

NOTICE OF BOARD MEETING

HEBER-OVERGAARD FIRE DISTRICT BOARD OF DIRECTORS

Pursuant to A.R.S. 38-431.02(C). Notice is hereby given to the members of the Heber-Overgaard Fire District and the general public that the Heber-Overgaard Fire District will hold a meeting open to the public on November 15, 2022 following the applicant introduction meeting in the Heber-Overgaard Fire Station, Overgaard, Navajo County, Arizona. The Board may vote to go into executive session, which will not be open to the public to discuss certain matters.

Pursuant to the Americans with Disabilities Act (ADA), the Heber-Overgaard Fire District endeavors to ensure the accessibility of its meetings to all persons with disabilities. If you need an accommodation for a meeting, please contact the Fire District's Administration at 928-535-4346 at least 48 hours prior to the meeting so that an accommodation can be arranged.

Pledge

1. CALL TO ORDER and ROLL CALL OF BOARD MEMBERS:
2. SWEARING IN OF THE NEWLY ELECTED BOARD MEMBERS OF THE HEBER OVERGAARD FIRE DISTRICT GOVERNING BOARD; ROGER OWENS, MIKE BREWER, AND STEVEN GRUMKOSKI:
3. Vote to go into Executive Session for the appointment of a new Fire Board member per ARS.38-431-03A: Fire Board Chair announcement that Executive Sessions are Confidential:

Back in Regular Session:

- A. Discussion and possible action regarding agenda item 3, appointment of a new Fire Board member:
 - B. Possible swearing in of newly appointed Fire Board member:
4. ELECTION OF OFFICERS FOR FIRE BOARD CHAIR AND FIRE BOARD CLERK:
 5. CONSENT AGENDA:
 - A. APPROVAL OF MINUTES:
 1. Regular Session minutes of October 18, 2022.

MOTION to accept the October 18, 2022 Board Meeting Minutes as presented
 - B. REPORTS AND CORRESPONDENCE:
 2. October 2022 Fire & EMS Reports
 3. October 2022 Fire Chief's Report
 4. October 2022 Deputy Chief's Report

MOTION to accept the October 2022 Reports and Correspondence as presented.

6. FINANCIAL REPORTING: October 2022 Financial and Ambulance Financial Statements.
MOTION to accept the October 2022 Financial and Ambulance Financial Statements as presented.
7. Discussion and possible action regarding the 2021-2022 Audit:
8. CALL TO THE PUBLIC:
9. OLD BUSINESS:
 - A. Update on apparatus, grants, and the tower:
 - B. Discussion and possible action on the purchase of the new engine:
10. NEW BUSINESS:
 - A. New appointments needed for the Public Safety Retirement Board seats:
(Mike Brewer and assignment of Board Chair unless appointed to another)
 - B. Arizona Fire District Association Statutory Compliance Training for elected, re-elected, or appointed Board Members; Dec 2 in Phoenix or the AFDA 2023 Winter Conference Jan 11-13 in Laughlin.
 - C. Discussion and possible action regarding Chief McCluskey's retirement:
11. CALL TO THE PUBLIC:
12. ADJOURNMENT:

SOME BOARD MEMBERS AND/OR DISTRICT ATTORNEY MAY APPEAR TELEPHONICALLY ON ABOVE AGENDA ITEMS OR EXECUTIVE SESSIONS. A COPY OF THE AGENDA BACKGROUND MATERIAL PROVIDED TO BOARD MEMBERS (WITH THE EXCEPTION OF MATERIAL RELATING TO POSSIBLE EXECUTIVE SESSIONS) IS AVAILABLE FOR PUBLIC INSPECTION AT THE FIRE HALL FROM 8:00 A.M. TO 4:00 P.M. DAILY. UNDER A.R.S. SECTION 38-431.03 (A). THE BOARD RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION ON ABOVE AGENDA ITEMS WHEN NEEDED, ARS 38-431.03 (D) FOR LEGAL ADVICE ON ANY OF THE ABOVE AGENDA ITEMS OR ANY MATTER OF PROCEDURE.

Call to the Public A.R.S 38-431.01. (H). A public body may make an open call to the public during a public meeting, subject to reasonable time, place and manner restrictions, to allow individuals to address the public body on any issue within the jurisdiction of the public body. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter or may ask that a matter be put on a future agenda. However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action.

POSTED AT THE HEBER/OVERGAARD FIRE STATION, ON DATE: *11-10-22*

**HEBER-OVERGAARD FIRE DISTRICT BOARD
BOARD MEETING MINUTES
11/15/2022**

The meeting was called to order by Roger Owens at 1753.

Attendees:

Roger Owens, Chairman	Grumkoski, Board Member
Roxanne Flynn, Board Clerk	Mark Dahl, Board Member
Mike Brewer, Board Member	
Dee McCluskey, Fire Chief- Telephonic	

1. CALL TO ORDER and ROLL CALL OF BOARD MEMBERS:
2. SWEARING IN OF THE NEWLY ELECTED BOARD MEMBERS OF THE HEBER OVERGAARD FIRE DISTRICT GOVERNING BOARD; ROGER OWENS, MIKE BREWER, AND STEVEN GRUMKOSKI:
3. Vote to go into Executive Session for the appointment of a new Fire Board member per ARS.38-431-03A: Fire Board Chair announcement that Executive Sessions are Confidential:
 - A. Discussion and possible action regarding agenda item 3, appointment of a new Fire Board member:
MOTION made by Mike Brewer to appoint Mark Dahl to the HOFD Fire Board. Roxanne Flynn SECONDED the MOTION. In favor, Mike Brewer, Roxanne Flynn, Steven Grumkoski. Not in favor Roger Owens.
 - B. Swearing in of newly appointed Fire Board member Mark Dahl:
4. ELECTION OF OFFICERS FOR FIRE BOARD CHAIR AND FIRE BOARD CLERK:
MOTION made by Mike Brewer to keep Roger Owens as Board Chairman and Roxanne Flynn as Board Clerk. Steve Grumkoski SECONDED the MOTION. All in Favor.
5. CONSENT AGENDA:
 - A. APPROVAL OF MINUTES:
 1. Regular Session minutes of October 18, 2022.
MOTION made by Roxanne Flynn to accept the October 18, 2022 Board Meeting Minutes as presented. Mark Dahl SECONDED the MOTION. All in Favor.
 - B. REPORTS AND CORRESPONDENCE:
 2. October 2022 Fire & EMS Reports
 3. October 2022 Fire Chief's Report
 4. October 2022 Deputy Chief's Report

MOTION made by Roxanne Flynn to accept the October 2022 Reports and Correspondence as presented. Mike Brewer SECONDED the MOTION. All in Favor.
6. FINANCIAL REPORTING: October 2022 Financial and Ambulance Financial Statements.
 - A. Steve Grumkoski requested the full Aging Report on the Month End Financials going forward.

MOTION made by Roxanne Flynn to accept the October 2022 Financial and Ambulance Financial Statements as presented. Mark Dahl SECONDED the MOTION. All in Favor.

7. Discussion and possible action regarding the 2021-2022 Audit:

MOTION made by Roxanne Flynn to accept 2021-2022 Audit as presented. Mike Brewer SECONDED the MOTION. All in Favor.

8. CALL TO THE PUBLIC:

- A. Steve Grumkoski requested we review the lighting in the front of the station and side parking lot for safety reasons.

9. OLD BUSINESS:

- A. Update on apparatus, grants, and the tower:
- B. Discussion and possible action on the purchase of the new engine:

- 1. Engine 71 continued maintenance and repairs.
- 2. Deputy Chief Payne discussed purchase of the Attack Truck. Financial increase in cost for manufacturer, significant price change from sign of contract to delivery. Awaiting CEO notification of additional cost due to supply and demand. Possibly 120 – 130K difference.

10. NEW BUSINESS:

- A. New appointments needed for the Public Safety Retirement Board seats:

MOTION made by Roxanne Flynn to appointment of Mike Brewer as Board Member and Roger Owens as Board Chair. Steve Grumkoski SECONDED the MOTION. All in Favor.

- B. Arizona Fire District Association Statutory Compliance Training for elected, re-elected, or appointed Board Members; Dec 2 in Phoenix or the AFDA 2023 Winter Conference Jan 11-13 in Laughlin.
 - 1. Mike Brewer to determine if additional training required within 12 months of last training.
 - 2. Steve Grumkoski to be attending the 2023 AFDA Winter Conference.

- C. Discussion and possible action regarding Chief McCluskey's retirement:

MOTION made by Mike Brewer to go into Executive Session per ARS.38-431-03A, for discussion and possible action on Fire Chief McCluskey's retirement. Steve Grumkoski SECONDED the MOTION. All in favor. 1850.

MOTION Made by Mark Dahl to return to Regular Session for Call to the Public prior to Executive Session. Roxanne Flynn SECONDED the MOTION. All in Favor. 1851.

11. Call to the Public.

- A. Comment by Tony Arrigo – Thank you Chief McCluskey.

MOTION made by Mike Brewer to go into Executive Session per ARS.38-431-03A, for discussion and possible action on Fire Chief McCluskey's retirement. Steve Grumkoski SECONDED the MOTION. Executive Session 18:53.

MOTION made by Steve Grumkoski to return to Regular Session. Mike Brewer SECONDED the MOTION. All In Favor.

Return to Regular Session 19:22

Returned to Agenda Item 9 B Attack Truck Update, \$127,243.00 additional for Attack Truck \$134,068.00 after taxes per letter received from CEO at Manufacturer.

MOTION made by Roxanne Flynn to use capital funds not to exceed \$140K to complete the purchase of the Attack Truck. Steve Grumkoski SECONDED the MOTION. All In Favor.

Returned to Item 10 C Discussion as to possible action regarding Chief McCluskey's retirement:

MOTION made by Mark Dahl to appoint Deputy Chief Jason Payne, as HOFD Fire Chief pending contract acceptance on 01/01/2023; and to assist the complete transition of Chief McCluskey until official retirement. Mike Brewer SECONDED the MOTION. All In Favor.

12. Call to the public. No Comment.

13. ADJOURNMENT:

MOTION made by Roxanne Flynn to Adjourn. Steve Grumkoski SECONDED the MOTION. All In Favor. 19:26

Respectfully Submitted,

Elizabeth K Warren

CAC, CACO Billing Specialist



R. Owens



R. Flynn

M. Brewer



S. Grumkoski



M. Dahl

MOTION made by Mike Brewer to go into Executive Session per ARS 88-481-09A, for discussion and possible action on Fire Chief McCluskey's retirement. Steve Grumkoski SECONDED the MOTION. Executive Session 18:58.

MOTION made by Steve Grumkoski to return to Regular Session. Mike Brewer SECONDED the MOTION. All in Favor.
Return to Regular Session 19:22.

Referred to Agenda Item 9 B Attack Truck Update, \$127,245.00 additional for Attack Truck \$134,059.00 after taxes per letter received from CEO at Manufacturer.

MOTION made by Roxanne Flynn to use capital funds not to exceed \$140K to complete the purchase of the Attack Truck. Steve Grumkoski SECONDED the MOTION. All in Favor.

Referred to Item 10-C Discussion as to possible action regarding Chief McCluskey's retirement.

MOTION made by Mark Dahl to appoint Deputy Chief Jason Payne, as HOFD Fire Chief pending contract acceptance on 01/01/2023; and to assist the complete transition of Chief McCluskey until official retirement. Mike Brewer SECONDED the MOTION. All in Favor.

12. Call to the public: No Comment.
13. ADJOURNMENT.

MOTION made by Roxanne Flynn to Adjourn. Steve Grumkoski SECONDED the MOTION. All in Favor. 19:26

Respectfully Submitted,
Elizabeth K Warren
CAC, CACO Billing Specialist



R. Owens



R. Flynn



M. Brewer



S. Grumkoski



M. Dahl

HOFD INCIDENT RUN SUMMARY

October 2022

EMS – Billing Summary	(OCTOBER)	(YTD-2022)
ALS Transports	45	399
BLS Transports	1	32
Deceased	0	2
Helicopter	0	9
Patient Refusals	<u>23</u>	<u>179</u>
Total EMS Billing	69	619

FIRE – Run Summary	(OCTOBER)	(YTD-2022)
Fire	1	26
Explosion	1	1
Rescue & EMS	73	739
Hazardous Condition	2	14
Service Call	12	135
Good Intent Call	4	64
False Alarm & False Call	6	28
Severe Weather & Natural Disaster	0	1
Special Incident – Wildland Assignment	<u>0</u>	<u>7</u>
Total FIRE-EMS Calls	99	1015

ACTIVITY –Summary	(OCTOBER)	(YTD-2022)
Community Events	0	1
Burn Permit	10	67
Public Assist	3	9
Residential Lockbox Install	0	9
Lift Assist	0	0
Vehicle Lockout	2	42
Public Education	<u>1</u>	<u>2</u>
Total ACTIVITY Calls	16	131

FIRE PREVENTION ACTIVITY –Summary	(OCTOBER)	(YTD-2022)
Initial Inspection	0	7
Re-Inspection	1	1
Annual Inspection	1	1
Firewise Inspections	0	3
Engine Company Surveys	<u>0</u>	<u>0</u>
Total PREVENTION ACTIVITY	2	12

RESPONSE TIMES

EMS AVG Response Times Month (OCTOBER)	<u>Minutes.Seconds</u>
In-District	3.51 (-)
Out of District – In CON	0.00 (+)
Out of CON	25.63 (/)
EMS AVG Response Times 2022	<u>Minutes.Seconds</u>
In-District	4.17 (-)

The Mission of the Heber-Overgaard Fire District is to serve the people and protect lives and property by providing fire, rescue and emergency medical services.

Out of District – In CON
Out of CON

13.70 (/)
31.78 (-)

The Mission of the Heber-Overgaard Fire District is to serve the people and protect lives and property by providing fire, rescue and emergency medical services.



FIRE CHIEF'S REPORT – NOVEMBER 18th, 2022

Fire Chief's Report
OCTOBER 2022
William D. McCluskey

- I. Administrative
 - a. 10/1 Drive-thru Flu Shot Clinic
 - b. 10/2-3 Multiple Grant Quarterly Reports & Control Forms
 - c. 10/4 AZSERC Meeting
 - d. 10/5-14 HOFD Imagetrend File and Folder Cleanup
 - e. 10/11 HOCRN Board Meeting
 - f. 10/17 National SERC Meeting
 - g. 10/18 HOCRN General Meeting
 - h. 10/19 Show Low TV Spot
 - i. 10/21 Doubler Door Bay door Maintenance begins
 - j. 10/24 NCLEPC Meeting
 - k. 10/26 NAFCA General Meeting – HOFD FD
- II. Training
 - a. 10/5 LEPC Workshop
- III. Significant Incidents:
 - a. 10/5 Buckskin/ Chevelon MVA
 - b. Received Turn-out Dryer and Extractor. Installed and operational
- IV. Wildland Requests/Assignments
 - a. No requests

Next meeting: December 20th, 2022



DEPUTY FIRE CHIEF

October 2022 Deputy Fire Chief Report

October Wildland Update

- No wildland assignments in October

Apparatus Update

- E71 in service (Scheduled to be repaired early November)
- E72 in service
- E73 (type 3) in service
- 20-2991 (Elk) Back in service and running calls
- New purchase of Attack Truck final inspection November 2022
- New purchase of Type 1 structure engine, report to follow

October 2022 bullet points

- Flue Shot Clinic. Another successful event (220 shots given)
- Two new HOFD firefighters sworn in.
- HOCRN meetings (Monthly)
- Chamber of Commerce meetings (Monthly)
- University of Arizona quality assurance EMS kickoff meeting
- Mogollon High School Footballs standbys
- Mogollon High School Homecoming Bon fire stand by.
- Annual Truck or Treat in the park
- NAFCA meeting held at HOFD
- Red Ribbon Week station tour with Mountain Meadows School
- Red Ribbon Week assist NCSO demonstration and Halloween safety talk.
- New radio installation completed in trucks (Grant)
- October Fire Prevention Month school talks and demonstrations.
- Annual hose testing
- Annual driver training done (Emergency vehicle driving course in Taylor)
- Preparing for first snow.
- Updated all Knox box and access code list.
- Installed new turn-out dryer (Grant)
- Small engine repair and service.
- Bay door inspections and repairs with new antennas and door openers installed.

Total Water used for all 3 shifts

Total water used approximately (Academy and hose testing) 5,500

Unit Analysis Report
Summary Report All Units
All Companies
END OF MONTH

Total Page : 2 of 2
 Summary Page : 1 of 1
 Date : 11/01/2022
 Time : 07:40:01
 History ID : 5911783

<u>ID</u>	<u>Transport Urgency Description</u>	<u>10/01/2022</u>	<u>To</u>	<u>10/31/2022</u>	<u>Call Charges</u>
		<u>Calls</u>	<u>Miles</u>	<u>Hours</u>	
A	ALS TRANSPORT	45	1795.3	12.81	138751.81
B	BLS TRANSPORT	1	42.0	0.32	3157.76
R	REFUSAL	23	0.0	1.02	0.00
Total For All		69	1837.3	14.15	141909.57
Average Time Per Unit:			12.30	Minutes	
Average Miles Per Unit:			26.63	Miles	

Credit Summary

Summary By Credit Code

END OF MONTH

<u>ID</u>	<u>Description</u>	<u>Credits</u>	<u>QTY %</u>	<u>Amount</u>	<u>Amount %</u>
AMCD	ADJUSTMENT MEDICAID	27	13.37	28364.91	13.91
AMCR	ADJUSTMENT MEDICARE	28	13.86	56633.08	27.78
AMGT	ADJUSTMENT INSURANCE	8	3.96	16149.19	7.92
COLL	PAYMENT COLLECTION AGENCY	4	1.98	92.00	0.05
PAIN	PAYMENT - AUTO	1	0.50	2816.55	1.38
PMCB	PAYMENT-MEDICARE	14	6.93	10393.49	5.10
PMCD	PAYMENT MEDICAID	9	4.46	15494.19	7.60
PMCMC	PAYMENT MEDICAID MANAGED CARE	9	4.46	10282.53	5.04
PMCO	PAYMENT MCR MANAGED CARE	9	4.46	6877.32	3.37
PPCH	PAYMENT PATIENT - CHECK	10	4.95	3396.25	1.67
PPIN	PAYMENT COMM INS - PRIMARY	10	4.95	12707.45	6.23
PSIN	PAYMENT COMM INS - SECONDARY	20	9.90	3129.81	1.54
PSPE	PAYMENT - VA	1	0.50	3157.76	1.55
PTCC	PAYMENT PATIENT - CREDIT CARD	9	4.46	1555.96	0.76
REVADJ	REVERSAL OF ADJUSTMENT	5	2.48	-3624.00	-1.78
TAX	TAX SUBSIDY ADJUSTMENT	18	8.91	4804.83	2.36
TCSADJ	COLLECTION FEE ADJUSTMT	4	1.98	43.00	0.02
WCOL	Write Off-Bad Debt/Collections	16	7.92	31611.81	15.50
Totals For All		202		203886.13	

Aging - Patient Detail

END OF MONTH

Report As Of October 31, 2022

Pat No	Neg	Patient Name	Last Pay	Current	31 to 60	61 to 90	91 to 120	121 to 150	151 to 180	Over 180	Total
120006560	----			3107.45	0.00	0.00	0.00	0.00	0.00	0.00	3107.45
120006562	----			3119.06	0.00	0.00	0.00	0.00	0.00	0.00	3119.06
120006563	----			3120.35	0.00	0.00	0.00	0.00	0.00	0.00	3120.35
120006565	----			3131.96	0.00	0.00	0.00	0.00	0.00	0.00	3131.96
120006567	----			3119.06	0.00	0.00	0.00	0.00	0.00	0.00	3119.06
120006568	----			3144.86	0.00	0.00	0.00	0.00	0.00	0.00	3144.86
120006571	----			2901.05	0.00	0.00	0.00	0.00	0.00	0.00	2901.05
120006573	----			3119.06	0.00	0.00	0.00	0.00	0.00	0.00	3119.06
120006574	----			3131.96	0.00	0.00	0.00	0.00	0.00	0.00	3131.96
120006575	----			980.40	0.00	0.00	0.00	0.00	0.00	0.00	980.40
120006577	----			3119.06	0.00	0.00	0.00	0.00	0.00	0.00	3119.06
120006578	----			3183.56	0.00	0.00	0.00	0.00	0.00	0.00	3183.56
120006579	----			3093.26	0.00	0.00	0.00	0.00	0.00	0.00	3093.26
120300466	----			3131.96	0.00	0.00	0.00	0.00	0.00	0.00	3131.96
120300853	----			0.00	3162.92	0.00	0.00	0.00	0.00	0.00	3162.92
120301012	----			0.00	3131.96	0.00	0.00	0.00	0.00	0.00	3131.96
120400030	----			0.00	0.00	0.00	0.00	3119.06	0.00	0.00	3119.06
120400071	----		09/29/2022	0.00	0.00	0.00	20.00	0.00	0.00	0.00	20.00
120400709	----			0.00	3131.96	0.00	0.00	0.00	0.00	0.00	3131.96
120401010	----			3119.06	0.00	0.00	0.00	0.00	0.00	0.00	3119.06
120401093	----			3152.60	0.00	0.00	0.00	0.00	0.00	0.00	3152.60
120401169	----			0.00	0.00	0.00	0.00	3144.86	0.00	0.00	3144.86
120500064	----			0.00	0.00	0.00	0.00	0.00	2781.90	0.00	2781.90
120500183	----			3144.86	0.00	0.00	0.00	0.00	0.00	0.00	3144.86
120500370	----		10/06/2022	0.00	0.00	0.00	0.00	0.00	0.00	525.00	525.00
120500930	----		10/13/2022	0.00	193.39	0.00	0.00	0.00	0.00	0.00	193.39
120500997	----			0.00	0.00	0.00	0.00	992.08	0.00	0.00	992.08
120501133	----		07/27/2022	0.00	0.00	0.00	243.62	0.00	0.00	0.00	243.62
120501251	----			3106.16	0.00	0.00	0.00	0.00	0.00	0.00	3106.16
120501316	----			0.00	0.00	0.00	0.00	0.00	951.58	0.00	951.58
120501648	----		10/13/2022	3131.96	289.02	0.00	700.00	800.00	0.00	0.00	4920.98
120501815	----			3404.15	0.00	0.00	0.00	0.00	3047.55	0.00	6451.70
120600144	----		10/13/2022	0.00	0.00	0.00	0.00	0.00	0.00	1836.37	1836.37
121300001	----		09/01/2022	0.00	0.00	0.00	0.00	0.00	0.00	362.41	362.41
121900005	----			3131.96	0.00	0.00	0.00	0.00	0.00	0.00	3131.96
Total Patients:	133			105021.64	49761.51	46055.86	41153.99	23230.51	14567.36	16345.21	296156.08

Aging Summary

END OF MONTH

Report As Of October 31, 2022

Grouped By Level of Care

ID	Description	Calls	Current	31 to 60	61 to 90	91 to 120	121 to 150	151 to 180	Over 180	Total
N	NON RESIDENT	42	15378.58	10159.94	26205.88	21812.34	8702.85	2805.00	784.21	85848.80
R	RESIDENT	111	89643.06	39601.57	19849.98	19341.65	14527.66	11782.36	15561.00	210307.28

2022 - 2023 AMBULANCE REVENUES

MONTH	BALANCE FORWARD	CHARGES	PAYMENTS	CONTRACTUAL ADJUSTMENTS	RESIDENTIAL TAX WRITE OFF	INSURANCE REFUNDS	*MANAGEMENT ADJUSTMENTS	OUTSIDE COLLECTIONS ADJUSTMENTS	OUTSTANDING AIR
JUL	\$ 248,795.97	\$ 221,400.37	\$ (67,583.57)	\$ (105,458.64)	\$ (3,193.17)	\$ -	\$ 1,172.54	\$ (91.97)	\$ 295,041.53
AUG	\$ 295,041.53	\$ 249,809.71	\$ (69,335.83)	\$ (91,938.70)	\$ (7,016.74)	\$ 144.29	\$ 50.00	\$ (50.50)	\$ 376,703.76
SEP	\$ 376,703.76	\$ 173,939.80	\$ (74,877.53)	\$ (143,058.90)	\$ (1,814.72)	\$ -	\$ 205.23	\$ (35.50)	\$ 331,062.14
OCT	\$ 331,062.14	\$ 168,980.07	\$ (69,903.31)	\$ (132,758.99)	\$ (4,804.83)	\$ -	\$ 3,624.00	\$ (43.00)	\$ 296,156.08
NOV									\$ -
DEC									\$ -
JAN									\$ -
FEB									\$ -
MAR									\$ -
APR									\$ -
MAY									\$ -
JUN									\$ -
TOTALS	\$ 814,129.95	\$ (281,700.24)	\$ (473,215.23)	\$ (16,829.46)	\$ 144.29	\$ 5,051.77	\$ (220.97)		

*Management Adjustments reflect reversals of prior Insurance Adjustments for additional payment.



Heber-Overgaard Fire Department

2061 Lumber Valley Road
P.O. Box 1010
Overgaard, AZ 85933
(928) 535-4346



Monthly Financial Report – October 2022

Attached are the following for your information and review:

1. Balance Sheet as of October 31, 2022.
2. Summary of reconciled cash balances for October 2022
3. Statement of Revenues and Expenditures for October 31, 2022, including budget to actual and fiscal year balances.
4. Fixed Assets and Disposals
5. Income vs. Expenses Graph through October 2022.
6. Monthly Disbursement Report.
7. 12-Month Cash Flow.

Key points:

- Revenue for the month of October was \$997,801 which was over budget by \$30,570.
 - Navajo County Revenue for October was \$927,881 which was \$12,776 over budget.
 - Non-Levy revenue was \$69,920.
 - Ambulance revenue for the month was \$68,277 which was \$16,610 over budget.
- Expenses for October totaled \$212,212 which was under budget by \$10,312.
- Fiscal Year revenue is \$1,618,471 which is \$283,055 over budget.
 - Ambulance revenue is \$279,141 which is \$72,473 over budget.
- Fiscal Year expenses are \$963,621 which is \$84,442 under budget.

Please contact the Finance Director for any questions or concerns regarding this report.

HEBER-OVERGAARD FIRE DISTRICT

Balance Sheet

As of October 31, 2022

Accrual Basis

	Oct 31, 22	Oct 31, 21	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1072 · Bill.com Money Out Clearing	0.00	437.20	-437.20	-100.0%
1066 · NAT'L BANK OF ARIZONA/PAYROLL	164,804.35	162,345.20	2,459.15	1.5%
1005 · PETTY CASH	100.00	100.00	0.00	0.0%
1010 · NAVAJO COUNTY TREASURER	1,887,775.59	1,486,857.45	400,918.14	27.0%
1014 · CAPITAL PROJECTS FUND	518,457.96	514,116.40	4,341.56	0.8%
Total Checking/Savings	2,571,137.90	2,163,856.25	407,281.65	18.8%
Accounts Receivable				
1200 · Accounts Receivable	0.00	-75,469.80	75,469.80	100.0%
Total Accounts Receivable	0.00	-75,469.80	75,469.80	100.0%
Other Current Assets				
1351 · AMBULANCE ALLOWANCE	-124,805.68	-75,303.24	-49,502.44	-65.7%
1210 · TAXES RECEIVABLE	59,367.20	54,635.21	4,731.99	8.7%
1350 · AMBULANCE RECEIVABLES	248,795.97	154,450.00	94,345.97	61.1%
Total Other Current Assets	183,357.49	133,781.97	49,575.52	37.1%
Total Current Assets	2,754,495.39	2,222,168.42	532,326.97	24.0%
Fixed Assets				
1700 · Accumulated Depreciation	-2,569,682.98	-2,474,362.71	-95,320.27	-3.9%
1620 · Equipment	838,923.30	630,575.60	208,347.70	33.0%
1610 · Vehicles	2,461,395.29	2,467,973.92	-6,578.63	-0.3%
1600 · Buildings & Land	1,371,443.14	1,333,516.02	37,927.12	2.8%
Total Fixed Assets	2,102,078.75	1,957,702.83	144,375.92	7.4%
Other Assets				
3122 · OPEB	53,027.00	53,027.00	0.00	0.0%
3120 · Deferred Outflows	915,529.00	915,529.00	0.00	0.0%
1500 · PREPAID EXPENSES	110,123.95	2,527.81	107,596.14	4,256.5%
Total Other Assets	1,078,679.95	971,083.81	107,596.14	11.1%
TOTAL ASSETS	5,935,254.09	5,150,955.06	784,299.03	15.2%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 · Accounts Payable	14,164.42	119,821.75	-105,657.33	-88.2%
Total Accounts Payable	14,164.42	119,821.75	-105,657.33	-88.2%
Credit Cards				
2110 · NBAZ Credit Card	7,779.62	4,948.29	2,831.33	57.2%
Total Credit Cards	7,779.62	4,948.29	2,831.33	57.2%
Other Current Liabilities				
3150 · PTO Accrual	241,409.49	227,919.69	13,489.80	5.9%
2460 · Misc Deductions	702.16	15.50	686.66	4,430.1%
2025 · INTEREST PAYABLE	1,834.45	2,389.12	-554.67	-23.2%
2100 · Payroll Liabilities				
21-2700 · Life Insurance	0.00	1,272.36	-1,272.36	-100.0%
21-2400 · INSURANCE-MEDICAL	1,158.09	0.00	1,158.09	100.0%
21-2410 · INSURANCE-DENTAL	56.73	0.00	56.73	100.0%
21-2500 · MEDICAL SAVINGS ACCOUNT	0.00	-1,140.76	1,140.76	100.0%
21-2600 · AFLAC-SUPPLEMENTAL INS	0.00	724.50	-724.50	-100.0%
21-2900 · AZ STATE RETIREMENT SYSTEM	-0.01	-15.47	15.46	99.9%
Total 2100 · Payroll Liabilities	1,214.81	840.63	374.18	44.5%
2300 · DEFERRED COMP PLAN	-3,871.59	-2,759.80	-1,111.79	-40.3%
2350 · PAYABLE TO FF PENSION	6,009.48	0.00	6,009.48	100.0%
2375 · ACCRUED PAYROLL	58,219.32	65,937.10	-7,717.78	-11.7%
2400 · GARNISHMENT	67.35	0.00	67.35	100.0%
2800 · AZ PUBLIC SAFETY RETIREMENT	13,809.91	2,759.80	11,050.11	400.4%
Total Other Current Liabilities	319,395.38	297,102.04	22,293.34	7.5%
Total Current Liabilities	341,339.42	421,872.08	-80,532.66	-19.1%

HEBER-OVERGAARD FIRE DISTRICT

Balance Sheet

Accrual Basis

As of October 31, 2022

	Oct 31, 22	Oct 31, 21	\$ Change	% Change
Long Term Liabilities				
2951 · NBAZ Ambo 1865 Lease	177,241.85	177,241.85	0.00	0.0%
3100 · Net Pension Liability	1,130,766.00	1,130,766.00	0.00	0.0%
3130 · Deferred Inflows	351,044.00	351,044.00	0.00	0.0%
2950 · N/P Chase Tender Loan	0.00	60,788.45	-60,788.45	-100.0%
Total Long Term Liabilities	1,659,051.85	1,719,840.30	-60,788.45	-3.5%
Total Liabilities	2,000,391.27	2,141,712.38	-141,321.11	-6.6%
Equity				
3200 · FUND BALANCE	2,613,796.00	2,613,796.00	0.00	0.0%
3900 · Retained Earnings	666,217.23	51,101.15	615,116.08	1,203.7%
Net Income	654,849.59	344,345.53	310,504.06	90.2%
Total Equity	3,934,862.82	3,009,242.68	925,620.14	30.8%
TOTAL LIABILITIES & EQUITY	5,935,254.09	5,150,955.06	784,299.03	15.2%

Heber-Overgaard Fire District
Summary of Reconciled Cash Balances
 Period Ending 10/31/2022

	Navajo County General Fund	Navajo County Capital Fund	National Bank Payroll Fund
	<u>10/31/2022</u>	<u>10/31/2022</u>	<u>10/31/2022</u>
Beginning Balance	1,078,780.71	518,030.35	181,959.78
Cleared Transactions			
Checks and Payments	(120,000.00)	-	(205,534.08)
Deposits and Credits	928,994.88	427.61	188,378.65
Total Cleared Transactions	<u>808,994.88</u>	<u>427.61</u>	<u>(17,155.43)</u>
Cleared Balance	<u><u>1,887,775.59</u></u>	<u><u>518,457.96</u></u>	<u><u>164,804.35</u></u>
Uncleared Transactions			
Checks and Payments	-	-	-
Deposits and Credits	-	-	-
Total Uncleared Transactions	<u>-</u>	<u>-</u>	<u>-</u>
Register Balance as of 10/31/2022	<u><u>1,887,775.59</u></u>	<u><u>518,457.96</u></u>	<u><u>164,804.35</u></u>

HEBER-OVERGAARD FIRE DISTRICT
Profit & Loss Budget Performance
October 2022

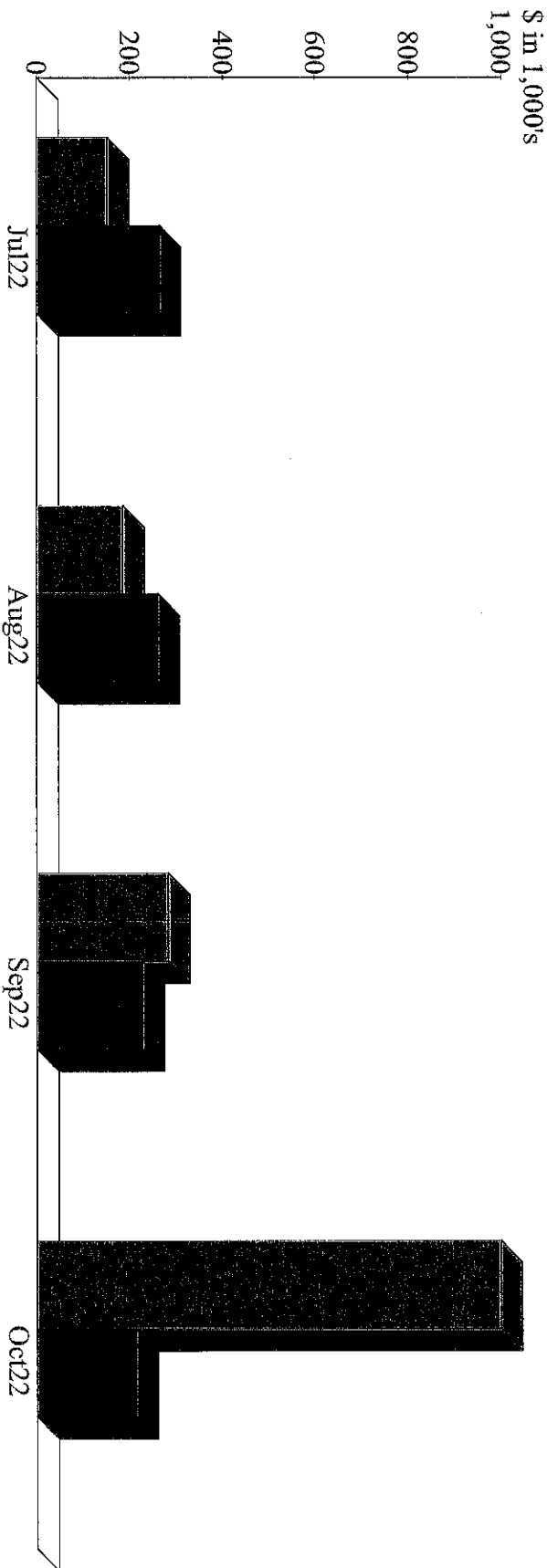
Ordinary Income/Expense	Oct 22	Budget	\$ Over Budget	Jul - Oct 22	YTD Budget	\$ Over Budget	Annual Budget
Income							
4000 · AD VALOREM TAXES	927,881.06	915,105.00	12,776.06	1,157,161.72	988,388.00	168,773.72	2,292,041.00
4140 · COUNTY TAX DISTRIBUTION	0.00	0.00	0.00	0.00	0.00	0.00	130,476.00
4640 · GRANTS	0.00	0.00	0.00	94,278.21	50,000.00	44,278.21	50,000.00
4645 · DONATIONS	0.00	42.00	-42.00	0.00	168.00	-168.00	500.00
4650 · STATE LAND FIRE	0.00	0.00	0.00	79,556.38	88,524.00	-8,967.62	177,050.00
4942 · INTEREST-INVESTMENTS	1,115.28	417.00	698.28	7,421.29	1,668.00	5,753.29	5,000.00
4943 · CP-INTEREST COUNTY TREAS.	427.61			427.61			
4969 · MISC REVENUES	100.00			485.00			
4970 · AMBULANCE SERVICE REVENUES	68,277.19	51,667.00	16,610.19	279,140.60	206,668.00	72,472.60	620,000.00
Total Income	997,801.14	967,231.00	30,570.14	1,618,470.81	1,335,416.00	283,054.81	3,275,067.00
Gross Profit	997,801.14	967,231.00	30,570.14	1,618,470.81	1,335,416.00	283,054.81	3,275,067.00
Expense							
50 · PERSONNEL SERVICES	24,737.16	24,597.00	140.16	112,564.57	110,686.00	1,878.57	320,305.00
51 · SALARIES-OPERATIONS	96,895.59	83,979.00	12,916.59	376,738.12	416,060.00	-39,321.88	1,196,523.00
52 · RESERVE & VOLUNTEER PAY	9,980.00	17,103.00	-7,123.00	84,594.75	84,686.00	-91.25	236,173.00
53 · RETIREMENT PLANS	3,432.05	24,776.00	-21,343.95	83,383.61	112,342.00	-28,958.39	322,938.00
54 · INSURANCE-HEALTH	26,230.26	25,050.00	1,180.26	90,850.18	100,200.00	-9,349.82	321,840.00
55 · TAXES-PAYROLL	3,620.68	3,502.00	118.68	19,621.87	14,008.00	5,613.87	45,521.00
56 · EMPLOYEE CONTINGENCY FUND	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00
60 · SUPPLIES-ADM	708.86	708.00	0.86	1,223.08	2,832.00	-1,608.92	8,500.00
61 · JANITORIAL & BLDG MAINT	4,365.06	1,208.00	3,157.06	11,543.94	4,832.00	6,711.94	14,500.00
62 · MEDICAL SUPPLIES/EQUIPMENT	3,367.80	2,900.00	467.80	18,342.62	11,600.00	6,742.62	34,800.00
64 · FUEL	3,599.25	2,712.00	887.25	16,170.30	18,213.00	-2,042.70	47,272.00
65 · VEHICLE MAINTENANCE	263.55	3,167.00	-2,903.45	6,968.14	12,668.00	-5,699.86	38,000.00
66 · CLOTHING-UNIFORMS/PROTECT CLOTH	3,670.00	2,454.00	1,216.00	10,405.74	9,816.00	589.74	29,450.00
67 · FIREFIGHTING EQUIP MAINT SUPPLY	53.50	2,333.00	-2,279.50	147.59	12,533.00	-12,385.41	34,400.00
68 · PUBLIC EDUCATION & GRANTS	9,866.70	208.00	9,658.70	17,123.07	832.00	16,291.07	52,500.00
70 · SERVICES & CHARGES/ADM	4,674.57	7,202.00	-2,527.43	18,412.71	30,008.00	-11,595.29	96,560.00
71 · COMMUNICATIONS	13,105.05	14,240.00	-1,134.95	27,468.58	28,958.00	-1,489.42	96,199.00
72 · TRAVEL PER DIEM	0.00	333.00	-333.00	4,104.14	7,581.00	-3,476.86	16,500.00

HEBER-OVERGAARD FIRE DISTRICT
 Profit & Loss Budget Performance
 October 2022

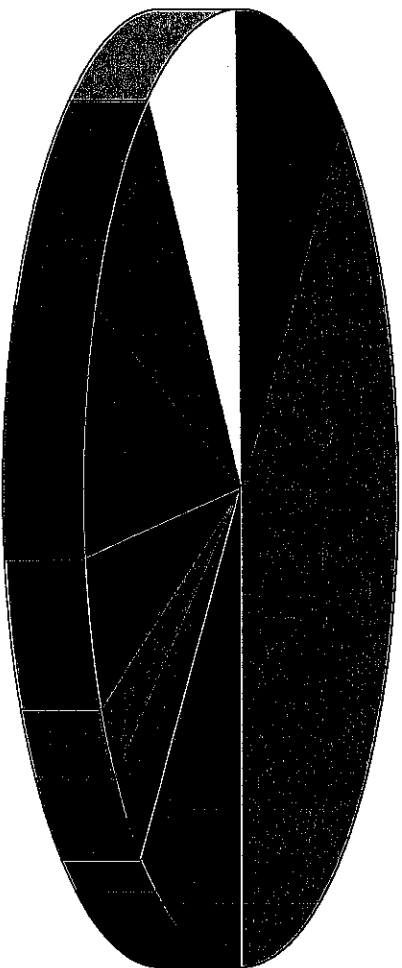
	Oct 22	Budget	\$ Over Budget	Jul - Oct 22	YTD Budget	\$ Over Budget	Annual Budget
73 · FIRE BOARD EXPENSES/TRAINING	0.00	250.00	-250.00	226.65	1,000.00	-773.35	3,000.00
74 · INSURANCE	0.00	0.00	0.00	50,809.33	46,000.00	4,809.33	46,000.00
75 · UTILITIES	1,224.50	1,817.00	-592.50	5,367.99	7,268.00	-1,900.01	21,800.00
77 · FIRE/EMS TRAINING	802.00	3,651.00	-2,849.00	5,834.80	14,604.00	-8,769.20	43,800.00
79 · AWARDS/DUES/SUBSCRIP/MISC	115.15	334.00	-218.85	219.44	1,336.00	-1,116.56	4,000.00
80 · CAPITAL OUTLAY-	1,500.00	0.00	1,500.00	1,500.00	0.00	1,500.00	46,627.00
Total Expense	212,211.73	222,524.00	-10,312.27	963,621.22	1,048,063.00	-84,441.78	3,087,228.00
Net Ordinary Income	785,589.41	744,707.00	40,882.41	654,849.59	287,353.00	367,496.59	187,839.00
Net Income	785,589.41	744,707.00	40,882.41	654,849.59	287,353.00	367,496.59	187,839.00

Income and Expense by Month
July through October 2022

Income
Expense



Expense Summary
July through October 2022



51 · SALARIES-OPERATIONS	39.10%
50 · PERSONNEL SERVICES	11.68
54 · INSURANCE-HEALTH	9.43
52 · RESERVE & VOLUNTEER PAY	8.78
53 · RETIREMENT PLANS	8.65
74 · INSURANCE	5.27
71 · COMMUNICATIONS	2.85
55 · TAXES-PAYROLL	2.04
70 · SERVICES & CHARGES/ADM	1.91
62 · MEDICAL SUPPLIES/EQUIPMENT	1.90
Other	8.39
Total	\$963,621.22

11/08/22
 Accrual Basis

HEBER-OVERGAARD FIRE DISTRICT
 Monthly Disbursement Report
 As of October 31, 2022

Type	Date	Num	Name	Memo	Clr	Split	Debit	Credit
1072 - Bill.com Money Out Clearing	10/03/2022	Bill.com	UNITED FIRE EQUIPME...	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...		6,530.19	6,530.19
Bill Pmt -Check	10/03/2022	2021-289		Bill.com 10/03/22 Payables Funding	1066 · NATL BAN...			
General Journal	10/04/2022	Bill.com	MR. FERRON HALTER	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...		6,530.19	
Bill Pmt -Check	10/04/2022	2021-288		Bill.com 10/04/22 Payables Funding	1066 · NATL BAN...		337.72	337.72
General Journal	10/11/2022	Bill.com	LIFE ASSIST	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			2,363.73
Bill Pmt -Check	10/11/2022	Bill.com	James Vincent Group, LLC	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			3,750.00
Bill Pmt -Check	10/11/2022	Bill.com	SUNSTATE TECHNOLO...	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			1,620.00
General Journal	10/11/2022	2021-300		Bill.com 10/11/22 Payables Funding	1066 · NATL BAN...		7,733.73	
Bill Pmt -Check	10/14/2022	Bill.com	RED LEGACY APPAREL...	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			1,422.68
Bill Pmt -Check	10/14/2022	Bill.com	SENTRY WELDING SUP...	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			202.00
Bill Pmt -Check	10/14/2022	Bill.com	UWMFPAC-ACH	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			60.00
Bill Pmt -Check	10/14/2022	Bill.com	AUTOMOTIVE CARE CE...	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			24.26
Bill Pmt -Check	10/14/2022	Bill.com	WWMFFA	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			428.40
Bill Pmt -Check	10/14/2022	Bill.com	HSA Bank	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			17.50
Bill Pmt -Check	10/14/2022	Bill.com	GURSTEL LAW FIRM	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			471.48
Bill Pmt -Check	10/14/2022	Bill.com	UWMFPAC-ACH	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			75.00
Bill Pmt -Check	10/14/2022	Bill.com	GRIFIN'S PROPANE, I...	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			557.05
Bill Pmt -Check	10/14/2022	Bill.com	WWMFFA	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			367.20
Bill Pmt -Check	10/14/2022	Bill.com	RED LEGACY APPAREL...	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			784.52
General Journal	10/14/2022	2021-306		Bill.com 10/14/22 Payables Funding	1066 · NATL BAN...		3,307.74	
General Journal	10/14/2022	2021-308		Bill.com 10/14/22 Payables Funding	1066 · NATL BAN...		1,341.57	
Bill Pmt -Check	10/18/2022	Bill.com	AFLAC	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			
General Journal	10/18/2022	2021-309		Bill.com 10/18/22 Payables Funding	1066 · NATL BAN...		321.72	
Bill Pmt -Check	10/20/2022	Bill.com	L.N. CURTIS & SONS	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			1,729.21
Bill Pmt -Check	10/20/2022	Bill.com	CITY OF SHOW LOW	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			9,433.50
Bill Pmt -Check	10/20/2022	Bill.com	7710 INSURANCE	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			7,558.00
General Journal	10/20/2022	2021-305		Bill.com 10/20/22 Payables Funding	1066 · NATL BAN...		18,720.71	
Bill Pmt -Check	10/25/2022	Bill.com	EMI HEALTH	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			17,620.31
Bill Pmt -Check	10/25/2022	Bill.com	RED LEGACY APPAREL...	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			913.56
Bill Pmt -Check	10/25/2022	Bill.com	Zions Bank	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			1,500.00
Bill Pmt -Check	10/25/2022	Bill.com	MR. KEVIN KING	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			118.99
General Journal	10/25/2022	2021-304		Bill.com 10/25/22 Payables Funding	1066 · NATL BAN...		20,152.86	
Bill Pmt -Check	10/31/2022	Bill.com	DOUBLER DOOR WORKS	https://app02.us.bill.com/BillPay?id...	2000 · Accounts P...			2,287.00
General Journal	10/31/2022	2021-307		Bill.com 10/31/22 Payables Funding	1066 · NATL BAN...		2,287.00	
Total 1072 - Bill.com Money Out Clearing							60,733.24	60,733.24

Type	Date	Num	Name	Memo	Clr	Split	Debit	Credit
1066 - NATL BANK OF ARIZONA/PAYROLL								
General Journal	10/03/2022	2021-289		Bill.com 10/03/22 Payables Funding	X	1072 - Bill.com Mo...		6,530.19
General Journal	10/04/2022	2021-288		Bill.com 10/04/22 Payables Funding	X	1072 - Bill.com Mo...		337.72
Check	10/04/2022	88101	HSA Bank		X	5425 - HEALTH IN...		2,200.00
Check	10/04/2022	88097	HSA Bank		X	21-2500 - MEDICA...		1,241.64
Check	10/04/2022	83712	NEC-7055200		X	7505 - NAVAPACH...		762.10
Check	10/04/2022	83706	NEC-6933800		X	7505 - NAVAPACH...		244.58
Check	10/04/2022	83689	NEC-1587906		X	7505 - NAVAPACH...		79.55
Check	10/11/2022	27862	BANKCARD CENTER	6126	X	2110 - NBAB Credi...		8,584.10
Check	10/11/2022	52710	INSTAMED		X	7005 - AUDITING ...		237.95
Check	10/11/2022	7817532101	HUMANA HEA LTH CAR...		X	-SPLIT-		1,686.65
General Journal	10/11/2022	2021-300		Bill.com 10/11/22 Payables Funding	X	1072 - Bill.com Mo...		7,733.73
General Journal	10/12/2022	2021-297		PAYROLL 10-9-22 PPE PD 10-13-22	X	5005 - SALARIES/...		48,499.73
General Journal	10/12/2022	2021-298		CHILD SUPPORT 10-9-22 PPE PD...	X	2400 - GARNISHM...		171.95
General Journal	10/13/2022	2021-299		PAYROLL TAXES 10-9-22 PPE P...	X	21-2000 - FEDERA...		11,427.22
Check	10/13/2022	21041730	ARIZONA STATE RETIR...		X	-SPLIT-		2,401.66
Check	10/13/2022	25177	NATIONWIDE TRUST C...	10-9-22 PPE PD 10-13-22	X	2300 - DEFERRED...		529.87
Check	10/13/2022	25176	NATIONWIDE TRUST C...	10-9-22 PPE PD 10-13-22	X	5310 - PSPRS/OPS		529.87
Check	10/13/2022	2022101101	PAYCHEX		X	7005 - AUDITING ...		253.89
Check	10/13/2022	25195	Nationwide Retirement S...	10-9-22 PPE PD 10-13-22	X	2300 - DEFERRED...		1,653.46
Check	10/13/2022	25196	Nationwide Retirement S...	10-9-22 PPE PD 10-13-22	X	2300 - DEFERRED...		75.00
Check	10/14/2022	3080052130	PUBLIC SAFETY PERS...		X	-SPLIT-		127.54
General Journal	10/14/2022	2021-306		BILL 10/14/22 Payables Funding	X	1072 - Bill.com Mo...		3,307.74
General Journal	10/14/2022	2021-308		BILL 10/14/22 Payables Funding	X	1072 - Bill.com Mo...		1,341.57
Check	10/18/2022	4400006538	HEBER-OVERGAARD FL...	Replenish National Bank Account	X	1010 - NAVAJO C...	120,000.00	
Check	10/18/2022	2021-309		BILL 10/18/22 Payables Funding	X	1072 - Bill.com Mo...		321.72
Check	10/20/2022	28945	TRIZETTO		X	7140 - Annual SOF...		49.20
Check	10/20/2022	38530	DISH NETWORK		X	7105 - COMMUNI...		141.03
General Journal	10/20/2022	2021-305		BILL 10/20/22 Payables Funding	X	1072 - Bill.com Mo...		18,720.71
Check	10/25/2022	00386	FRONTIER		X	7105 - COMMUNI...		958.45
Check	10/25/2022	80157	VERIZON WIRELESS		X	7105 - COMMUNI...		619.01
General Journal	10/25/2022	2021-304		BILL 10/25/22 Payables Funding	X	1072 - Bill.com Mo...		20,152.86
General Journal	10/26/2022	2021-301		PAYROLL 10-23-22 PPE PD 10-27...	X	5005 - SALARIES/...		46,175.19
General Journal	10/26/2022	2021-302		CHILD SUPPORT 10-23-22 PPE P...	X	2400 - GARNISHM...		171.95
General Journal	10/27/2022	2021-303		PAYROLL TAXES 10-23-22 PPE P...	X	21-2000 - FEDERA...		10,400.18
Check	10/27/2022	2022102401	PAYCHEX		X	7005 - AUDITING ...		240.16
Check	10/27/2022	80047	Nationwide Retirement S...	10-23-22 PPE PD 10-27-22	X	2300 - DEFERRED...		1,653.46
Check	10/27/2022	80575	NATIONWIDE TRUST C...	10-23-22 PPE PD 10-27-22	X	2300 - DEFERRED...		474.56
Check	10/27/2022	80574	NATIONWIDE TRUST C...	10-23-22 PPE PD 10-27-22	X	5310 - PSPRS/OPS		474.56
Check	10/27/2022	3080617877	PUBLIC SAFETY PERS...		X	-SPLIT-		70.28
Check	10/27/2022	21198463	ARIZONA STATE RETIR...		X	-SPLIT-		2,243.92
Check	10/28/2022	364908	TH Tech		X	7140 - Annual SOF...		283.86
Check	10/31/2022	31492	ARIZONA WATER CO. 0...		X	7520 - ARIZONA...		115.02
Check	10/31/2022	31493	ARIZONA WATER CO. 0...		X	7520 - ARIZONA...		23.25
General Journal	10/31/2022	2021-307		BILL 10/31/22 Payables Funding	X	1072 - Bill.com Mo...		2,287.00
Total 1066 - NATL BANK OF ARIZONA/PAYROLL							120,000.00	205,534.08

11/08/22
 Accrual Basis

HEBER-OVERGAARD FIRE DISTRICT
 Monthly Disbursement Report
 As of October 31, 2022

Type	Date	Num	Name	Memo	Clr	Split	Debit	Credit
1010 - NAVAJO COUNTY TREASURER								
Check	10/18/2022	4400006538	HEBER-OVERGAARD FI...	Replenish National Bank Account	X	1086 - NAT'L BAN...		120,000.00
Total 1010 - NAVAJO COUNTY TREASURER							0.00	120,000.00
1014 - CAPITAL PROJECTS FUND								
Total 1014 - CAPITAL PROJECTS FUND							180,733.24	386,267.32
TOTAL							180,733.24	386,267.32

Heber - Overgaard Fire District

Twelve-Month Cash Flow

Fiscal Year
Begins: Jul-22

Beginning	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Monthly Average	Overview
-----------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-----------------	----------

Cash Summary															
Cash on Hand (beginning of month)	2,028,989	2,028,989	1,738,494	1,728,929	1,778,871	2,571,138	2,677,493	2,558,714	2,473,133	2,374,101	2,370,868	2,635,311	2,615,138	2,295,932	
Cash Available (on hand + receipts, before cash out)	2,028,989	2,161,783	1,979,039	2,011,888	2,776,672	2,906,290	2,902,414	2,730,897	2,585,365	2,592,001	2,867,871	2,846,092	2,752,711	2,592,752	
Cash Position (end of month)	2,028,989	1,738,494	1,728,929	1,778,871	2,571,138	2,677,493	2,558,714	2,473,133	2,374,101	2,370,868	2,635,311	2,615,138	2,369,472	2,324,305	

Cash Receipts															
Tax Levy Revenue		8,363	5,741	215,176	927,881	278,859	168,628	115,890	55,959	161,607	411,202	124,980	51,786	210,504	
Non-Tax Levy Revenue		124,431	234,804	67,783	69,920	56,293	56,293	56,293	56,293	56,293	85,801	85,801	85,787	86,316	
Line of Credit		0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Cash Receipts		132,794	240,545	282,959	997,801	335,152	224,921	172,183	112,232	217,900	497,003	210,781	137,573	296,820	

Cash Paid Out															
Disbursements		423,289	250,110	233,017	205,534	228,797	343,700	257,764	211,264	221,133	232,560	230,954	383,239	268,447	
Capital purchase		0	0	0	0	0	0	0	0	0	0	0	0	0	
Repayment of LOC		0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Cash Paid Out		423,289	250,110	233,017	205,534	228,797	343,700	257,764	211,264	221,133	232,560	230,954	383,239	268,447	

November 15, 2022

To the Governing Board
Heber-Overgaard Fire District

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Heber-Overgaard Fire District for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 27, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Heber-Overgaard Fire District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by Heber-Overgaard Fire District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the depreciation expense and useful lives is based on common practices for Fire Districts. We evaluated the key factors and assumptions used to develop the depreciation expense and useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements were:

The disclosure of Retirement and Pension Plans in Note 9 to the financial statements which include estimates from actuaries and projects long term liabilities far in to the future.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 15, 2022.

Other Matters

We applied certain limited procedures to budgetary schedules and information, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of Heber-Overgaard Fire District and management of Heber-Overgaard Fire District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

BDR Richards CPA's, PLC



HEBER-OVERGAARD FIRE DISTRICT FINANCIAL STATEMENTS

June 30, 2022

HEBER-OVERGAARD FIRE DISTRICT
For the Fiscal Year Ended June 30, 2022
Table of Contents

Independent Auditor's Report.....	1	
Management's Discussion and Analysis.....	3	
 Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position.....	10	
Statement of Activities.....	11	
 Fund Financial Statements:		
Balance Sheet - Governmental Funds	12	
Reconciliation of the Balance Sheet of Governmental Funds to the Statements of Net Position.....	13	
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	14	
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statements of Activities.....	15	
Notes to the Financial Statements.....	16	
 Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund.....	36	
Schedule of the Proportionate Share of the Net Pension Liability (ASRS).....	37	
Schedule of the Proportionate Share of the Net OPEB Liability (ASRS).....	38	
Schedule of Changes in the Net Pension Liability and Related Ratios (PSPRS).....	39	
Schedule of Changes in the Net OPEB Liability and Related Ratios (PSPRS).....	40	
Schedule of Pension and OPEB Contributions (ASRS).....	41	
Schedule of Pension and OPEB Contributions (PSPRS).....	42	
Notes to Pension Plan Schedules.....	43	
 Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters.....		45

INDEPENDENT AUDITOR'S REPORT

To the Governing Board of the Heber-Overgaard Fire District
Heber-Overgaard, AZ

Report on the Audit of the Financial Statements***Opinions***

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Heber-Overgaard Fire 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 Heber-Overgaard Fire District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2022, on our consideration of Heber-Overgaard Fire District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Heber-Overgaard Fire District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Heber-Overgaard Fire District's internal control over financial reporting and compliance.

BDR Richards, CPA's, PLLC

Snowflake, AZ
November 15, 2022

HEBER-OVERGAARD FIRE DISTRICT
Management's Discussion and Analysis
June 30, 2022

INTRODUCTION

The Management of the Heber-Overgaard Fire District (District) presents these financial statements with a narrative overview and analysis of financial activities for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements and the accompanying notes to those statements in their understanding of the District's financial position.

FINANCIAL HIGHLIGHTS FOR THE YEAR

1. The assets and deferred outflows of the Heber-Overgaard Fire District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$3,309,071 an increase of \$643,836 or 24 percent largely due to an increase in revenues for the fiscal year, specifically, property tax increase, grants, and other charges for service.
2. Charges for services were lower by \$96,869 or 10 percent, mainly due to a decrease in the utilization of fire suppression activities in wildland deployment.
3. The District's total liabilities decreased by \$390,261 or 23 percent, largely due to a decrease in Net Pension/OPEB liability of and payments on capital leases.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the District. These 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.

Government-Wide Financial Statements

The *Government-wide financial statements* present the financial picture of the District from the economic measurement resources focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets) as well as all liabilities (including long term debt). They are intended to provide a broad overview in a manner similar to a private sector business. Additionally, certain eliminations have occurred as prescribed by Statement No. 34 in regards to interfund activity, payables and receivables.

Statement of Net Position - The *Statement of Net Position (page 10)* presents information of all the assets and liabilities of the District, with the difference between the two being 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.

Statement of Activities - The *Statement of Activities (page 11)* presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Fund Financial Statements

The Fund Financial Statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes other funds to help it control and manage resources for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. All the funds of the District are considered governmental funds.

Governmental Funds. Governmental Funds are used to account for essentially the same functions reported as governmental activities in the Government-wide financial statements. All of the basic services of the District are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations and basic services

HEBER-OVERGAARD FIRE DISTRICT
Management's Discussion and Analysis
June 30, 2022

Governmental funds - continued

provided to residents. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance programs of the District.

Because the focus of governmental funds is narrower than that of the Government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide financial statements. By doing so, readers may better understand the long-term impact of the near-term financing decisions of the District. The reconciliation of differences between the governmental fund financial statements and the government-wide financial statements is explained in a section following each governmental fund financial statement.

The District adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

Notes to the Financial Statements. The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-wide and Governmental fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the financial position of a government entity. In the case of the Heber-Overgaard Fire District, assets and deferred outflows exceeded liabilities and deferred inflows by \$3,309,071 at the close of the 2022 fiscal year.

A large portion of net position of the District, \$2,011,411 reflects its investment in capital assets (e.g. land, buildings, vehicles, and equipment), less any depreciation expense and debt acquired for capital purchases charged to public safety. The District uses these capital assets to provide services to residents; consequently, the assets are not available for future spending.

The remaining balance of unrestricted net assets \$1,297,660 is available for continuation of services as well as the investment and maintenance of capital assets.

The following table reflects a summary of net position:

HEBER-OVERGAARD FIRE DISTRICT			
Net Position			
	<u>2022</u>	<u>2021</u>	<u>Increase/ (Decrease)</u>
Current and other assets	\$ 2,436,960	\$ 1,918,627	\$ 518,333
Capital assets - net	2,011,411	1,915,191	96,220
Total assets	<u>4,448,371</u>	<u>3,833,818</u>	<u>614,553</u>
Total deferred outflows of resources	972,426	915,529	56,897
Long-term liabilities	1,186,609	1,638,865	(452,256)
Other liabilities	156,198	94,203	61,995
Total liabilities	<u>1,342,807</u>	<u>1,733,068</u>	<u>(390,261)</u>
Total deferred inflows of resources	768,919	351,044	417,875
Net investment in capital assets	1,834,169	1,635,012	199,157
Unrestricted	1,474,902	1,030,223	444,679
Total net position	<u>\$ 3,309,071</u>	<u>\$ 2,665,235</u>	<u>\$ 643,836</u>

HEBER-OVERGAARD FIRE DISTRICT
Management's Discussion and Analysis
June 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS - continued

Governmental Activities

The net position of the District from governmental activities increased from \$2,665,235 to \$3,309,071 a change of \$643,836 or 24 percent. Key elements of these activities are as follows:

- Current assets were higher by \$518,333 or 27 percent, mainly due to the increase in cash from all revenue sources.
- Long-term liabilities were lower by \$452,256 or 28 percent, mainly due to a decrease in the net pension/OPEB liability actuarial valuation.

The following table reflects the changes in net position:

HEBER-OVERGAARD FIRE DISTRICT			
Changes in Net Position			
	<u>2022</u>	<u>2021</u>	<u>Increase/ (Decrease)</u>
Operating revenues	\$ 3,531,121	\$ 3,330,236	\$ 200,885
Operating expenses	2,896,321	2,787,505	108,816
Income from operations	<u>634,800</u>	<u>542,731</u>	<u>92,069</u>
Net non-operating revenues			
Investment earnings	9,036	13,082	(4,046)
Net non-operating revenue	<u>9,036</u>	<u>13,082</u>	<u>(4,046)</u>
Changes in net position	643,836	555,813	88,023
Net position, beginning of year	<u>2,665,235</u>	<u>2,109,422</u>	<u>555,813</u>
Net position, end of year	<u>\$ 3,309,071</u>	<u>\$ 2,665,235</u>	<u>\$ 643,836</u>

Key elements in the changes in net position are as follows:

- Operating revenues were higher by \$200,885 or 6 percent, mainly due to an increase in assessed value and property tax rate, as well as wildland fire suppression revenues, grants, and ambulance revenues.
- Operating expenses were higher by \$108,816 or 4 percent, mainly due to deployment for wildland fire suppression.

DISTRICT FUNDS FINANCIAL ANALYSIS

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

As of June 30, 2022, the governmental funds of the District reported combined fund balances of \$2,052,579 which is an increase of \$337,723 or 20 percent compared to the prior period. This increase was mainly due to higher operating revenues.

The General Fund accounts for all the resources retained by the District. At the end of the year, the unassigned fund balance was \$1,426,479 an increase of \$242,403 or 20 percent, due to a large increase in operating revenues.

HEBER-OVERGAARD FIRE DISTRICT
Management's Discussion and Analysis
June 30, 2022

DISTRICT FUNDS FINANCIAL ANALYSIS - continued

The following statement provides the detail of the District fund balances:

HEBER-OVERGAARD FIRE DISTRICT			
Fund Balances			
	2022	2021	Increase/ (Decrease)
Non-spendable - prepaids	\$ 110,124	\$ 17,744	\$ 92,380
Committed for capital projects	515,976	513,036	2,940
Unassigned	1,426,479	1,184,076	242,403
Total fund balance	\$ 2,052,579	\$ 1,714,856	\$ 337,723

BUDGETARY HIGHLIGHTS

There were some variances of note for the fiscal year.

- Overall revenues were higher than budgeted by \$416,640.
- Expenditures were higher than the budgeted amount by \$360,827.
- The budgeted carryover for the year was not utilized.

HEBER-OVERGAARD FIRE DISTRICT
Condensed Budget to Actual - General Fund
June 30, 2022

	Budget	Actual	Variance
Total Revenues	\$ 3,031,793	\$ 3,448,433	\$ 416,640
Total Expenses	\$ 2,749,883	\$ 3,110,710	\$ 360,827

HEBER-OVERGAARD FIRE DISTRICT
Management's Discussion and Analysis
June 30, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2022, the investment in capital assets for governmental activities amounts to \$2,011,411 (net of accumulated depreciation). This investment in capital assets includes land, and improvements, buildings and improvements, vehicles, furniture and equipment.

HEBER-OVERGAARD FIRE DISTRICT			
Capital Assets			
	<u>2022</u>	<u>2021</u>	<u>Increase/ (Decrease)</u>
Land	\$ 31,906	\$ 31,906	\$ -
Buildings and equipment	1,339,537	1,288,106	51,431
Equipment	838,923	601,568	237,355
Vehicles and apparatus	<u>2,370,728</u>	<u>2,467,975</u>	<u>(97,247)</u>
Total capital assets	4,581,094	4,389,555	191,539
Less accumulated depreciation	<u>(2,569,683)</u>	<u>(2,474,364)</u>	<u>(95,319)</u>
Total capital assets, net	<u>\$ 2,011,411</u>	<u>\$ 1,915,191</u>	<u>\$ 96,220</u>

Long Term Debt

At the end of the current fiscal year, the District had total long-term liabilities outstanding of \$1,186,609. This amount is made up of compensated absences, capital leases payable and the net pension/OPEB liability.

The following table shows the District's Outstanding Debt:

HEBER-OVERGAARD FIRE DISTRICT			
Long-Term Debt			
	<u>2022</u>	<u>2021</u>	<u>Increase/ (Decrease)</u>
Compensated absences	\$ 241,409	\$ 227,920	\$ 13,489
Capital leases	177,242	280,179	(102,937)
Net Pension/OPEB liability	<u>767,958</u>	<u>1,130,766</u>	<u>(362,808)</u>
Total long-term debt	<u>\$ 1,186,609</u>	<u>\$ 1,638,865</u>	<u>\$ (452,256)</u>

Additional information can be found in the notes to the Financial Statements that follow.

HEBER-OVERGAARD FIRE DISTRICT
Management's Discussion and Analysis
June 30, 2022

ECONOMIC FACTORS AND FY2023 BUDGET/TAX RATE

The Wildland fires in the United States continue to fluctuate in frequency. The District has been called out to help suppress these fires and is reimbursed through the State Forestry Department. Ambulance service revenue also fluctuates from year to year and is dependent on many factors. The state public safety retirement plan (PSPRS) continues to be underfunded and this can put a strain on current and future economic resources.

The District has continued to maintain the operational needs of the District through vigilant management of expenses and exploration of non-tax revenue sources.

FINANCIAL CONTACT

The financial statements of the District are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the finances of the District and to demonstrate accountability. If you have questions regarding the report or need additional financial information, please contact the Finance Director of the District at 2061 Lumber Valley Rd, Heber-Overgaard, AZ 85933, 928-535-4346.

BASIC FINANCIAL STATEMENTS

HEBER-OVERGAARD FIRE DISTRICT
Statement of Net Position
June 30, 2022

	2022
Assets	
Cash and investments	\$ 2,028,988
Receivables, net of allowance for uncollectible	
Property Taxes	59,367
Ambulance	123,990
Other	34,573
Prepays	110,124
Capital assets:	
Non-depreciable	31,906
Depreciable (net)	1,979,505
Net OPEB asset	79,918
Total Assets	4,448,371
 Deferred Outflows of Resources	
Deferred outflows related to pensions/OPEB	972,426
Combined Assets and Deferred Outflows of Resources	5,420,797
 Liabilities	
Accounts payable	90,135
Accrued expenses	66,063
Long-term liabilities:	
Due within one year - compensated absences	80,469
Due within one year - capital leases	42,149
Due in more than one year - compensated absences	160,940
Due in more than one year - capital leases	135,093
Net pension/OPEB liability	767,958
Total Liabilities	1,342,807
 Deferred Inflows of Resources	
Deferred inflows related to pensions/OPEB	768,919
Combined Liabilities and Deferred Inflows of Resources	2,111,726
 Net Position	
Net investment in capital assets	1,834,169
Unrestricted	1,474,902
Total Net Position	\$ 3,309,071

The notes to the financial statements are an integral part of this statement.

HEBER-OVERGAARD FIRE DISTRICT
Statement of Activities
June 30, 2022

	2022
Expenses	
Public safety, fire protection:	
Emergency services	\$ 2,363,981
Administrative and support services	339,918
Depreciation	192,422
Total program expenses	2,896,321
Program Revenues	
Charges for services	995,112
Total program revenues	995,112
Net program expenses	1,901,209
General Revenues	
Property taxes	2,194,271
Fire District assistance taxes	128,350
Investment earnings	9,036
Sale of Capital Assets	6,861
Other	206,527
Total general revenues	2,545,045
Change in net position	643,836
Net position - beginning	2,665,235
Net position - ending	\$ 3,309,071

HEBER-OVERGAARD FIRE DISTRICT
Balance Sheet
Governmental Funds
June 30, 2022

	2022
Assets	
Cash and investments	\$ 2,028,988
Receivables:	
Property taxes, net	59,367
Ambulance, net	123,990
Other	34,573
Prepays	110,124
Total assets	\$ 2,357,042
 Liabilities	
Accounts payable	\$ 90,135
Accrued payroll and related liabilities	66,063
Total liabilities	156,198
 Deferred inflows of resources	
Unavailable revenue - property taxes	45,263
Unavailable revenue - ambulance	103,002
Total deferred inflows of resources	148,265
 Fund Balances	
Nonspendable:	
Prepaid expenses	110,124
Committed:	
Capital projects	515,976
Unassigned	1,426,479
Total fund balances	2,052,579
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,357,042

HEBER-OVERGAARD FIRE DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
Year Ended June 30, 2022

Total fund balances governmental funds \$ 2,052,579

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Capital assets	4,581,094
Accumulated depreciation	(2,569,683)

Some receivables which are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds balance sheet:

Unavailable property tax revenue	45,263
Unavailable ambulance revenue	103,002

Long-term liabilities are not due and payable in the current period and other assets held for pensions are not available for liquidation and, therefore, are not reported in the funds:

Compensated absences	(241,409)
Net pension liability	(767,958)
Capital leases payable	(177,242)
Other post employment benefits	79,918

Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods, and therefore, are not reported in the funds:

Deferred outflows of resources related to pension/OPEB	972,426
Deferred inflows of resources related to pensions/OPEB	<u>(768,919)</u>

Net position of governmental activities **\$ 3,309,071**

HEBER-OVERGAARD FIRE DISTRICT
Statements of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Years Ended June 30, 2022

	2022
<u>Revenues</u>	
Property taxes	\$ 2,181,843
Fire district assistance taxes	128,350
Charges for services	915,816
Investment earnings	9,036
Other revenue	206,527
Sale of Capital Assets	6,861
Total revenues	3,448,433
 <u>Expenditures</u>	
Current:	
Public safety, fire protection:	
Emergency services	2,374,802
Administrative and support services	339,918
Capital outlay:	
Buildings	51,431
Fire equipment	296,851
Debt service:	
Principal	42,149
Interest	5,559
Total expenditures	3,110,710
Revenues over (under) expenditures	337,723
 <u>Other financing sources (uses)</u>	
Proceeds from capital lease	-
Total other financing sources (uses)	-
Net change in fund balances	337,723
Fund balances - beginning	1,714,856
Fund balances - ending	\$ 2,052,579

HEBER-OVERGAARD FIRE DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
To the Statement of Activities
Year Ended June 30, 2022

Net change in fund balances - total governmental funds \$ 337,723

Amounts reported for governmental activities in the statement of activities are different because:

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 difference between depreciation expense and capital outlay in the current period.

Capital outlay	348,282
Depreciation expense	(192,422)

Revenues in the governmental funds that provide current financial resources were previously accrued in the statement of activities when they were earned.

Deferred revenues	91,724
-------------------	--------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Debt proceeds	-
Capital lease principal payments	42,149

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Increase in compensated absences	13,489
----------------------------------	--------

Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Pension/OPEB contributions	218,160
Pension/OPEB expense	(215,269)

Change in net position of governmental activities	\$ 643,836
--	-------------------

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Financial Statements
June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Heber-Overgaard Fire District (the District) conform to U.S. generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the District's more significant accounting policies follows:

A. Reporting Entity

The District, established pursuant to Arizona Revised Statute Title 48, is a special purpose local government that is governed by an elected governing body, a legally separate entity, and is fiscally independent of other state and local governments. As required under generally accepted accounting principles, these financial statements present the activities of the District (a special purpose government). Component units are legally separate entities for which the District is considered to be financially accountable. The District does not report any component units. The District's reporting entity consists of a single general fund.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report the information on all of the non-fiduciary activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges 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 (e.g. special assessments). Taxes and other revenues not included among program revenues are reported instead as general revenues.

C. Measurement focus, basis of accounting, and financial statement presentation

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. Special assessments are recognized as revenues in the year for which the related capital projects are substantially complete. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded 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.

User fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to actual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Financial Statements
June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

C. Measurement focus, basis of accounting, and financial statement presentation – continued

The District reports the following major governmental funds:

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, investments in the County Treasurer's local government investment pool and highly liquid investments with a maturity of three months or less when purchased. Investments are stated at fair value. Investment earnings are comprised primarily of interest earnings.

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

E. Receivables and payables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Taxes receivable represent the delinquent ad valorem tax levied against all of the taxable real and personal property within the District. Accounts and other receivables are primarily the charges for ambulance and emergency services not collected at fiscal year-end.

Arizona Revised Statutes require that property taxes be levied on or before the third Monday of August. Taxes are levied and collected by the Navajo County Treasurer on real and personal property. Real property taxes become a lien on the first day of the levy year and may be paid in two equal installments. The first installment is due before November 1, and the second installment is due before May 1 of the following year. Personal property taxes are billed throughout the year. Interest and penalties are assessed if a taxpayer fails to pay the tax within a period of time specified by law.

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements.

G. Restricted assets

The District has no restricted assets.

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Financial Statements
June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

H. Capital assets

The District’s capital assets, which include land, buildings and related improvements, furniture, vehicles, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost greater than the established threshold and an estimated useful life in excess of one year.

Capital assets of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Type of Asset</u>	<u>Threshold</u>	<u>Years</u>
Buildings and improvements	\$3,000	2-40
Improvements, other than building	\$3,000	2-40
Furniture, vehicles and equipment	\$3,000	5-20

I. Deferred outflows/inflows of resources

In additions to assets, the statement of net position 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Pensions is an item that qualifies for reporting in this category. In addition to liabilities, the statement of net position 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 that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Pensions, and Unavailable property tax revenue are two items that qualify for reporting in this category.

J. Compensated absences

It is the District’s policy to permit employees to accumulate earned but unused personal leave, compensatory and vacation. Upon termination such unused time will be paid according to the District’s policies, which vary based on employee function and years of service. Compensated absences are accrued and reported as liabilities in the government-wide financial statements. Governmental funds report only the current portion of compensated absences payable as a result of employee termination, resignation or retirement.

K. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets and balance sheet.

L. Fund equity

In the fund financial statements, governmental funds report fund balance as non-spendable, restricted, committed, assigned or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

Non-spendable fund balance – amounts that cannot be spent because they are either (a) not spendable in form (such as prepaid items or inventory) or (b) legally or contractually required to be maintained intact.

Restricted fund balance – amounts with constraints placed on their use that are either (a) eternally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Financial Statements
June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

L. Fund equity - continued

Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the District's decision-making authority (the governing Board) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned fund balance – amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or an official designated for that purpose.

Unassigned fund balance – the residual classification for the District's General Fund that includes amounts not contained in other classifications.

M. Intergovernmental grants and aid

Monies received from other government agencies in the form of grants or aid based on an entitlement period are recorded as intergovernmental receivables and revenues when entitlement occurs. Reimbursement grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred.

N. Use of estimates

The preparation of the financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual amounts may differ from such estimates.

O. Budgetary accounting

The District is required, under Arizona Revised Statutes, to adopt a budget each fiscal year and to submit it to the county treasurer and the county board of supervisors no later than the first day of August each year. The adopted budget is on the modified accrual basis of accounting, which is the legally mandated basis for budgetary purposes. All annual appropriations lapse at fiscal year-end. The District is subject to expenditure limitations under Arizona Revised Statutes. This law does not permit the District to incur unsecured debt in excess of its tax levy outstanding and to be collected plus available and unencumbered cash. The limitation is applied to the total of the combined funds.

P. Pensions and Postemployment benefits

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Arizona State Retirement System (ASRS) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by ASRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Public Safety Personnel Retirement System (PSPRS) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by PSPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Financial Statements
June 30, 2022

NOTE 2 – CASH AND INVESTMENTS

Arizona Revised Statutes authorize special districts to invest public monies in the Arizona State Treasurer’s local government investment pool, interest bearing savings accounts, certificates of deposit and in accounts of any savings and loan associations insured by an agency of the government of the United States, up to the amount of such insurance or pledged collateral. The District has no investment policy that would further limit its investment choices.

Cash and investments consist of the following:

Cash on hand	\$	100
Deposits:		
Operating accounts		376,782
Investments:		
Navajo County Treasurer investment pool		1,136,130
Navajo County Treasurer investment pool - segregated for capital		515,976
	\$	<u>2,028,988</u>

Deposits – Custodial credit risk is the risk that in the event of bank failure, the District’s deposits may not be returned. The Arizona Revised Statutes require collateral for demand deposits, certificates of deposit and repurchase agreements at 101 percent of all deposits not covered by federal depository insurance. On June 30, 2022, deposits with financial institutions have a carrying value of \$376,782 and a bank balance of \$376,782. Any difference represents deposits in transit, outstanding checks, and other reconciling items at the period end.

Investments – Monies levied by the District are invested with the Navajo County Treasurer’s Office and included in the Local Government Investment Pool (LGIP). The District’s investment in the County’s LGIP represents a proportionate interest in the pool’s portfolio; however, the District’s portion is not identified with specific investments. No oversight is provided for the Navajo County Investment Pool, nor does the structure of the pool provide for shares. Participation in the pool is involuntary. The fair value of the investment pool is discussed under Fair Value.

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

	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
Navajo County Treasurer’s investment pool	Unrated	Not applicable	\$ 1,652,106

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

Credit risk – Arizona Revised Statutes have the following requirements for credit risk:

Commercial Paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency. Specified bonds, debentures and notes must be rated A or better at the time of purchase by at least two nationally recognized rating agencies. Fixed income securities must carry one of the two highest ratings by Moody’s Investors Service and Standard and Poor’s rating service. If only one of the above-mentioned services rates the security, it must carry the highest rating of that service.

Custodial credit risk – the District’s investment in the County Treasurer’s investment pool represents a proportionate interest in the pool’s portfolio; however, the District’s portion is not identified with specific investments and is not subject to custodial credit risk.

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Financial Statements
June 30, 2022

NOTE 2 – CASH AND INVESTMENTS – continued

Concentration of credit risk – The Arizona Revised Statutes do not include any requirements for concentration of credit risk.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect an investment’s fair value. The Arizona Revised Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years. Investments in repurchase agreements must have a maximum maturity of 180 days. The weighted average maturity of the County Treasurer’s investment pool varies by type of investment, and averages between 1 and 2 years.

Foreign currency risk – the Arizona Revised Statutes do not allow foreign investments.

Fair Value – The District measures and categorizes its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines establish a three-tier hierarchy of inputs to valuation techniques used to measure fair value, as follows:

Level 1 – Inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access. Level 2 – Inputs, other than quoted market prices included within Level 1, are observable, either directly or indirectly. Level 3 – Inputs are unobservable and significant to the fair value measurement. Other investments at fair value – investments for which fair value is measured at net asset value per share (or its equivalent). Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed.

At June 30, 2022, the fair value of investments measured on a recurring basis is as follows:

	Fair Value	Other Investments at Fair Value	Level 1	Level 2	Level 3
External Investment Pools:					
Navajo County Treasurer	\$ 1,136,130	\$ 1,136,130	\$ -	\$ -	\$ -
Navajo County Treasurer - segregated for capital outlay	515,976	515,976	-	-	-
	<u>\$ 1,652,106</u>	<u>\$ 1,652,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The fair value of a participant’s portion in the Navajo County Treasurer’s investment pool approximates the value of that participant’s pool shares and the participant’s shares are not identified with specific investments. The investment pool is not registered with the Securities and Exchange Commission as an investment company and there is not regulatory oversight of its operations. There are no unfunded commitments or redemption restrictions related to these investments.

NOTE 3 – RECEIVABLES

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

Taxes	\$ 59,367
Program services	<u>283,369</u>
Gross receivables	342,736
Less: allowance for uncollectible	<u>(124,806)</u>
Net total receivables	<u>\$ 217,930</u>

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Financial Statements
June 30, 2022

NOTE 4 – UNAVAILABLE REVENUE

Governmental funds report unavailable revenues in connection with receivables for revenues that are not collected within 60 days as these revenues are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of June 30, 2022, unavailable revenue consisted of the following:

Unavailable revenues - property taxes	\$	45,263
Unavailable revenues - ambulance		<u>103,002</u>
Total unavailable revenue		<u>\$ 156,198</u>

NOTE 5 – CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not depreciated:				
Land	\$ 31,906	\$ -	\$ -	\$ 31,906
Total capital assets, not depreciated	<u>31,906</u>	<u>-</u>	<u>-</u>	<u>31,906</u>
Capital assets, depreciated				
Buildings and equipment	1,288,106	51,431	-	1,339,537
Equipment	601,568	296,851	(59,496)	838,923
Vehicles and apparatus	2,467,975	-	(97,246)	2,370,729
Total capital assets, depreciated	<u>4,357,649</u>	<u>348,282</u>	<u>(156,742)</u>	<u>4,549,189</u>
Less accumulated depreciation for:				
Buildings and equipment	(390,376)	(34,715)	-	(425,091)
Equipment	(503,943)	(38,923)	97,102	(445,764)
Vehicles and apparatus	(1,580,045)	(118,784)	-	(1,698,829)
Total accumulated depreciation	<u>(2,474,364)</u>	<u>(192,422)</u>	<u>97,102</u>	<u>(2,569,684)</u>
Total capital assets, depreciated net	<u>1,883,285</u>	<u>155,860</u>	<u>(59,640)</u>	<u>1,979,505</u>
Total capital assets, net	<u>\$ 1,915,191</u>	<u>\$ 155,860</u>	<u>\$ (59,640)</u>	<u>\$ 2,011,411</u>

Depreciation expense for the year ended June 30, 2022, was \$192,422. Depreciation expense was charged to public safety-fire protection function.

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Financial Statements
June 30, 2022

NOTE 6 – LONG-TERM DEBT

Long-term debt activity for the year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 227,920	\$ 74,100	\$ (60,611)	\$ 241,409	\$ 80,469
Capital leases	280,179		(102,937)	177,242	42,149
Net pension/OPEB liability	1,130,766		(362,808)	767,958	-
Total long-term liabilities	<u>\$ 1,638,865</u>	<u>\$ 74,100</u>	<u>\$ (526,356)</u>	<u>\$ 1,186,609</u>	<u>\$ 122,618</u>

The General Fund has typically been used to liquidate the liability for pensions and OPEB in prior years.

A. Compensated absences

All eligible employees of the District are provided vacation, sick and compensatory leave based on the amounts stated in policy as determined by their years of service. Upon separation from the District, unused accrued vacation, and compensatory leave is paid to eligible employees.

B. Capital leases

The District has acquired various capital assets under the provisions of long-term lease agreements classified as capital leases. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the General Fund are used to pay the capital lease obligations. Amortization of assets recorded under capital leases is included with depreciation expense.

The assets acquired through capital leases are as follows:

Vehicles	\$ 512,297
Less: Accumulated Depreciation	<u>(116,406)</u>
Total	<u>\$ 395,891</u>

The future minimum lease payments under the capital leases and the net present value of these minimum lease payments as of June 30, 2022, are as follows:

<u>Year Ended June 30,</u>	<u>Total</u>
2023	\$ 48,627
2024	46,627
2025	46,627
2026	<u>46,627</u>
Total remaining minimum lease payments	188,508
Less amount representing interest:	<u>(11,266)</u>
Present value of remaining minimum lease payments:	<u>\$ 177,242</u>

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Financial Statements
June 30, 2022

NOTE 7 – NET REVENUE

The District provides emergency medical and transportation services within the same geographic boundaries as it provides fire prevention and suppression services and outside those boundaries subject to certain limitations. Charges for such emergency medical and transportation services are recognized as service revenues. Net revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement allowances with third-party payers, provision for bad debt and uncompensated care. The difference between customary charges and the contractually established rates is accounted for as a contractual adjustment. The District's customary charges, contractual adjustments, provision for bad debts and uncompensated services for the year ended June 30, 2022 are as follows:

Gross ambulance service revenues/charges	\$ 1,277,624
Less: Contractual adjustments and uncompensated services	<u>(665,911)</u>
Net ambulance service revenues	<u>\$ 611,713</u>

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

NOTE 8 – COMMITMENTS, CONTINGENCIES AND RISK MANAGEMENT

The District is party to a variety of inter-governmental agreements entered into in the ordinary course of business pursuant to which it may be obligated to provide services outside of its geographic boundaries and/or receive assistance from other parties. As part of these agreements, the District is obligated to indemnify other parties for certain liabilities that arise out of, or relate to, the subject matter of the agreements. The District is contingently liable for claims and judgments resulting from lawsuits incidental to normal operations. The District carries commercial insurance for all such risks of loss, including workers' compensation and employees' health and accident insurance. The District has not incurred claims in excess of insurance coverage in any of the last three fiscal years. No provision has been made in the financial statements for possible losses of this nature. The District from time to time, may be party to certain pending or threatened lawsuits arising out of or incident to the ordinary course of business for which it carries general liability and other insurance coverages. In the opinion of management resolution of any pending or threatened lawsuits will not have a material adverse effect on the District's financial statements.

NOTE 9 – RETIREMENT AND PENSION PLANS

The District contributes to multiple plans as described below. Benefits for non-public safety personnel and for public safety personnel are established by state statutes which regulate retirement, death, long-term disability, and survivor insurance premium benefits. On June 30, 2022, the District reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all the plans to which it contributes.

Statement of Net Position and Statement of Activities	ASRS	PSPRS	Combined Total
Net pensions/OPEB asset	\$ 10,280	\$ 69,638	\$ 79,918
Net pension/OPEB liabilities	271,104	496,854	767,958
Deferred outflows of resources	155,810	816,616	972,426
Deferred inflows of resources	120,915	648,004	768,919
Pension/OPEB expense	40,678	(16,330)	24,348

The District reported \$218,160 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Financial Statements
June 30, 2022

NOTE 9 – RETIREMENT AND PENSION PLANS - continued

Arizona State Retirement System (ASRS)

Plan description – The District participates in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

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

	Initial Membership Date Before July 1, 2011	Initial Membership Date On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* any years age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

* With actuarially reduced benefits.

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

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$150 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Financial Statements
June 30, 2022

NOTE 9 – RETIREMENT AND PENSION PLANS - continued

Arizona State Retirement System (ASRS) - continued

Contributions – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2022, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.41 percent (12.22 percent for retirement and 0.19 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.41 percent (12.01 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.19 percent for long-term disability) of the active members' annual covered payroll.

Liability – On June 30, 2021, the District reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability:

	Net pension/OPEB (asset) liability
Pension	\$ 270,675
Health insurance premium benefit	(10,280)
Long-term disability	429

The net asset and net liabilities were measured as of June 30, 2021. The total liability used to calculate the net asset or net liability was determined using updated procedures to roll forward the total liability from an actuarial valuation as of June 30, 2021, to the measurement date of June 30, 2021.

The District's proportion of the net asset or net liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The District's proportions measured as of June 30, 2021, and the change from its proportions measured as of June 30, 2020, were:

	Proportion June 30, 2021	Proportion June 30, 2020	Increase (decrease) from June 30, 2020
Pension	0.002060%	0.001260%	(0.00000800)
Health insurance premium benefit	0.002110%	0.001290%	(0.00000820)
Long-term disability	0.002080%	0.001280%	(0.00000800)

Expense – For the year ended June 30, 2022, the District recognized pension and OPEB expense (income):

	Pension/OPEB Expense
Pension	\$ 41,592
Health insurance premium benefit	(1,242)
Long-term disability	328

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Financial Statements
June 30, 2022

NOTE 9 – RETIREMENT AND PENSION PLANS - continued

Arizona State Retirement System (ASRS) - continued

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

	Pension		Health Insurance Premium Benefit		Long-term disability	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	Differences between expected and actual experience	\$ 4,126	\$ -	\$ -	\$ 3,565	\$ 124
Changes of assumptions or other inputs	35,230	-	510	416	137	541
Net difference between projected and actual earnings on pension plan investments	-	85,759	-	3,813	-	297
Changes in proportion and differences between contributions and proportionate	81,177	25,844	48	295	475	350
Contributions subsequent to the measurement date	26,928	-	901	-	416	-
Total	\$ 147,461	\$111,603	\$ 1,459	\$ 8,089	\$ 1,152	\$ 1,223

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

Year Ended June 30	Pension	Health Insurance Premium Benefit	Long-term disability
2022	\$ 17,966	\$ (1,765)	\$ (76)
2023	39,423	(1,691)	(69)
2024	(18,906)	(1,848)	(80)
2025	(29,553)	(2,045)	(125)
2026	-	(182)	(31)
Thereafter	-	-	(106)

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Financial Statements
June 30, 2022

NOTE 9 – RETIREMENT AND PENSION PLANS - continued

Arizona State Retirement System (ASRS) - continued

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

Actuarial valuation date	June 30, 2020
Actuarial roll forward date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4%/not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2021, valuation, were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Contribution to Expected Real Return</u>
Equity	50%	2.45%
Fixed Income-Credit	20%	1.04%
Fixed income-Interest rate sensitive bonds	10%	0.07%
Real Estate	<u>20%</u>	<u>1.14%</u>
Totals	<u>100%</u>	<u>4.70%</u>

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Financial Statements
June 30, 2022

NOTE 9 – RETIREMENT AND PENSION PLANS - continued

Arizona State Retirement System (ASRS) - continued

Discount Rate – The discount rate used to measure the ASRS total pension/OPEB liability was 7.0 percent, which is less than the long-term expected rate of return of 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the proportionate share of the net pension/OPEB liability to changes in the discount rate – The following table presents the District's proportionate share of the net pension/OPEB liability(asset) calculated using the discount rate of 7.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

Proportionate share of the	<u>1% Decrease</u> <u>6.000%</u>	<u>Discount Rate</u> <u>7.000%</u>	<u>1% Increase</u> <u>8.000%</u>
Net pension liability	\$ 425,749	\$ 270,675	\$ 141,386
Net insurance premium benefit liability (asset)	(6,806)	(10,280)	(13,234)
Net long-term disability liability	559	429	304

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Financial Statements
June 30, 2022

NOTE 9 – RETIREMENT AND PENSION PLANS - continued

Public Safety Personnel Retirement System (PSPRS)

Plan description – The District contributes to the Public Safety Personnel Retirement System (PSPRS), an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit plan (OPEB) that covers public safety personnel who are regularly assigned hazardous duty. The PSPRS, acting as a common investment administrative agent, is governed by a five-member board, known as the Fund Manager, and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for PSPRS. The reports are available on the PSPRS website at www.psprs.com.

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

Initial Membership Date:

	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017	On or after July 1, 2017
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5	15 years of credited service, age 52.5, 15 or more years of service, age 55
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years	Highest 60 consecutive months of last 15 years
Benefit percent:			
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years or plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%	
Accidental disability retirement	50% or normal retirement, whichever is greater		
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater		
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20		
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		

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Financial Statements
June 30, 2022

NOTE 9 – RETIREMENT AND PENSION PLANS - continued

Public Safety Personnel Retirement System (PSPRS) - continued

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. In addition, the Legislature may enact permanent one-time benefit increases after a joint Legislative Budget committee analysis of the increase's effects on the plan. 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 \$150 per month to \$260 per month depending on the age of the member and dependents.

Employees covered by benefit terms – On June 30, 2022, the following employees were covered by the agent pension plans benefit terms:

PSPRS	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	2	2
Inactive employees entitled to but not yet receiving benefits	4	1
Active employees	10	10
Total	16	13

Contributions and annual OPEB cost – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements for 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. Rates are a percentage of active members' annual covered payroll. Contribution rates for the year ended June 30, 2022, are indicated below.

	Active member - Pension	Pension	Health insurance premium
PSPRS Tier 1 and Tier 2	11.65 - 7.65%	20.56%	0.02%
PSPRS Tier 3 risk pool	9.21%	9.05%	0.13%

In addition, statute requires the District to contribute at the actuarially determined rate of 6.1% for annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the PSPRS would typically fill.

The District's contributions to the pension plan for the year ended June 30, 2022, were \$184,518. The District's contributions for OPEB plan for the fiscal year ended June 30, 2022, were \$179. The District paid for the pension contributions from the General Fund during the fiscal year.

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Financial Statements
June 30, 2022

NOTE 9 – RETIREMENT AND PENSION PLANS - continued

Public Safety Personnel Retirement System (PSPRS) – continued

Pension/OPEB liability/(asset) – On June 30, 2022, the District reported a net pension liability of \$496,854 and a net OPEB asset of \$69,638. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liabilities as of June 30, 2021, reflect the following changes of benefit terms and actuarial assumptions.

The total liabilities as of June 30, 2021, reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2017, including decreasing the investment rate of return from 7.4% to 7.3%, decreasing the wage inflation from 3.5% to 2.5%, and updating mortality, withdrawal, disability, and retirement assumptions. The total pension liabilities also reflect changes of benefit terms for legislation that changed benefit eligibility and multipliers for employees who became members on or after January 1, 2012 and before July 1, 2017, and a court decision that decreased the contribution rates for employees who became members before July 20, 2011.

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

Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry Age Normal
Investment rate of return	7.3% Tier 1 and 2; 7.0% Tier 3
Wage inflation	3.5% for pensions/not applicable for OPEB
Price Inflation	2.5% for pensions/not applicable for OPEB
Cost of living adjustment	1.75% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2021 valuations 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 pension plan investments was determined to be 7.3 using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The target allocation and best estimates of geometrical real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S Public Equity	24%	4.08%
International Public Equity	16%	5.20%
Global Private Equity	20%	7.67%
Other Assets (Capital Appreciation)	7%	5.43%
Core Bonds	2%	0.42%
Private Credit	20%	5.74%
Diversifying Strategies	10%	3.99%
Cash-Mellon	1%	-0.31%
Total	<u>100%</u>	

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Financial Statements
June 30, 2022

NOTE 9 – RETIREMENT AND PENSION PLANS - continued

Public Safety Personnel Retirement System (PSPRS) – continued

Discount Rate – On June 30, 2021, The discount rate used to measure the total pension/OPEB liability was 7.30%, which was a decrease of .01 from the discount rate used as of June 30, 2019. The projection of cash flows used to determine the PSPRS discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the 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.

Changes in Net Pension/OPEB Liability Schedule

	Pension Increase (decrease)			Health insurance premium benefit Increase (decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)		Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	
		Net Pension Liability (a) - (b)			Net OPEB Liability/(Asset) (a) - (b)	
Balances at June 30, 2021	\$ 4,438,843	\$ 3,579,181	\$ 859,662	\$ 71,710	\$ 114,457	\$ (42,747)
Changes for the year:						
Service cost	192,956		192,956	4,786		4,786
Interest on total pension/OPEB liability	334,687		334,687	5,584		5,584
Changes of benefit terms						
Difference between expected and actual experience in the measurement of the pension/OPEB liability	397,035		397,035	(3,380)		(3,380)
Changes of assumptions	-		-	-		-
Contributions - employer		184,941	(184,941)		2,269	
Contributions - employee		81,772	(81,772)			
Net investment income		1,025,563	(1,025,563)		31,743	(31,743)
Benefit payments, including refunds of employee contributions	(94,093)	(94,093)		-	-	
Plan administrative expenses		(4,790)	4,790		(131)	131
Other changes*		-	-	-	-	-
Net changes	830,585	1,193,393	(362,808)	6,990	33,881	(26,891)
Balances at June 30, 2022	\$ 5,269,428	\$ 4,772,574	\$ 496,854	\$ 78,700	\$ 148,338	\$ (69,638)

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

	1% Decrease 6.300%	Discount Rate 7.300%	1% Increase 8.300%
Net pension (asset) / liability	\$ 1,286,971	\$ 496,854	\$ (147,937)
Net OPEB (asset)/ liability	(59,230)	(69,638)	(78,372)

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

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Financial Statements
June 30, 2022

NOTE 9 – RETIREMENT AND PENSION PLANS - continued

Public Safety Personnel Retirement System (PSPRS) – continued

Pension expense and deferred outflows/inflows of resources – For the year ended June 30, 2022, the District recognized pension expense for PSPRS of \$173,497 and OPEB expense of \$(5,309). On June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health Insurance Premium Benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 490,457	\$ 155,125	\$ 1,431	\$ 23,129
Changes in assumptions	139,419	-	612	1,991
Net difference between projected and actual earnings on pension/OPEB plan investments	-	454,083	-	13,676
Contributions subsequent to the measurement date	184,518	-	179	-
Total	\$ 814,394	\$ 609,208	\$ 2,222	\$ 38,796

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, 2022. 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 Ended June 30	Pension	Health Insurance Premium Benefit
2023	\$ 10,154	\$ (6,659)
2024	9,728	(6,740)
2025	(9,158)	(7,153)
2026	(66,396)	(8,508)
2027	76,340	(3,846)
Thereafter	-	(3,847)

NOTE 10 – SUBSEQUENT EVENTS

The District evaluated its June 30, 2022, financial statements for subsequent events through November 15, 2022, the financial statement issuance date. The District is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

HEBER-OVERGAARD FIRE DISTRICT
Budget and Actual - General Fund
Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive/(Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property taxes	\$ 2,183,766	\$ 2,183,766	\$ 2,181,843	\$ (1,923)
Fire district assistance taxes	127,527	127,527	128,350	823
Other revenue	720,500	720,500	1,138,240	417,740
Total revenues	<u>3,031,793</u>	<u>3,031,793</u>	<u>3,448,433</u>	<u>416,640</u>
<u>Expenditures</u>				
Current:				
Operations	2,234,633	2,234,633	2,422,510	(187,877)
Administration	356,200	356,200	339,918	16,282
Capital outlay	159,050	159,050	348,282	(189,232)
Total expenditures	<u>2,749,883</u>	<u>2,749,883</u>	<u>3,110,710</u>	<u>(360,827)</u>
Excess of revenues over expenditures	<u>281,910</u>	<u>281,910</u>	<u>337,723</u>	<u>55,813</u>
<u>Other financing sources (uses)</u>				
Proceeds from capital lease	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	281,910	281,910	337,723	55,813
Fund balance - beginning	<u>1,714,856</u>	<u>1,714,856</u>	<u>1,714,856</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,996,766</u>	<u>\$ 1,996,766</u>	<u>\$ 2,052,579</u>	<u>\$ 55,813</u>

Note 1 - Budgetary Basis of Accounting

The District prepares its annual budget on the modified accrual basis of accounting. The level of budgetary control is at the fund level. A budgetary comparison schedule for the General Fund is included as required supplementary information to provide meaningful comparison of actual results to budget on a budget basis.

HEBER-OVERGAARD FIRE DISTRICT
Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability
June 30, 2022

	Reporting Fiscal Year (Measurement Date)									
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)		
Proportion of the net pension liability	0.002060%	0.001260%	0.001810%	0.001750%	0.001970%	0.002440%	0.002520%	0.000948%		
Proportionate share of the net pension liability (asset)	\$270,675	\$218,314	\$263,376	\$244,063	\$306,888	\$393,841	\$393,079	\$140,307		
Covered payroll	\$269,133	\$137,894	\$191,327	\$170,548	\$174,375	\$195,676	\$233,259	\$202,690		
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	100.57%	158.32%	137.66%	143.11%	175.99%	201.27%	168.52%	69.22%		
Plan fiduciary net position as a percentage of the total pension liability	78.58%	69.33%	73.24%	73.00%	69.92%	67.06%	68.35%	69.49%		

Note: In accordance with GASB 68, employers will need to disclose a 10-year history for the pension schedule above. Additional information will be displayed as it becomes available.

HEBER-OVERGAARD FIRE DISTRICT
Required Supplementary Information
Schedule of the Proportionate Share of the Net OPEB Liability
June 30, 2022

	Reporting Fiscal Year (Measurement Date)					
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)
Proportion of the net OPEB (asset)	0.002110%	0.001290%	0.000082%	0.001290%	0.001790%	0.000690%
Proportionate share of the net OPEB (asset)	\$ (10,280)	\$ (10,280)	\$ (913)	\$ (514)	\$ (645)	-376
Covered payroll	\$ 269,133	\$ 137,894	\$ 191,327	\$ 170,548	\$ 174,375	\$ 195,676
Proportionate share of the net OPEB (asset) as a percentage of its covered payroll	-3.82%	-3.82%	-0.66%	-0.27%	-0.13%	-0.22%
Plan fiduciary net position as a percentage of the total OPEB liability	130.24%	104.33%	101.62%	102.00%	103.57%	98.02%

ASRS - Long-term disability

	Reporting Fiscal Year (Measurement Date)					
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)
Proportion of the net OPEB (asset)	0.001280%	0.001280%	0.002080%	0.176000%	0.000640%	0.0000059
Proportionate share of the net OPEB (asset)	\$ 429	\$ 429	\$ 1,355	\$ 920	\$ 160	214
Covered payroll	\$ 269,133	\$ 137,894	\$ 191,327	\$ 170,548	\$ 174,375	\$ 195,676
Proportionate share of the net OPEB (asset) as a percentage of its covered payroll	0.16%	0.16%	0.98%	0.48%	0.09%	0.12%
Plan fiduciary net position as a percentage of the total OPEB liability	90.38%	90.38%	77.83%	77.83%	84.44%	85.17%

Note: The District implemented GASB 75 in fiscal year 2018. Prior year information is not available.

HEBER-OVERGAARD FIRE DISTRICT
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
June 30, 2022

PSPRS Pension

Reporting Fiscal Year
(Measurement Date)

	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Total pension liability								
Service cost	\$ 192,956	\$ 218,291	\$ 245,667	\$ 223,286	\$ 226,933	\$ 180,206	\$ 161,384	\$ 158,264
Interest on total pension liability	334,687	299,031	253,377	234,819	197,460	148,744	132,228	115,528
Changes of benefit terms	-	-	-	-	46,722	251,154	-	(4,061)
Difference between expected and actual experience of the total net pension liability	397,035	71,169	125,259	(280,249)	46,478	68,964	(68,630)	(45,553)
Changes of assumptions	-	-	115,931	-	103,871	108,530	-	28,386
Benefit payments, including refunds of employee contributions	(94,093)	(55,353)	(25,752)	(96,431)	(62,001)	(23,988)	(23,988)	(58,795)
Net change in total pension liability	830,585	533,138	714,482	81,425	559,463	733,610	200,994	193,769
Total pension liability - beginning	4,438,843	3,905,705	3,191,223	3,109,798	2,550,335	1,816,725	1,615,731	1,421,962
Total pension liability - ending (a)	\$ 5,269,428	\$ 4,438,843	\$ 3,905,705	\$ 3,191,223	\$ 3,109,798	\$ 2,550,335	\$ 1,816,725	\$ 1,615,731
Plan fiduciary net position								
Contributions - employer	\$ 184,941	\$ 152,830	\$ 182,524	\$ 199,054	\$ 127,133	\$ 143,870	\$ 108,795	\$ 118,240
Contributions - employee	81,772	73,543	88,583	86,251	102,608	106,149	88,519	82,488
Net investment income	1,025,563	44,084	165,963	188,290	275,877	12,363	68,371	205,930
Benefit payments, including refunds of employee contributions	(94,093)	(55,353)	(25,752)	(96,431)	(62,001)	(23,988)	(23,988)	(58,795)
Hall/Parker Settlement	-	-	-	(122,841)	-	-	-	-
Pension Plan Administrative Expense	(4,790)	(3,595)	(3,884)	(3,566)	(2,841)	(2,179)	(2,052)	-
Other (net transfer)	-	-	(119)	32	28	11	(1,410)	(49,240)
Net change in plan fiduciary net position	1,193,393	211,509	407,315	250,789	440,804	236,226	238,235	298,623
Plan fiduciary net position - beginning	3,579,181	3,367,672	2,960,357	2,709,568	2,268,764	2,032,538	1,794,303	1,495,680
Plan fiduciary net position - ending (b)	\$ 4,772,574	\$ 3,579,181	\$ 3,367,672	\$ 2,960,357	\$ 2,709,568	\$ 2,268,764	\$ 2,032,538	\$ 1,794,303
Net pension liability - ending (a) - (b)	\$ 496,854	\$ 859,662	\$ 538,033	\$ 230,866	\$ 400,230	\$ 281,571	\$ (215,813)	\$ (178,572)
Plan fiduciary net position as a percentage of the total pension liability	90.57%	80.63%	86.22%	92.77%	87.13%	88.96%	111.88%	111.05%
Covered payroll	\$ 934,777	\$ 839,215	\$ 964,430	\$ 979,325	\$ 967,732	\$ 889,027	\$ 799,965	\$ 796,984
Net pension liability as a percentage of covered payroll	53.15%	102.44%	55.79%	23.57%	41.36%	31.67%	-26.98%	-22.41%

Note: In accordance with GASB 68, employers will need to disclose a 10-year history for the pension schedule above. Additional information will be displayed as it becomes available.

HEBER-OVERGARD FIRE DISTRICT
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
June 30, 2022

	Reporting Fiscal Year (Measurement Date)				
	2022	2021	2020	2019	2018
	(2021)	(2020)	(2019)	(2018)	(2017)
PSPRS					
Health Insurance Premium Benefit					
Total OPEB liability					
Service cost	\$ 4,786	\$ 5,245	\$ 4,113	\$ 4,015	\$ 3,581
Interest on total OPEB liability	5,584	5,864	5,746	5,319	4,780
Changes of benefit terms	-	-	-	-	619
Difference between expected and actual experience of the total net OPEB liability	(3,380)	(13,395)	(10,323)	(5,666)	2,671
Changes of assumptions or other inputs	-	-	918	-	(3,721)
Benefit payments	-	-	-	-	-
Net change in total OPEB liability	6,990	(2,286)	454	3,668	7,930
Total OPEB liability - beginning	71,710	73,996	73,542	69,874	61,944
Total OPEB liability - ending (a)	\$ 78,700	\$ 71,710	\$ 73,996	\$ 73,542	\$ 69,874
Plan fiduciary net position					
Contributions - employer	\$ 2,269	\$ 1,632	\$ 2,192	\$ 1,434	\$ 1,564
Contributions - employee	-	-	-	-	-
OPEB plan net investment income	31,743	1,419	5,681	6,710	9,981
Benefit payments	-	-	-	-	-
OPEB plan administrative expense	(131)	(115)	(98)	(102)	(88)
Other changes	-	-	119	(1)	-
Net change in plan fiduciary net position	33,881	2,936	7,894	8,041	11,457
Plan fiduciary net position - beginning	114,457	111,521	103,627	95,586	84,129
Plan fiduciary net position - ending (b)	\$ 148,338	\$ 114,457	\$ 111,521	\$ 103,627	\$ 95,586
Net OPEB liability/(asset) - ending (a) - (b)	\$ (69,638)	\$ (42,747)	\$ (37,525)	\$ (30,085)	\$ (25,712)
Plan fiduciary net position as a percentage of the total OPEB liability					
	188.49%	159.61%	150.71%	140.91%	136.80%
Covered payroll	\$ 934,777	\$ 839,215	\$ 964,430	\$ 979,325	\$ 967,732
Net OPEB (asset) liability as a percentage of covered payroll	-7.45%	-5.09%	-3.89%	-3.07%	-2.66%

Note: In accordance with GASB 68, employers will need to disclose a 10-year history for the pension schedule above. Additional information will be displayed as it becomes available.

HEBER-OVERGAARD FIRE DISTRICT
Required Supplementary Information
Schedule of Pension/OPFB Contributions
June 30, 2022

ASRS - Pension

	Reporting Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 33,463	\$ 32,888	\$ 15,789	\$ 21,391	\$ 18,999	\$ 21,329	\$ 22,503	\$ 27,058	\$ 18,292	\$ 18,292
Contributions in relation to the contractually required contribution	(33,463)	(32,888)	(15,789)	(21,391)	(18,999)	(21,329)	(22,503)	(27,058)	(18,292)	(18,292)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 269,645	\$ 269,133	\$ 137,894	\$ 191,327	\$ 170,548	\$ 174,375	\$ 195,676	\$ 233,259	\$ 202,690	\$ 202,690
Contributions as a percentage of covered payroll	12.41%	12.22%	11.45%	11.18%	11.14%	12.23%	11.50%	11.60%	9.02%	9.02%

Note: In accordance with GASB 68, employers will need to disclose a 10-year history for the pension schedule above. Additional information will be displayed as it becomes available.

ASRS - Health insurance premium benefit

	Reporting Fiscal Year						
	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 575	\$ 520	\$ 676	\$ 880	\$ 750	\$ 977	\$ 977
Contributions in relation to the contractually required contribution	(575)	(520)	(676)	(880)	(750)	(977)	(977)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 269,645	\$ 269,133	\$ 137,894	\$ 191,327	\$ 170,548	\$ 174,375	\$ 174,375
Contributions as a percentage of covered payroll	0.21%	0.19%	0.49%	0.46%	0.44%	0.56%	0.56%

ASRS - Long-term disability

	Reporting Fiscal Year						
	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 520	\$ 520	\$ 234	\$ 221	\$ 273	\$ 274	\$ 274
Contributions in relation to the contractually required contribution	(520)	(520)	(234)	(221)	(273)	(274)	(274)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 269,645	\$ 269,133	\$ 137,894	\$ 191,327	\$ 170,548	\$ 174,375	\$ 174,375
Contributions as a percentage of covered payroll	0.19%	0.19%	0.17%	0.12%	0.16%	0.16%	0.16%

HEBER-OVERGARD FIRE DISTRICT
Required Supplementary Information
Schedule of Pension/OPEB Contributions
June 30, 2022

	Reporting Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Actuarially determined contribution	\$ 184,518	\$ 178,565	\$ 152,830	\$ 182,524	\$ 199,054	\$ 127,133	\$ 143,870	\$ 108,795	\$ 118,240	
Contributions in relation to the actuarially determined contribution	\$ (184,518)	\$ (178,565)	\$ (152,830)	\$ (182,524)	\$ (199,054)	\$ (127,133)	\$ (143,870)	\$ (108,795)	\$ (118,240)	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Covered payroll	\$ 897,459	\$ 934,777	\$ 839,215	\$ 964,430	\$ 979,325	\$ 967,732	\$ 889,027	\$ 799,965	\$ 796,984	
Contributions as a percentage of covered payroll	20.56%	19.10%	18.21%	18.93%	20.33%	13.14%	16.18%	13.60%	14.84%	

PSPRS

	Reporting Fiscal Year					
	2022	2021	2020	2019	2018	2017
Health Insurance Premium Benefit						
Actuarially determined contribution	\$ 179	\$ 2,171	\$ 1,632	\$ 2,192	\$ 1,434	\$ 1,564
Contributions in relation to the actuarially determined contribution	\$ (179)	\$ (2,171)	\$ (1,632)	\$ (2,192)	\$ (1,434)	\$ (1,564)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 897,459	\$ 934,777	\$ 839,215	\$ 964,430	\$ 979,325	\$ 967,732
Contributions as a percentage of covered payroll	0.02%	0.23%	0.19%	0.23%	0.15%	0.16%

Note: In accordance with GASB 75, employers will need to disclose a 10-year history for the OPEB schedules above. Additional information will be displayed as it becomes available.

HEBER-OVERGAARD FIRE DISTRICT
Notes to the Pension Plan Schedules
June 30, 2022

Note 1 - Actuarially Determined Contribution Rates

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

Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	19 years for underfunded liabilities; 20 years for excess.
Asset valuation method	7-year smoothed market;80%/120% market corridor
 Actuarial assumptions:	
Investment rate of return	In the 2017 actuarial valuation; the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return decreased from 7.85% to 7.55%. 7.0% currently.
Projected salary increases	In the 2017 actuarial valuation, the projected salary increases were decreased from 4.0%-8.0% to 3.5%-7.5%. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0%.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4.0% to 3.5%. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0%.
Retirement age	Experience-based tables of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 – June 30, 2011
Mortality	RP-2014 mortality table projected to 2016 using projection scale AA (adjusted by 75% for both males and females)

Note 2 - Factors that Affect Trends

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contributions rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired or will retire after the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date.

REPORT OF INTERNAL CONTROL AND ON COMPLIANCE

**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 of Heber-Overgaard Fire District
Heber-Overgaard, AZ

We have audited, in accordance with the 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 Heber-Overgaard Fire District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Heber-Overgaard Fire District's basic financial statements, and have issued our report thereon dated November 15, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Heber-Overgaard Fire 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 Heber-Overgaard Fire District's internal control. Accordingly, we do not express an opinion on the effectiveness of Heber-Overgaard Fire 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 Heber-Overgaard Fire 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*.

Report on Compliance with State of Arizona Regulatory Requirements

In connection with our audit, nothing contrary came to our attention that caused us to believe that Heber-Overgaard 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 for those liabilities as prescribed in Arizona Revised Statutes section 48-805, subsection B, paragraph 2 and sections 48-806 and 48-807, or that the District failed to comply with Arizona Revised Statutes section 48-805.02, subsection F. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. This report is supplemental reporting as required by Arizona statutes intended solely for the information and use of management and the members of the Arizona State Legislature and is not intended to be and should not be used by anyone other than these 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.

BDR Richards, CPA's, PLLC

Snowflake, AZ
November 15, 2022

Arizona Fire District Association

One-Day Statutory Compliance Training

December 2, 2022

Registration - 8:00 - 9:00am

Training - 9:00am - 4:15pm

Location:

National Bank of Arizona Conference Center
6001 N. 24th Street
Phoenix, AZ 85016

Cost:\$225

- Board members elected, re-elected, or appointed (due to running unopposed) in the November 2022 General Election are required to complete six hours of training as defined by A.R.S. §48-803.H. The mandated training must occur within twelve months of a Board Member's election or appointment.
- Fire Chiefs are also required to complete the mandated training within one year of their appointment to their position.

Please NOTE: seating limited to 100 registrants.

AFDA 2023 Winter Conference

January 11-13, 2023

**Aquarius Resort
Laughlin, NV**

Join us Wednesday, January 11th - Friday, January 13th for the 2023 Arizona Fire District Association winter conference at the Aquarius Resort in Laughlin, NV.

Use the link below to register attendees and exhibitors. Once registered, you will receive a confirmation email that will include a link to make any modifications.

We will be offering 6 hours of Statutory Training Classes for elected fire board members (includes incumbents' reelected or appointed), newly appointed fire district chiefs or those who would like additional training.

The azfiredistricts.org website contains information on the agenda, hotel room block, exhibitor hours, golf tournament information, hospitality event hours, and more.



FIRE BOARD MEETING SIGN-IN SHEET

DATE: 11-15-22

PLEASE SIGN IN:

1.	Tony AERIGO
2.	Kristin Grumkoski
3.	Mike Montaudou
4.	Dustin Richards
5.	FERRON HALTER
6.	Scott Vonn
7.	Troy Bell
8.	Garnett Dewitt
9.	Megan Martinez
10.	VAJ
11.	Shane Willis
12.	
13.	
14.	
15.	
16.	
17.	
18.	
19.	
20.	
21.	
22.	
23.	
24.	
25.	