u>
<u>Depreciable Assets</u>				
Vehicles	\$ 1,180,107	\$ 19,500	\$ 81,126	\$ 1,118,481
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>1,995,875</u>	<u>19,500</u>	<u>81,126</u>	<u>1,934,249</u>
Less Accumulated Depreciation				
Vehicles	955,124	44,135	81,126	918,133
Buildings	174,058	10,692	0	184,750
Equipment, Fire	<u>260,394</u>	<u>14,021</u>	<u>0</u>	<u>274,415</u>
Less: Total Accumulated Depreciation	<u>1,389,576</u>	<u>68,848</u>	<u>81,126</u>	<u>1,377,298</u>
Depreciable Capital Assets, Net	606,299	(49,348)	0	556,951
<u>Non-Depreciable Assets</u>				
Land	<u>60,373</u>	<u>0</u>	<u>0</u>	<u>60,373</u>
Capital Assets, Net	<u>\$ 666,672</u>	<u>\$ (49,348)</u>	<u>\$ 0</u>	<u>\$ 617,324</u>

NOTE 9 - DEFERRED OUTLOWS 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)	\$ 5,266
Related to Pension (PSPRS)	<u>437,198</u>
Total Government -wide Activities	<u><u>\$ 442,464</u></u>
Government -wide Deferred Inflows:	
Related to OPEB (PSPRS)	\$ 13,065
Related to Pension (PSPRS)	<u>139,484</u>
Total Government -wide Activities	<u><u>\$ 152,549</u></u>
	<u>Governmental Activities</u>
Unavailable Revenues	
Deferred Property Taxes	\$ 18,453
Total Governmental Activities	<u><u>\$ 18,453</u></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 \$ 5,784 payable in less than one year and \$ 23,137 payable in future years.

The District’s non-vested sick leave on June 30, 2023 was \$49,733.

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, 2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2023</u>
Accounts Payable	\$ 8,689	\$ 0	\$ 1,847	\$ 6,842
Payroll Taxes Payable	7,909	649	0	8,558
Wages Payable	14,850	853	0	15,703
Compensated Absences	4,283	8,573	7,072	5,784
Notes Payable	<u>30,614</u>	<u>587</u>	<u>0</u>	<u>31,201</u>
Totals	<u>\$ 66,345</u>	<u>\$ 10,662</u>	<u>\$ 8,919</u>	<u>\$ 68,088</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, 2023.

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 Position.

General Obligation Bonds

The District does not currently have any general obligation bonds.

Notes Payable

Fire Truck: The District entered into a note payable agreement for a 2012 Custom Fire Apparatus Pumper with Zions Bancorporation, N.A. The note payable 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>Note Payable Term</u>	<u>Balance June 30, 2023</u>
Custom Fire Engine	3.580%	5/05/2027	\$ 129,386

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>\$ 16,000</u>	<u>\$ 144,000</u>
Total	<u>\$ 160,000</u>	<u>\$ 16,000</u>	<u>\$ 144,000</u>

Changes in Non-Current Liabilities:

	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
Custom Fire Engine	<u>\$ 160,000</u>	<u>\$ 0</u>	<u>\$ 30,614</u>	<u>\$ 129,386</u>
Total Notes Payable Obligations	160,000	0	30,614	129,386
Compensated Absences – Due in More than One Year	<u>17,130</u>	<u>34,293</u>	<u>28,286</u>	<u>23,137</u>
Total Notes Payable Obligations and Compensated Absences	177,130	34,293	58,900	152,523
Less: Current Note Payable Liabilities	<u>30,614</u>	<u>587</u>	<u>0</u>	<u>31,201</u>
Totals	<u>\$ 146,516</u>	<u>\$33,706</u>	<u>\$ 58,900</u>	<u>\$ 121,322</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, 2023 were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	129,386	<u>\$ 11,721</u>	141,107
Less Amount Representing Interest			<u>11,721</u>
Less amount due within 1 year	<u>31,201</u>		
Future Minimum Lease Payments			<u>\$ 129,386</u>
Amount due after 1 year	<u>\$ 98,185</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	\$ 487,938
Unrestricted	<u>119,687</u>
Total Net Position	<u>\$ 607,625</u>

Governmental Fund Balances :

Assigned -Payroll	\$ 44,999
-Capital Improvements	<u>25,406</u>
Total Assigned Fund Balances	70,405
Total Unassigned Fund Balance	<u>44,608</u>
Total Fund Balance	<u>\$ 115,013</u>

NOTE 18 - PROPERTY TAXES

Per ARS 48-807.F the District is authorized to levy property taxes in an amount sufficient to operate the District. The board, based on the budget submitted by the district, shall levy, in addition to any tax levied as provided in section 48-806, a tax not to exceed \$3.25 per \$100 of assessed valuation through tax year 2021, \$3.375 per \$100 of assessed valuation for tax year 2022, \$3.50 per \$100 of assessed valuation for tax year 2023 and \$3.75 per \$100 of assessed valuation for tax year 2024 and each tax year thereafter, or the amount of the levy in the preceding tax year multiplied by 1.08, whichever levy is less, and minus any amounts required to reduce the levy pursuant to subsection I of this section, against all property situated within the district boundaries and appearing on the last assessment roll. The levy shall be made and the taxes collected in the manner, at the time and by the officers provided by law for the collection of general county taxes.

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

At June 30, 2023, the District reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

<u>Statement of net position and statement of activities</u>	<u>Governmental activities</u>
Net pension and OPEB asset	\$ 14,856
Net pension and OPEB liability	289,629
Deferred outflows of resources related to pensions and OPEB	442,464
Deferred inflows of resources related to pensions and OPEB	152,549
Pension and OPEB expense	102,565

The District’s accrued payroll and employee benefits includes \$ 2,935 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2023. Also, the District reported \$ 75,717 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

Public Safety Personnel Retirement System

Plan descriptions—employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension 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 and CORP plans. The report is available on the PSPRS website at www.psprs.com.

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

PSPRS	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
Retirement and disability		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Benefit percent		
Normal retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor benefit		
Retired members	80% to 100% of retired member's pension benefit	
Active members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	
	*With actuarially reduced benefits.	

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, 2023, the following employees were covered by the agent plans’ benefit terms:

	PSPRS	
	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	<u>10</u>	<u>10</u>

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, 2023, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	Active member— pension	District—pension	District—health insurance premium benefit
PSPRS	7.65%	18.49%	0.39%

In addition, 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	9.00 %	0.12%

The District’s contributions to the plans for the year ended June 30, 2023, were:

	Pension	Health insurance premium benefit
PSPRS	\$ 75,717	\$ 0

During fiscal year 2023, the District paid for PSPRS OPEB contributions as follows: 100 percent from the General Fund.

Liability—At June 30, 2023, the District reported the following assets and liabilities.

	Net pension (asset) liability	Net OPEB (asset) liability
PSPRS	\$ 289,629	\$ (14,856)

The net assets and net liabilities were measured as of June 30, 2022, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2022, reflect changes of actuarial assumptions, including decreasing the investment rate of return from 7.3 percent to 7.2 percent, changing the wage inflation from 3.5 percent to a range of 3.0 – 6.25 percent, and increasing the cost-of-living adjustment from 1.75 percent to 1.85 percent.

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

PSPRS	
Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.0 – 6.25% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.85% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.2 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%	3.49%
International public equity	16%	4.47%
Global private equity	20%	7.18%
Other assets (capital appreciation)	7%	4.83%
Core bonds	2%	0.45%
Private credit	20%	5.10%
Diversifying strategies	10%	2.68%
Cash - Mellon	<u>1%</u>	-0.35%
Total	<u>100%</u>	

Discount rate—At June 30, 2022, the discount rate used to measure the PSPRS OPEB liabilities was 7.2 percent, which was a decrease of 0.1 from the discount rate used as of June 30, 2021. 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 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

PSPRS	Pension			Health insurance premium benefit		
	Increase (decrease)			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, 2022	2,185,904	2,201,025	(15,121)	32,281	57,943	(25,662)
Changes for the year:						
Service cost	100,202		100,202	2,363		2,363
Interest on the total liability	165,603		165,603	2,529		2,529
Changes of benefit terms						
Differences between expected and actual experience in the measurement of the liability	34,135		34,135	2,567		2,567
Changes of assumptions or other inputs	18,046		18,046	1,430		1,430
Benefit payments, including refunds of employee contributions	(35,141)		(35,141)			
Contributions —employer		70,010	(70,010)		419	(419)
Contributions —employee		33,606	(33,606)			
Net investment income		(88,780)	88,780		(2,295)	2,295
Benefit payments, including refunds of employee contributions		(35,141)	35,141			
Administrative expense		(1,600)	1,600		(41)	41
Other changes						
Net changes	282,845	(21,905)	304,750	8,889	(1,917)	10,806
Balances at June 30, 2023	2,468,749	2,179,120	289,629	41,170	56,026	(14,856)

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 7.2 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 (6.2 percent) or 1 percentage point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Current discount rate (7.2%)	1% Increase (8.2%)
PSPRS			
Net pension (asset) liability	\$ 688,570	\$ 289,629	\$ (32,771)
Net OPEB (asset) liability	(8,994)	(14,856)	(19,741)

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

Expense—For the year ended June 30, 2023, the District recognized the following pension and OPEB expense:

	Pension expense	OPEB expense
PSPRS	\$ 100,202	\$ 2,363

Deferred outflows/inflows of resources—At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

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	\$ 248,189	\$ 139,484	\$ 2,757	\$ 12,435
Changes of assumptions or other inputs	76,552		1,536	630
Net difference between projected and actual earnings on plan investments	36,740		973	
Changes in proportion and differences between District contributions and proportionate share of contributions				
District contributions subsequent to the measurement date	75,717			
Total	<u>\$ 437,198</u>	<u>\$ 139,484</u>	<u>\$ 5,266</u>	<u>\$ 13,065</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, 2024. 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	PSPRS	
June 30	Pension	Health
2024	42,224	(1,155)
2025	34,993	(1,318)
2026	2,633	(1,852)
2027	76,243	(22)
2028	38,851	(1,330)
Thereafter	29,053	(2,122)

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

For the year ended June 30, 2023, active PSPDCRP members were required by statute to contribute at least 9 percent of the members' annual covered payroll, and the District was required by statute to contribute 9 percent of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the earnings on those contributions. Employees vest in a portion of the District's contributions each year as set forth in statute. The plan retains nonvested District contributions when forfeited because of employment terminations. For the year ended June 30, 2023, the District recognized pension expense of \$ 100,202.

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, 2023**

Exhibit I

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Property Taxes	\$ 625,880	\$ 625,880	\$ 624,828	\$ (1,052)
Fire District Assistance Tax	73,062	73,062	74,497	1,435
Smart & Safe AZ Tax	-	-	19,612	19,612
Grants	168,439	168,439	-	(168,439)
Total Designated Revenue	<u>867,381</u>	<u>867,381</u>	<u>718,937</u>	<u>(148,444)</u>
All Other Revenue:				
All Other Revenue	213,500	213,500	-	(213,500)
Fees for Service	-	-	128,731	128,731
Interest Earnings	-	-	2,712	2,712
Miscellaneous	-	-	77,104	77,104
Total All Other Revenue	<u>213,500</u>	<u>213,500</u>	<u>208,547</u>	<u>(4,953)</u>
Total Revenues	<u>1,080,881</u>	<u>1,080,881</u>	<u>927,484</u>	<u>(153,397)</u>
Expenditures:				
Public Safety:				
Personnel	751,357	751,357	783,267	(31,910)
Materials & Supplies	195,828	195,828	83,675	112,153
Administration	53,650	53,650	55,124	(1,474)
Grants	168,439	168,439	-	168,439
Debt Service-Principal	30,614	30,614	30,614	-
- Interest	5,728	5,728	5,728	-
Capital Outlay	21,789	21,789	19,500	2,289
Total Expenditures	<u>1,227,405</u>	<u>1,227,405</u>	<u>977,908</u>	<u>249,497</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(146,524)</u>	<u>(146,524)</u>	<u>(50,424)</u>	<u>96,100</u>
Net Change in Fund Balances	(146,524)	(146,524)	(50,424)	96,100
Fund Balances at Beginning of Year	<u>146,524</u>	<u>146,524</u>	<u>165,437</u>	<u>18,913</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,013</u>	<u>\$ 115,013</u>

See Accompanying Notes To The Budgetary Comparison Schedule

**GOLDEN SHORES FIRE DISTRICT
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2023**

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 \$31,910 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 Administration line item was over by \$1,474. Some individual line items increased small amounts over the prior year.

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, 2023

RSI-1

PSPRS

Reporting Year Measurement Date	FISCAL YEAR									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
Total Pension Liability										Information
Service Cost	\$ 100,202	\$ 92,029	\$ 84,059	\$ 83,496	\$ 73,167	\$ 75,973	\$ 83,158	\$ 91,161	\$ 75,169	not available
Interest on total pension liability	165,603	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	34,135	112,264	154,521	(47,118)	98,656	(36,306)	13,800	(220,404)	(67,391)	
Changes of assumptions or other inputs	18,046	-	-	27,437	-	47,900	45,835	-	13,181	
Benefit payments including refund of employee contributions	(35,141)	(34,452)	(33,776)	(39,380)	(8,237)	-	(120,209)	(75,520)	-	
Net change in pension liability	282,845	312,090	322,923	134,006	252,177	178,827	187,844	(131,204)	87,414	
Total pension liability - beginning	2,185,904	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>\$ 2,468,749</u>	<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	\$ 70,010	\$ 60,735	\$ 57,009	\$ 49,422	\$ 54,860	\$ 33,798	\$ 50,754	\$ 44,782	\$ 45,495	
Contributions - employee	33,606	38,792	39,321	35,688	32,815	42,349	54,183	47,095	39,849	
Net investment income	(88,780)	473,055	20,577	80,397	93,971	136,699	6,173	40,896	123,715	
Benefit payments, including refunds of employee contributions	(35,141)	(34,452)	(33,776)	(39,380)	(8,237)	-	(120,209)	(75,520)	-	
Hall/Parker Settlement	-	-	-	-	(45,879)	-	-	-	-	
Pension plan administrative expense	(1,600)	(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	(21,905)	535,930	81,331	123,730	125,415	211,251	(14,573)	55,048	189,284	
Plan fiduciary net position - beginning	2,201,025	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>\$ 2,179,120</u>	<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, 2023

RSI-1

PSPRS	FISCAL YEAR									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
Reporting Year Measurement Date										
District's net pension liability - ending (a)-(b)	\$ 289,629	\$ (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	88.27%	100.69%	88.86%	102.12%	103.05%	114.59%	113.95%	142.59%	116.54%	
Covered-employee payroll	\$ 441,961	\$ 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	65.53%	-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, 2023

RSI-2

OPEB

FISCAL YEAR

Reporting Year Measurement Date	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
Total Pension Liability							Information not available	Information not available	Information not available	Information not available
Service Cost	\$ 2,363	\$ 2,211	\$ 2,108	\$ 1,302	\$ 1,234	\$ 1,314				
Interest on total pension liability	2,529	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	2,567	(1,995)	639	(4,013)	(14,246)	(185)				
Changes of assumptions or other inputs	1,430	-	-	397	-	(1,080)				
Benefit payments including refund of employee contributions	-	-	-	-	(520)	-				
Net change in pension liability	8,889	2,548	4,752	(344)	(10,830)	2,614	-	-	-	
Total pension liability - beginning	32,281	29,733	24,981	25,325	36,155	33,541				
Total pension liability - ending (a)	<u>\$ 41,170</u>	<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	419	686	122	1,366	1,295	1,253				
Contributions - employee	-	-	-	-	-	-				
Net investment income	(2,295)	12,447	563	2,243	2,636	3,860				
Benefit payments, including refunds of employee contributions	-	-	-	-	(520)	-				
Pension plan administrative expense	(41)	(51)	(46)	(39)	(40)	(34)				
Other changes	-	-	-	-	-	-				
Net change in plan fiduciary net position	(1,917)	13,082	639	3,570	3,371	5,079	-	-	-	
Plan fiduciary net position - beginning	57,943	44,861	44,222	40,652	37,281	32,202				
Plan fiduciary net position - ending (b)	<u>\$ 56,026</u>	<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, 2023

RSI-2

OPEB

FISCAL YEAR

Reporting Year Measurement Date	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
District's net pension liability - ending (a) - (b)	\$ (14,856)	\$ (25,662)	\$ (15,128)	\$ (19,241)	\$ (15,327)	\$ (1,126)	\$ -	\$ -	\$ -	
							Information not available	Information not available	Information not available	Information not available
Plan fiduciary net position as a percentage of the total pension liability	136.08%	179.50%	150.88%	177.02%	160.52%	103.11%				
Covered-employee payroll	\$ 441,961	\$ 415,030	\$ 416,232	\$ 382,840	\$ 342,703	\$ 355,181				
District's net pension liability as a percentage of covered-employee payroll	-3.36%	-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, 2023

RSI-3

PSPRS - Pension

Reporting Date	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Measurement Date	(2022)	(2021)	(2020)	(2019)	(2018)	(2017)	(2016)	(2015)	(2014)	(2013)
Actuarially determined contribution	\$ 70,010	\$ 60,735	\$ 57,009	\$ 49,422	\$ 54,860	\$ 33,798	\$ 50,754	\$ 44,782	\$ 45,495	Information
District's contributions in relation to the actuarially determined contribution	70,010	60,735	57,009	49,422	54,860	33,798	50,754	44,782	45,495	not available
District's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered-employee payroll	<u>\$ 441,961</u>	<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>15.84%</u>	<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, 2023

RSI-4

PSPRS - OPEB

Reporting Date Measurement Date	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
Actuarially determined contribution	\$ 419	\$ 686	\$ 122	\$ 1,366	\$ 1,295	\$ 1,253	Information not	Information not	Information not	Information not
District's contributions in relation to the actuarially determined contribution	419	686	122	1,366	1,295	1,253	available	available	available	available
District's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
District's covered-employee payroll	<u>\$ 441,961</u>	<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>0.09%</u>	<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

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OTHER SUPPLEMENTARY INFORMATION

**GOLDEN SHORES FIRE DISTRICT
ANNUAL REPORT INFORMATION
FISCAL YEAR ENDED JUNE 30, 2023**

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 28, 2022	3:30 p.m.	12950 Oatman Highway, Topock, AZ
August 25, 2022	3:30 p.m.	12950 Oatman Highway, Topock, AZ
Sept 22, 2022	3:30 p.m.	12950 Oatman Highway, Topock, AZ
October 27, 2022	3:30 p.m.	12950 Oatman Highway, Topock, AZ
Nov 17, 2022	3:30 p.m.	12950 Oatman Highway, Topock, AZ
December 22, 2022	3:30 p.m.	12950 Oatman Highway, Topock, AZ
January 26, 2023	3:30 p.m.	12950 Oatman Highway, Topock, AZ
February 23, 2023	3:30 p.m.	12950 Oatman Highway, Topock, AZ
March 23, 2023	3:30 p.m.	12950 Oatman Highway, Topock, AZ
April 27, 2023	3:30 p.m.	12950 Oatman Highway, Topock, AZ
May 25, 2023	3:30 p.m.	12950 Oatman Highway, Topock, AZ
June 22, 2023	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
Steve Iverson	(928) 768-4546	Member
Patrick Gonzales	(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

**GOLDEN SHORES FIRE DISTRICT
ANNUAL REPORT INFORMATION
VOLUNTEER PENSION DISTRIBUTIONS
FISCAL YEAR ENDED JUNE 30, 2023**

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	Nancy Johnson	31,926
Article 4	John Boyle	<u>48,055</u>
Total		<u>\$ 89,982</u>

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GOLDEN SHORES FIRE DISTRICT
GOVERNMENT AUDIT STANDARDS SECTION
June 30, 2023

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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
LICENSED PRIVATE INVESTIGATORS #01534603, # 1003706

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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, 2023, 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 11, 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, 2023

Page 2

Report on Compliance with State of Arizona Regulatory Requirements

In conjunction with our Audit, nothing came to our attention causing us to believe the Golden Shores Fire District 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's General Fund, except those liabilities as prescribed in Arizona Revised Statutes (A.R.S.) section 48-805, subsection B, paragraph 2 and sections 48-806 and 48-807, or that the District failed to comply with A.R.S. section 48-805.02, subsection F. However, our Audit was not directed primarily toward obtaining knowledge of such non-compliance. This report is supplemental reporting as required by Arizona Revised Statutes intended solely for the information and use of management and to meet the requirements of A.R.S. 48-805. Accordingly, this report is not suitable for any other purpose and is not intended to be and should not be used by anyone other than the specified parties.

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 11, 2023

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