



★ ARIZONA ★

# FRY FIRE DISTRICT



ANNUAL COMPREHENSIVE FINANCIAL REPORT  
for the fiscal year ended June 30, 2025



**FRY FIRE DISTRICT**  
"Always Willing Always Ready"

# FRY FIRE DISTRICT

## COCHISE COUNTY, ARIZONA



Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025

Prepared by:  
The James Vincent Group

# Fry Fire District

Year Ended June 30, 2025

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# Fry Fire District

Year Ended June 30, 2025

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## INTRODUCTORY SECTION



# FRY FIRE DISTRICT

## "Always Willing Always Ready"

Tuesday, October 28, 2025

To the Honorable Members of the Board and Citizens of Fry Fire District:

The following is the Annual Comprehensive Financial Report (ACFR) of Fry Fire District (FFD) for the fiscal year ending June 30, 2025. This ACFR report is intended to meet and exceed all legal reporting requirements that are borne by this jurisdiction. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Arizona Revised Statutes (ARS) 48-253 and 48-805(9) require an annual audit to be performed in accordance with the statutory requirements and in conformance to generally accepted government auditing standards. As such, the fiscal year audit has been performed by an independent certified public accounting firm, BeachFleischman PLLC. The auditors have issued an unmodified ("clean") opinion on the Fry Fire District's financial statements for the year ended June 30, 2025.

The independent auditor's report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### **District Profile**

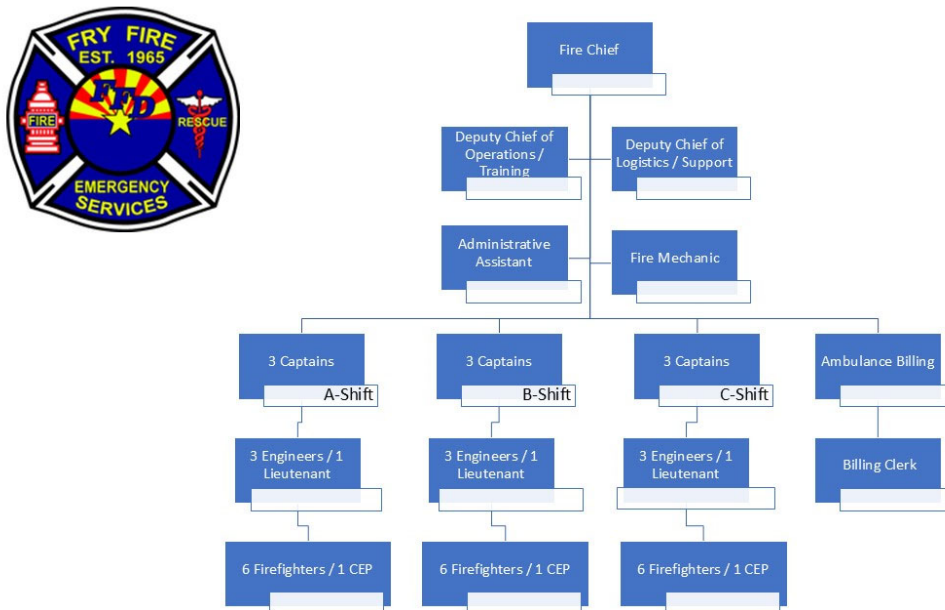
The Fry Fire District was originally formed in April of 1965 as the Fry Volunteer Fire Company. Governance for the original Volunteer Fire Company evolved from an elected Fire Chief to the current elected Board in 1985. Volunteer Firefighters were originally only responsible for handling the fire suppression needs of the community. Emergency medical treatment and transport services were added later, along with full-time employees to provide round-the-clock protection. Early volunteers operating out of a single fire station on Second Street laid the foundation for the professional services FFD personnel deliver across the region today.

Fry Fire District currently provides all hazard emergency services with forty-five full-time firefighters. These responders staff three full-time fire stations in the District and a fourth station during peak hours in the Town of Huachuca City. Full-time staff are augmented by several part-time Firefighters and EMS personnel. All full-time suppression personnel are trained in structural and wildland firefighting and are certified EMT's. The last few years have seen the addition of several Paramedics, bringing more than 50% of our staff to the advanced life support level. Operations are supported by two Deputy Chiefs, a Fire Chief and four administrative and support staff.

FFD operates under Arizona Revised Statutes (ARS) Title 48, Chapter 5 and is recognized by the State of Arizona as a special taxing district. The District is governed by a five-member Board, comprised of a Board Chair, Clerk and three additional members. All Members are elected at large and serve staggered four-year terms.

The Board is responsible for adopting an annual budget, setting District policy and ensuring the Fire Chief implements policy and manages the day-to-day operations of the District. The Fire Chief is supported by two Deputy Chiefs who provide executive and administrative support. The Deputy Chiefs also directly supervise assigned Captains and operations personnel. Operations are funded primarily through limited assessed value property taxes, with additional funding being generated through other means such as: billing for ambulance transports, federal and state wildfire responses and support from various federal, state, and local grants.

A current organization chart follows:



Current Intergovernmental Agreements, state requirements and national standards suggest a minimum staffing level of 3 firefighters for engine companies and 2 personnel for ambulances providing medical transport. We are currently working to hire additional personnel to help FFD better meet these minimums and to provide safe and effective fire suppression and advanced medical care for FFD customers and members. FFD employs a total of twenty-nine paramedics and provides Advanced Life Support medical treatment with every staffed unit. Emergency medical service-related calls make up more than 85% of annual calls for service.

FFD personnel respond to any emergency situation that threatens life, safety or property. We work closely with partners from the Sierra Vista Fire and Medical Department, Ft. Huachuca Fire Department, Palominas Fire District, Whetstone Fire District and the Southeastern Arizona Communications Center (SEACOM) to provide the closest available unit with the appropriate capabilities to provide service. FFD members are happy to continue to support Fire Station Alerting with SEACOM which provides automated dispatching across the county allowing dispatchers to focus on providing emergency callers with immediate instructions about life-saving measures they may be able to implement while we're responding.

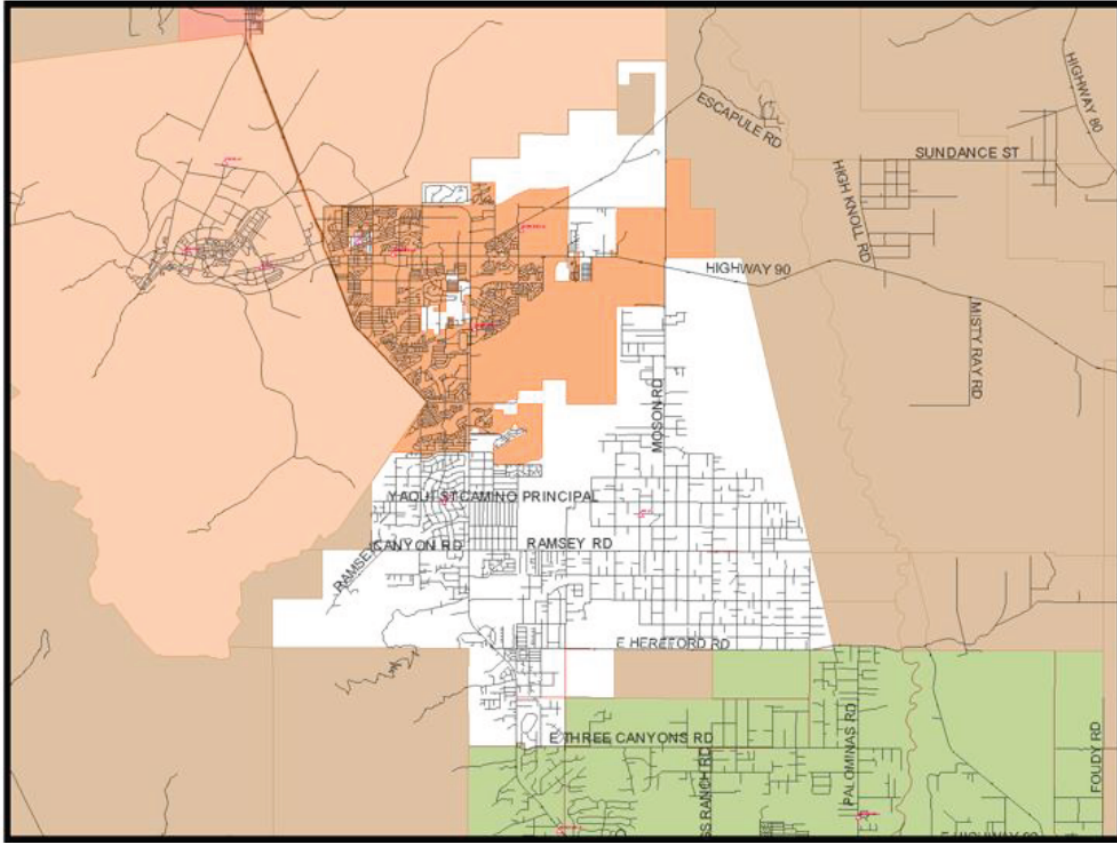
FFD also responds to various non-emergency situations that are not routinely handled by other agencies or providers. These non-emergency responses include things such as: snake removals, open burn permits, home safety surveys, etc. The FFD community risk reduction programs cover topics such as wildfire risk reduction, fall injury prevention, fire safety, CPR, immunizations and first aid and proactively work to reduce or mitigate risk either through prevention or otherwise.

### **About the Area**

FFD serves residents and visitors to several unincorporated neighborhoods in and around the community of Sierra Vista. At an elevation of 4600' the area has an average high temperature of 77 and an average low temp of 49, with average annual rainfall of 14 inches and less than 2 inches of snow. The area boasts the southern end of the Arizona Trail and the Huachuca Mountains which are a must-see for outdoor enthusiasts and birdwatchers visiting the sky islands.

FFD has a fire coverage footprint of approximately 60 square miles and provides ambulance transport service for approximately 200 square miles. The district has grown to serve an estimated 17,089 full time residents. We provide fire protection and emergency medical services, ambulance transport, technical rescue, public education and fire prevention. FFD deploys 14 Fire/EMS personnel daily and responded to approximately 4,238 calls during this reporting period.

**Fry Fire District Boundary Map**



A snapshot of FFD-Demographics including Huachuca City and service levels includes:

District Size	60 square miles
Ambulance Transport Service Area	200 square miles
Full-time Resident Population	18,589
Part-time, Seasonal Population	1,000
Fire Stations	4
Full-Time Fire and Rescue Service Staffing	39
Administrative and Support	7

## **Budget Overview**

The District budgets in accordance with the requirements of state law. The general fund is budgeted on the modified accrual basis of accounting.

The Board adopts the general fund budget prior to the beginning of the fiscal year of the District. Throughout the budget process the Board reviews the budgeted expenses at the fund, function and object level. This is done to allow the Board, and participating community members, to gain a more detailed understanding of the budget and to be in compliance with Arizona Revised Statute 48-805.02(A) which requires a detailed estimate of expenditures. Although the Board reviews the budget at the fund, function and object level, the budget is approved at the fund level and sets the level by which actual expenditures should not exceed budgeted expenditures. The Board is not required to adopt a formal budget for the Capital fund however transfers between funds require Board authorization, as do any transfers from Contingency.

Budgeted expenditures lapse at year-end and may not be carried over to subsequent years.

## **Local Economy and Outlook**

The presence of Ft. Huachuca and the U.S. Border Patrol are major contributors to the local economy and will continue to be so in the future.

There has been an increase in both residential and commercial construction in recent years, as well as rises in median home prices and median household incomes. Interest rates may influence real estate values but more time will be needed to understand that effect and potential effect on assessed value of property.

The District's population is expected to continue to grow in the next 20 years, although prior growth estimates have been significantly curtailed. District management and staff are working proactively and cooperatively with other governments, surrounding fire districts, and regional planning groups to ensure continued ability to serve this future population.

## **Long-term financial planning and major initiatives**

The district has developed a comprehensive ten-year capital improvement plan. This plan is primarily funded by a \$7 million bond election that passed by more than 72% of the voters in the 2018 general election. The capital improvement plan has significantly improved and enhanced emergency responses. It is also adding life to existing infrastructure by upgrading aging facilities and replacing aging capital assets. The FFD capital improvement plan forecasts the life expectancy and replacement and or maintenance costs for each of the District's long-term assets and matches those costs to defined funding levels that will need to be met over the next decade. This capital improvement plan is reviewed every year to ensure it captures the needs of the organization and is receiving adequate funding.

Major initiatives include: improving firefighter safety, continuing to replace aging apparatus and equipment, and expanding community risk reduction services.

Firefighters are exposed to an ever-increasing risk of occupational exposure to carcinogens. Station renovations are bringing FFD into compliance with accepted industrial hygiene standards and helping to reduce exposures to carcinogens by removing vehicle exhaust gases and improving individual decontamination after a fire. FFD are also actively working to improve the quality of the personal protective equipment provided to firefighters and to provide additional sets of gear to keep them protected while exposed gear is being decontaminated. This year should see us complete the issuance of two sets of gear to 100% of our firefighters.

Upgrades to FFD aging fleet are well-underway. One additional Type 3 Engine was ordered this year and is expected to be placed into service in mid-2026. The purchase of this engine is supported by a \$400,000.00 grant from the Arizona Department of Forestry and Fire Management. We also put a new 4,000 gallon water tender into service that was purchased with bond funds. We recently approved the purchase of a new Type 1 Ambulance, which we expect to see delivered in 2027. The next year should also see the addition of a regional air trailer funded with a grant from FEMA under the Assistance to Firefighters Program.

Community Risk Reduction efforts have been augmented by new employee engagement and state and local grant funds. These programs include a continuation of large-scale hazardous fuel reduction projects on high-risk wildland interface areas east of the Huachuca Mountains with a focus on Ramsey Canyon and other canyons west of Hwy 92. Recently we were able to hire seasonal employees to augment Arizona Department of Forestry and Fire Management Fire and Fuels Crews. Ongoing fuel reduction treatment this year should push the project beyond the 650-acre mark this year and will have an impact on fire activity in high-risk neighborhoods for years to come. Additional efforts also include public education about fall injury prevention, CPR, and emergency first aid. Compression-Only CPR and Stop the Bleed training programs are also providing tangible improvements in community readiness.

During the last year, FFD has continued moving towards our identified strategic plan goals.

### **Relevant Financial Policies**

FFD has adopted a comprehensive set of financial policies. The policies are constantly evaluated for their effectiveness and how they keep the Governing Board and staff focused on increased internal controls, reporting and long-term sustainability. The policies implemented have been effective in protecting the District and its focus on maintaining service levels while also providing long term sustainability and success.

## Awards and Acknowledgements

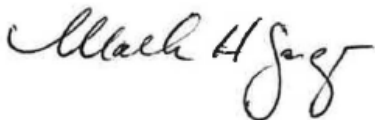
Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Fry Fire District for its annual comprehensive financial report for the fiscal year ended June 2024. This was the fifth year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, an entity must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

We would like to express our sincere gratitude to the personnel of the finance department who assisted and contributed to the preparation of this report. Appreciation is also extended to the District Board, the managers, employees and citizens of the District whose continued support is vital to the financial health of Fry Fire District.

We would like to express our sincere gratitude to the personnel of the finance department who assisted and contributed to the preparation of this report. Appreciation is also extended to Board Chair Joe Huish, members of the Board, the managers, employees and citizens of the District whose continued support is vital to the financial health of Fry Fire District.

Respectfully submitted,



Mark H. Savage

Fire Chief



The James Vincent Group

Finance Director

**Fry Fire District**

**Elected Board Members**

<u>Position / Name</u>	<u>Term Expires</u>
Board Chair Joseph Huish	November 30, 2028
Board Clerk Eric Andersen	November 30, 2026
Board Member Robert McMurtrie	November 30, 2026
Board Member Norman Sturm	November 30, 2026
Board Member Thomas Tucker	November 30, 2028

**Administrative Offices**

4817 S. Apache Ave., Sierra Vista, AZ 85650

**Fire Chief/Administrator**

Chief Mark Savage

**Finance Director**

The James Vincent Group

**Legal Counsel**

Barret & Matura, P.C.



Government Finance Officers Association

Certificate of  
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for Excellence  
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Reporting

Presented to

**Fry Fire District  
Arizona**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO



## FINANCIAL SECTION

## Independent Auditors' Report

Governing Board and Management  
Fry Fire District  
Sierra Vista, Arizona

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Fry Fire District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Fry 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 of Fry Fire District as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fry 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 Fry 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.

### ***Auditors' 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 auditors' 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 Fry 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 Fry 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 and other post employment benefit (OPEB) plan 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 auditors' 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 28, 2025, on our consideration of Fry 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 Fry 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 Fry Fire District's internal control over financial reporting and compliance.

*BeachFleischman PLLC*

Tucson, Arizona  
October 28, 2025

**Management's Discussion and Analysis (MD&A)**  
**(Required Supplementary Information)**

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2025

## INTRODUCTION

The management of Fry Fire District (the District) presents these financial statements with a narrative overview and analysis of financial activities for the twelve months ended June 30, 2025. 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

- In the government-wide financial statements, the total assets and deferred outflows of the Fry Fire District were \$19,819,476 at the close of the fiscal year. The total liabilities and deferred inflows exceeded assets and deferred outflows by \$6,780,890. Of this amount \$(9,320,963) represents the balance of the unrestricted net position.
- The District realized an increase in its net position of \$779,652 equal to the excess of revenues over expenses, which was primarily due to an increase in revenues. Assessed values increased 4.97%, which caused an increase in property tax revenue. In 2025, a higher amount of ambulance transports and increased activity in wildland deployments caused ambulance and wildland revenues to increase, which ultimately increased charges for services.
- The District placed a focus on building cash reserves during the budget process for fiscal year 2025. Between this focus and increased revenues, the District's cash and investments increased by \$836,311.
- As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$10,031,483, an increase of \$818,217 in comparison with the prior year. The increase in fund balance was due to increased tax revenues and charges for services.
- At the end of the current fiscal year, unassigned fund balances for the general fund was \$209,111. The change in fund balance for the general fund was a decrease of \$245 for the fiscal year. This was due to a transfer out of the general fund to the capital projects funds. The District Board and Administration are working diligently to enhance the financial position of the organization while still providing a high level of service to the community it serves.
- The total long-term liabilities of the District decreased by a net amount of \$551,686.

# 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 25)* presents information of all District's assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

Statement of Activities - The *Statement of Activities (page 26)* 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 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 maintains three individual government funds: the General Fund, the Capital Projects Fund, and the Debt Service Fund. Information is presented separately in the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances for each of these funds, all of which are considered to be major funds of the District; the concept and determination of major funds has been established by the Governmental Accounting Standards Board (GASB). There are no non-major governmental funds.

The District adopts an annual appropriated budget to levy taxes and provide for its general fund. A budgetary comparison statement has been provided for the fund to demonstrate compliance with the budget and is presented on page 67.

**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 Fry Fire District, liabilities and deferred inflows exceed assets and deferred outflows by \$6,780,890 at the close of the 2025 fiscal year.

By far, the largest positive portion of net position of the District, \$1,834,070, reflects the District's investment in capital assets (land, construction in progress, buildings and improvements, equipment and vehicles), less any related debt still outstanding that was issued to acquire those items. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be liquidated to service these liabilities.

The restricted portion of net position of \$706,003 reflects amounts restricted for debt service obligations and pension.

The remaining balance of unrestricted net position, \$(9,320,963), reflects its cash and current account receivable less any current liabilities (e.g. accounts payable, accrued payroll, and compensated absences) and long-term liabilities not associated with capital assets. The District uses the cash balances to pay current and ongoing financial obligations in order to provide services to residents.

At the end of fiscal year 2025, the District has a negative balance in unrestricted net position. In fiscal year 2022, the District issued Certificates of Participation (COPs) in the amount of \$17,360,000 for payment towards the pension liability. The net balance of the COPs as of June 30, 2025 was \$15,585,981, which is the main cause of the deficit unrestricted net position at yearend. Refer to note 9 of the financial statements for more information on the COPs.

The following table reflects the condensed Statement of Net Position:

Fry Fire District  
Condensed Statement of Net Position  
As of June 30, 2025 and 2024

	Governmental Activities		Increase (decrease)
	2025	2024	
Cash and investments	\$ 10,409,773	\$ 9,573,462	\$ 836,311
Other assets	805,650	851,444	(45,794)
Capital assets	5,863,565	5,886,814	(23,249)
Total assets	<u>17,078,988</u>	<u>16,311,720</u>	<u>767,268</u>
Total deferred outflows	<u>2,740,488</u>	<u>3,172,319</u>	<u>(431,831)</u>
Other liabilities	811,873	733,494	78,379
Long-term liabilities	<u>24,943,243</u>	<u>25,494,929</u>	<u>(551,686)</u>
Total liabilities	<u>25,755,116</u>	<u>26,228,423</u>	<u>(473,307)</u>
Total deferred inflows	<u>845,250</u>	<u>816,158</u>	<u>29,092</u>
Net investment in capital assets	1,834,070	2,007,131	(173,061)
Restricted	706,003	572,435	133,568
Unrestricted	<u>(9,320,963)</u>	<u>(10,140,108)</u>	<u>819,145</u>
Total net position	<u>\$ (6,780,890)</u>	<u>\$ (7,560,542)</u>	<u>\$ 779,652</u>

**Statement of Activities** – The net position of the District from governmental activities increased \$779,652. Key elements of this increase are as follows:

- Property taxes increased by \$310,527, as a result of a 4.97% increase in assessed valuation.
- Charges for services revenue, which includes ambulance revenue, services to the Town of Huachuca City revenue and wildland fire revenue, increased \$975,949.
  - Wildland season was more active in 2025 compared to 2024, which caused more deployments and increased wildland revenues.
  - Ambulance transports increased in 2025 compared to 2024, which caused an increase in ambulance revenue.

- Expenses for the District increased \$814,589 from the prior year, primarily due to the following reasons:
  - The increased activity in wildland deployments caused an increase in salaries and benefits expense.
  - During 2025, the District incurred deferred building and maintenance costs that came due during the year, which caused an increase in the respective expenses.
  - Per policy of the District, management reviewed aging ambulance billings and determined \$378,176 was uncollectible. The Board of Directors approved to write-off these balances resulting in an increase in bad debt expenses. This write-off does not affect any operations or activities of the District financially.

The following table presents a comparative summary of the District's revenues and expenses for the current and preceding fiscal years.

Fry Fire District  
Condensed Statement of Activities  
For the Years Ended June 30, 2025 and 2024

	Governmental Activities		Increase (decrease)
	2025	2024	
Program revenues:			
Charges for services	\$ 3,620,451	\$ 2,644,502	\$ 975,949
Operating grants and contributions	165,682	171,568	(5,886)
Capital grants and contributions	35,793	131,123	(95,330)
General revenues:			
Property taxes	5,299,636	4,989,109	310,527
Fire District Assistance Tax	395,477	387,876	7,601
Investment earnings	361,610	386,928	(25,318)
Miscellaneous	180,364	144,665	35,699
Total revenues	10,059,013	8,855,771	1,203,242
Expenses:			
Public safety	8,532,373	7,704,032	828,341
Interest on long-term debt	746,988	760,740	(13,752)
Total expenses	9,279,361	8,464,772	814,589
Change in net position	779,652	390,999	388,653
Beginning net position, restated	(7,560,542)	(7,951,541)	390,999
Ending net position	\$ (6,780,890)	\$ (7,560,542)	\$ 779,652

# DISTRICT FUNDS FINANCIAL ANALYSIS

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

**Governmental Funds** - The focus of the District’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, unassigned fund balances may serve as a useful measure of the District’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District’s Governing Board.

At June 30, 2025, the governmental funds of the District reported a combined fund balance of \$10,031,483, which is an increase of \$818,217 in comparison with the prior year.

**General Fund** - The general fund accounts for all the financial resources retained by the District not accounted for in any other fund. As of June 30, 2025, total fund balance was \$812,815, of which \$36,835 was nonspendable because of prepaid items, \$566,869 was assigned for paying employee leave liabilities, and \$209,111 was unassigned for financial reporting purposes. Total General Fund balance decreased by \$245. This decrease was caused by a transfer of funds from the General Fund to the Capital Projects fund. Prior to recognizing this transfer out and other financing sources/uses, the increase in the General Fund was \$696,734.

**Capital Projects Fund** - The capital projects fund accounts for the accumulation of resources for future construction costs for new and existing facilities and for the purchase of large fire apparatus. As of June 30, 2025, the ending fund balance in the Capital Projects fund was \$8,587,449. The increase in the fund balance of \$717,981 is primarily due to a transfer in from the general fund.

**Debt Service Fund** - The debt service fund accounts for the property tax levy dedicated to the payment of principal and interest on general obligation bonds. The increase in the fund balance was \$100,481.

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

Fry Fire District  
Governmental Funds – Fund Balances  
As of June 30, 2025 and 2024

Major funds	June 30, 2025		June 30, 2024	
	Amount	%	Amount	%
General	\$ 812,815	8.1 %	\$ 813,060	8.8 %
Capital	8,587,449	85.6	7,869,468	85.4
Debt services	631,219	6.3	530,738	5.8
Total fund balance	<u>\$ 10,031,483</u>	<u>100.0 %</u>	<u>\$ 9,213,266</u>	<u>100.0 %</u>

# BUDGETARY HIGHLIGHTS

There were some variances of note for the fiscal year.

- Revenues were over budget by \$1,207,434. The District takes a conservative approach with budgeting ambulance and wildland revenues due to the uncertainty of ambulance transports within any given year and how many deployments will occur during wildland season. As a result, ambulance revenues were over budget by \$253,019 and wildland revenues were over budget \$401,605.
- Expenses were over budget by \$824,790 primarily due to increases in salaries and benefits, buildings repairs and maintenance, and bad debt write-offs. As mentioned earlier, these expenses also increased year over year. Given the nature of how these expenses increased, the situations were also uncertain, which caused expenses to be over budget. Although expenses were over budget, this did not have major financial impact on the district because revenue were also over budget.
- The transfer from the General Fund to the Capital Projects fund also caused other financial uses to be over budget by \$382,889.

For more detailed information, see budget to actual comparison at page 67.

Fry Fire District  
Condensed Budget to Actual - General Fund  
As of June 30, 2025

	Budget	Actual	Variance with budget
Total revenues	\$ 8,124,896	\$ 9,332,330	\$ 1,207,434
Total expenditures	<u>7,810,806</u>	<u>8,635,596</u>	<u>824,790</u>
Revenue over expenditures	314,090	696,734	382,644
Total other financing sources (uses)	<u>(314,090)</u>	<u>(696,979)</u>	<u>(382,889)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (245)</u>	<u>\$ (245)</u>

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The District's net capital assets for its governmental type activities as of June 30, 2025 totaled \$5,863,565 (net of accumulated depreciation and amortization). These capital assets includes land, construction in progress, buildings and improvements, equipment, and vehicles.

During the year, the District purchased or placed in service capital assets of \$711,869. This included purchases of equipment, vehicles, and fire station remodels.

The District depreciates capital assets, except for land and construction in progress, consistent with generally accepted accounting principles, utilizing the straight-line depreciation method. The cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. Major outlays for capital assets and improvements are capitalized as projects are completed and placed into service. Additional information on the District's capital assets can be found in the notes to the financial statements at page 42 of this report.

Fry Fire District  
Capital Assets (net of depreciation)  
As of June 30, 2025 and 2024

	Governmental Activities		Increase (decrease)
	2025	2024	
Land	\$ 176,373	\$ 176,373	\$ -
Construction in progress	25,193	110,032	(84,839)
Buildings and improvements	3,531,968	3,531,968	-
Equipment	2,761,739	2,688,029	73,710
Vehicles	5,783,823	5,546,286	237,537
Intangibles - subscription assets	108,521	-	108,521
Accumulated depreciation/amortization	<u>(6,524,052)</u>	<u>(6,165,874)</u>	<u>(358,178)</u>
	<u>\$ 5,863,565</u>	<u>\$ 5,886,814</u>	<u>\$ (23,249)</u>

## Long-Term Liabilities

At the end of the current fiscal year, the District had approximately \$25 million in long-term liabilities outstanding.

The District continues to retire and manage debt to fund various capital projects which support program services. As of June 30, 2025, the District had bonds payable outstanding of \$5,708,905. This debt currently requires annual debt service payments that consist of principal and interest of approximately \$476,000.

During fiscal year 2022, the District issued Certificates of Participation (COPs) in the amount of \$17,360,000 to reduce the District's unfunded pension liability with the Public Safety Personnel Retirement System (PSPRS). As of June 30, 2025, the amount that is outstanding on the COPs was \$15,585,981, which is net of the unamortized discount. This debt currently requires annual debt service payments that consist of principal and interest of approximately \$1,036,000. All debt is backed by the full faith and credit of the District. The District has adequate funding capacity to support the continued debt services obligations. The District has been issued an "AA" rating from Standard and Poor's.

In accordance with GASB Statements No. 68 and 75, the District is required to include the net pension/OPEB liability (asset) on the financial statements. The net pension/OPEB liability is measured as the total pension/OPEB liability, less the plan's fiduciary net position. Relating to the District's participation in the Public Safety Personnel Retirement System (PSPRS), a net pension liability is recorded at June 30, 2025 of \$2,517,734. Relating to the District's participation in the Arizona State Retirement System (ASRS), a net pension liability is recorded at June 30, 2025 of \$417,639.

The following table shows the District’s Long-term Liabilities:

Fry Fire District  
Long-term Liabilities  
As of June 30, 2025 and 2024

	Governmental Activities		Increase (decrease)
	2025	2024	
Compensated absences	\$ 564,963	\$ 561,797	\$ 3,166
Bonds payable	5,708,905	5,993,494	(284,589)
Certificate of participation	15,585,981	16,041,321	(455,340)
Subscription liability	64,571	-	64,571
Net pension/OPEB liability	<u>3,018,823</u>	<u>2,898,317</u>	<u>120,506</u>
Total noncurrent liabilities	<u>\$ 24,943,243</u>	<u>\$ 25,494,929</u>	<u>\$ (551,686)</u>

Additional information regarding the long-term debt and noncurrent liabilities of the District can be found in the notes to the financial statements at pages 43 - 45 of this report.

## ECONOMIC FACTORS AND FY 2026 BUDGET/TAX RATE

The District has continued to pursue every feasible method of reducing operational costs while providing the highest level of service to the community. The increase in funding from nontax revenues, such as grants and contributions, wildland revenue, and ambulance revenue have helped mitigate the impact of rising costs, such as employee benefits, to the budget. In current and recent years, the District has focused on operational efficiency to reduce expenses. For budget year 2026, District management and the board of directors determined that the tax rate was sufficient to keep up with increased expenses and to continue to build its unrestricted reserve balance to meet future financial needs of the district and ensure long-term financial stability. Assessed value for fiscal year 2026 increased 6.45% and the District maintained the operational tax rate at \$3.399, which results in increased tax revenue of \$308,507.

## 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 4817 S. Apache Ave., Sierra Vista, Arizona 85650 or at 520-378-3276.

## **Basic Financial Statements**

# Fry Fire District

## Statement of Net Position

June 30, 2025

	<u>Governmental activities</u>
Assets:	
Cash and investments	\$ 8,665,792
Receivables:	
Property taxes	159,439
Ambulance, net	215,254
Grant	42,678
Other	132,327
Prepaid items	36,835
Lease receivables	144,333
Cash and investments, restricted	1,743,981
Net pension/OPEB asset	74,784
Capital assets, not depreciated	201,566
Capital assets, depreciated, net	<u>5,661,999</u>
Total assets	<u>17,078,988</u>
Deferred outflows of resources:	
Deferred outflows related to pensions/OPEB	<u>2,740,488</u>
Total deferred outflows of resources	<u>2,740,488</u>
Liabilities:	
Accounts payable	123,514
Accrued payroll and related benefits	177,584
Accrued interest	110,775
Unearned revenue	400,000
Noncurrent liabilities:	
Due within one year	1,054,727
Due in more than one year	<u>23,888,516</u>
Total liabilities	<u>25,755,116</u>
Deferred inflows of resources:	
Deferred inflows related to pensions/OPEB	716,569
Deferred inflows related to leases	<u>128,681</u>
Total deferred inflows of resources	<u>845,250</u>
Commitments and contingencies	
Net position:	
Net investment in capital assets	1,834,070
Restricted: debt service	631,219
Restricted: pension	74,784
Unrestricted	<u>(9,320,963)</u>
Total net position	<u>\$ (6,780,890)</u>

See notes to financial statements.

## Fry Fire District

### Statement of Activities

Year Ended June 30, 2025

	<u>Governmental activities</u>
Expenses:	
Public safety:	
Communications and IT	\$ 161,887
Depreciation/amortization	593,312
Grants	69,886
Managerial	278,917
Other	378,176
Payroll taxes and employee benefits	2,138,283
Salaries and wages	4,166,422
Training and related	112,372
Utilities and station	236,275
Vehicles and equipment	396,843
Interest	<u>746,988</u>
Total program expenses	<u>9,279,361</u>
Program revenues:	
Charges for services	3,620,451
Capital grants and contributions	35,793
Operating grants and contributions	<u>165,682</u>
Total program revenues	<u>3,821,926</u>
Net program expense	<u>5,457,435</u>
General revenues:	
Property taxes	5,299,636
Fire district assistance tax	395,477
Investment earnings	361,610
State shared tax revenue	107,469
Other	50,695
Gain on disposal of capital assets	<u>22,200</u>
Total general revenues	<u>6,237,087</u>
Change in net position	779,652
Net position, beginning of year	<u>(7,560,542)</u>
Net position, end	<u><u>\$ (6,780,890)</u></u>

See notes to financial statements.

## Fry Fire District

### Balance Sheet - Governmental Funds

June 30, 2025

	General fund	Capital projects	Debt service	Total governmental funds
<b>Assets:</b>				
Cash and investments	\$ 1,083,928	\$ 6,843,468	\$ 738,396	\$ 8,665,792
Receivables:				
Property taxes	144,563	-	14,876	159,439
Ambulance, net	215,254	-	-	215,254
Grant	42,678	-	-	42,678
Other	132,327	-	-	132,327
Prepaid items	36,835	-	-	36,835
Lease receivables	144,333	-	-	144,333
Cash and investments, restricted	-	1,743,981	-	1,743,981
Total assets	\$ 1,799,918	\$ 8,587,449	\$ 753,272	\$ 11,140,639
<b>Liabilities:</b>				
Accounts payable	\$ 123,514	\$ -	\$ -	\$ 123,514
Accrued payroll and related benefits	177,584	-	-	177,584
Accrued interest	-	-	110,775	110,775
Unearned revenue	400,000	-	-	400,000
Total liabilities	701,098	-	110,775	811,873
<b>Deferred inflows of resources:</b>				
Unavailable revenue - property taxes	105,686	-	11,278	116,964
Unavailable revenue - charges for services	51,638	-	-	51,638
Deferred inflows related to leases	128,681	-	-	128,681
Total deferred inflows of resources	286,005	-	11,278	297,283
<b>Fund balance:</b>				
Nonspendable:				
Prepaid items	36,835	-	-	36,835
Restricted:				
Debt service	-	-	631,219	631,219
Capital projects	-	1,743,981	-	1,743,981
Assigned to:				
Capital projects	-	6,843,468	-	6,843,468
Employee leave	566,869	-	-	566,869
Unassigned	209,111	-	-	209,111
Total fund balance	812,815	8,587,449	631,219	10,031,483
Total liabilities, deferred inflows of resources and fund balance	\$ 1,799,918	\$ 8,587,449	\$ 753,272	\$ 11,140,639

## Fry Fire District

### Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

June 30, 2025

Total fund balances - governmental funds	\$ 10,031,483
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.	5,863,565
Some receivables are not available to pay for current period expenditures and, therefore, are reported as deferred inflows in the funds.	168,602
Net pension/OPEB assets held in trust for future benefits are not available for District operations and, therefore, are not reported in the funds.	74,784
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued compensated absences	(564,963)
Subscription liability	(64,571)
General obligation bonds payable	(5,708,905)
Certificates of participation	(15,585,981)
Net pension/OPEB liability	(3,018,823)
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 pensions/OPEB	2,740,488
Deferred inflows of resources related to pensions/OPEB	<u>(716,569)</u>
Net position of governmental activities	<u>\$ (6,780,890)</u>

## Fry Fire District

### Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2025

	General fund	Capital projects	Debt service	Total governmental funds
Revenues:				
Property taxes	\$ 4,795,796	\$ -	\$ 497,368	\$ 5,293,164
Fire district assistance tax	395,477	-	-	395,477
Charges for services	3,691,549	-	-	3,691,549
Grants and contributions	201,475	-	-	201,475
Investment earnings	89,869	187,078	84,663	361,610
State shared tax revenue	107,469	-	-	107,469
Other	50,695	-	-	50,695
Total revenues	9,332,330	187,078	582,031	10,101,439
Expenditures:				
Public safety:				
Emergency operations	5,262,749	-	-	5,262,749
Administration	2,101,472	-	-	2,101,472
Capital outlay:				
Buildings and improvements	25,193	-	-	25,193
Equipment	98,294	19,487	-	117,781
Vehicles	-	350,342	-	350,342
Subscriptions	108,521	-	-	108,521
Debt service:				
Principal	494,000	-	260,000	754,000
Interest	545,367	-	221,550	766,917
Total expenditures	8,635,596	369,829	481,550	9,486,975
Revenues over (under) expenditures	696,734	(182,751)	100,481	614,464
Other financing sources (uses):				
Transfers in	-	900,732	-	900,732
Transfers out	(900,732)	-	-	(900,732)
Proceeds from sale of capital assets	22,200	-	-	22,200
SBITAs issued	98,571	-	-	98,571
Insurance recoveries	82,982	-	-	82,982
Total other financing sources	(696,979)	900,732	-	203,753
Net change in fund balances	(245)	717,981	100,481	818,217
Fund balances, beginning of year	813,060	7,869,468	530,738	9,213,266
Fund balances, end of year	\$ 812,815	\$ 8,587,449	\$ 631,219	\$ 10,031,483

See notes to financial statements.

## Fry Fire District

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities

Year Ended June 30, 2025

Net change in fund balances - governmental funds	\$	818,217
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those capital assets is allocated over their estimated useful lives as depreciation expense. In the current year, these amounts are:</p>		
Capital outlay		601,837
Depreciation/amortization expense		(593,312)
Impairment loss		(31,774)
Gain on disposal of capital assets		22,200
Proceeds from sale of capital assets		(22,200)
<p>Certain revenues relating to property taxes and charges for services in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(64,626)
<p>District pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the statement of activities.</p>		
Pension/OPEB contributions		742,541
Pension/OPEB expense		(1,365,423)
<p>Certain 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:</p>		
Change in compensated absences		(3,166)
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the statement of net position. In the current period, the amount consists of:</p>		
SBITAs issued		(98,571)
Principal paid		754,000
Amortization of premium/discount		19,929
		19,929
Change in net position of governmental activities	\$	779,652

# Fry Fire District

## Notes to Financial Statements

Year Ended June 30, 2025

1. Description of organization and summary of significant accounting policies:

The accounting policies of Fry Fire District (the District) conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units as promulgated by the Governmental Accounting Standards Board (GASB).

For the year ended June 30, 2025, the District implemented the provisions of GASB Statement No. 101 - Compensated Absences, which clarifies how governments recognize liabilities for compensated absences, improving consistency in financial reporting. All types of leave, such as vacation, sick leave, paid time off (PTO), and similar benefits, are now subject to the same principles. As a result, the District's financial statements have been modified to reflect the provisions of GASB 101. Implementation of this standard had no impact on beginning net position or fund balances.

Reporting entity:

The District, established in 1965 pursuant to Arizona Revised Statute Title 48, is a special-purpose local government organized to provide fire protection and other emergency services to residents within the District boundaries and the unincorporated areas in and around the City of Sierra Vista.

The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes and it is not included in any other governmental reporting entity.

Government-wide and fund financial statements:

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

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

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

- charges to customers for services provided
- grants and contributions

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

# Fry Fire District

## Notes to Financial Statements (continued)

Year Ended June 30, 2025

1. Description of organization and summary of significant accounting policies (continued):

Government-wide and fund financial statements (continued):

Fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

Measurement focus, basis of accounting and financial statement presentation:

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after June 30. The District's major revenue sources that are susceptible to accrual are tax revenues, charges for services, and investment earnings. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt, acquisitions under lease contracts, and subscription-based information technology are reported as other financing sources.

Real and personal property taxes are levied on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May. A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy. All property taxes are billed and collected by Cochise County and remitted to the District. In the governmental fund financial statements, property taxes are reflected as revenues in the fiscal period for which they were levied, provided they are due, or past due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days). Otherwise, they are reported as deferred inflows of resources.

The District reports the following major governmental funds:

The general fund is the primary operating fund of the District. The principal revenue source is property taxes. Primary expenditures are for public safety.

The capital projects fund is used to account for financial resources that are restricted, committed, or assigned for the acquisition or construction of major capital assets.

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

1. Description of organization and summary of significant accounting policies (continued):

Measurement focus, basis of accounting and financial statement presentation (continued):

The debt service fund is used to account for financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds.

Estimates:

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Management evaluates its estimates and assumptions on an ongoing basis. Actual results could differ materially from those estimates and assumptions.

Cash and investments:

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, investments in the State and 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.

Cash and investments, restricted:

Certain proceeds of the District's long-term debt are classified as restricted assets on the statement of financial position and balance sheet because they are maintained in separate bank accounts and their use is limited by applicable debt covenants.

Fair value measurements:

Fair value is defined as the price to sell an asset between market participants in an orderly exchange in the principal or most advantageous market for that asset. Mutual funds are valued at quoted market prices. The fair value for the commingled funds and qualifying alternative investments is determined based on the investment's net asset value as a practical expedient. Considerable judgment is required in interpreting market data used to develop the estimates of fair value. Accordingly, the estimates presented in the financial statements are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

1. Description of organization and summary of significant accounting policies (continued):

Receivables, unearned revenue and deferred inflows of resources:

All accounts and property tax receivables are shown net of an allowance for doubtful accounts, if any. Property taxes receivable for the governmental fund types, which have been remitted within 60 days subsequent to period end, are considered measurable and available and recognized as revenues. All other property taxes are offset by unavailable revenue and, accordingly, have not been recorded as revenue in the fund financial statements.

Revenue from emergency medical and transportation services are recognized as charges for services. These charges for services are reported at their estimated net realizable amounts from patients, third-party payers, and other for services rendered, including estimated retroactive adjustments under reimbursement allowances with third-party payers, provisions for bad debt and uncompensated care. There is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The allowance for doubtful accounts, including contractual adjustments, as of June 30, 2025 is approximately \$295,000. Amounts not collected by the District within 60 days subsequent to year-end are recorded as deferred inflows of resources in the fund financial statements.

Federal and state grants and contracts are recorded as receivables and revenues when the related expenditures are incurred. The portion of reimbursement in excess of expenditures are recorded as unearned revenues and amounts not remitted within 60 days subsequent to period end are recorded as deferred inflows of resources.

Prepaid items:

Payments made to vendors for services that will benefit future accounting periods are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

Leases:

The District is a lessor for noncancelable leases of land and cell towers. The District recognized a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

1. Description of organization and summary of significant accounting policies (continued):

Leases (continued):

Key estimates and judgments include how the District determines the discount rate it uses to discount the expected lease receipts to present value, the lease term, and the lease receipts. The District uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Subscription-based information technology arrangements:

The District reports a subscription liability and an intangible right-to-use capital asset (subscription assets) on the government-wide financial statements for a subscription-based information technology arrangement (SBITA).

At the commencement of a SBITA, the District initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the SBITA commencement date, plus certain initial direct costs, including development costs. Subsequently, the subscription asset is amortized on a straight-line basis over the SBITA term.

Key estimates and judgments related to SBITAs include how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) subscription payments. The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs. The SBITA term includes the noncancellable period of the SBITA and any extensions that are deemed certain to be exercised. Subscription payments included in the measurement of the subscription liability are composed of fixed payments to the SBITA vendor.

The District monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liabilities. Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term liabilities on the statement of net position.

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

1. Description of organization and summary of significant accounting policies (continued):

Capital assets:

Capital assets, which include land, construction in progress, buildings and improvements, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Land	Not depreciated
Construction in progress	Not depreciated
Buildings and improvements	15 to 40 years
Equipment	5 to 20 years
Vehicles	5 to 15 years

Compensated absences:

The District recognizes a liability for compensated absences for leave time that has been earned for services previously rendered by employees, accumulates and is allowed to be carried over to subsequent years, and is more likely than not to be used as time off or otherwise paid in cash or settled through noncash means. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences - vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the government funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

The District's vacation policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment. The District's sick leave policy permits employees to accumulate earned but unused sick leave, and an estimate of sick leave that will be used by employees as time off is included in the liability for compensated absences. Further, a portion of the sick leave is eligible for payment at the employee's current pay rate upon separation from employment, and a portion is eligible for payment at 25% of the employee's current pay rate, amounts to be paid out are up to predetermined maximums.

Long-term obligations:

In the government-wide financial statements, long-term debt, lease liabilities, SBITA liabilities, and other long-term obligations are reported as noncurrent liabilities in the statement of net position.

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

1. Description of organization and summary of significant accounting policies (continued):

Long-term obligations (continued):

In the fund financial statements, proceeds from debt issued are reported as other financing sources and principal and interest payments are recognized as expenditures in the statement of revenues, expenditures and changes in fund balances. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred outflows and inflows of resources:

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has deferred outflows related to pension and OPEB. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In the government-wide financial statements, the District reports deferred amounts related to leases and deferred amounts related to pension and OPEB. In the governmental funds balance sheet, the District reports unavailable revenue. The governmental funds report unavailable revenues primarily from the following sources: property taxes and ambulance charges. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Postemployment benefits:

For purposes of measuring the net pension and other postemployment benefits (OPEB) liabilities or assets, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The plan's investments are reported at fair value.

Fund balance:

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources. The classifications are as follows:

- Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

1. Description of organization and summary of significant accounting policies (continued):

Fund balance (continued):

- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that can only be used for the specific purposes imposed by formal action (resolution) of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those accounts.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Governing Board or District officials delegated the authority by the Governing Board through formal board action (resolution).
- Unassigned – includes those fund balances within the general fund, which have not been classified within the above mentioned categories. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position:

Net position represents the difference between assets, liabilities and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Budgetary information:

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; under statute only the general fund must legally adopt an annual budget. The adopted budget is on the modified accrual basis of accounting, which is a legally allowable basis for budgetary purposes. All annual appropriations lapse at fiscal year-end.

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

2. Cash and investments:

Deposits:

Operating accounts	\$ 507,330
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Investments:

Cochise County Treasurer's investment pool	4,355,853
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Cochise County Treasurer's investment pool - bond proceeds, restricted for capital purchases	1,743,981
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State Treasurer's investment pool 7	<u>3,802,609</u>
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\$ 10,409,773

As presented on the statement of net position:

Cash and investments	\$ 8,665,792
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Cash and investments - restricted	<u>1,743,981</u>
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\$ 10,409,773

The Arizona Revised Statutes authorize the District to invest public monies in the State or County Treasurer's investment pool; interest-bearing savings accounts, certificates of deposit and repurchase agreements in eligible depositories; bonds or other obligations of the United States government that are guaranteed as to principal and interest by the United States government; and bonds of the State of Arizona's counties, cities, towns, school districts and special districts as specified by statute.

Deposits:

Custodial credit risk - 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 102 percent of all deposits not covered by federal depository insurance.

At June 30, 2025, deposits with financial institutions have a carrying value \$507,330 and a bank balance of \$506,800. The difference represents deposits in transit, outstanding checks, and other reconciling items at June 30, 2025.

Investments:

The District's investments at June 30, 2025 were as follows:

	Rating	Rating Agency	Amount
Cochise County Treasurer's investment pool	Unrated	Not applicable	\$ 6,099,834
State Treasurer's investment pool 7	Unrated	Not applicable	\$ 3,802,609

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

#### 2. Cash and investments (continued):

##### Investments (continued):

The fair value of the investment pools are discussed in note 3.

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 these services rates the security, it must carry the highest rating of that service.

Custodial credit risk - the District's investment in the investment pools 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.

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 and State Treasurer's investment pools vary by type of investment, and averages less than one year.

Foreign currency risk - The Arizona Revised Statutes do not allow foreign investments unless the investment is denominated in the United States dollars.

#### 3. Fair value:

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

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

3. Fair value (continued):

Level 1 - Inputs are unadjusted quoted prices for identical assets 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, 2025, 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:					
Cochise County Treasurer's Investment Pool	\$ 6,099,834	\$ 6,099,834	\$ -	\$ -	\$ -
State Treasurer's Investment Pool	3,802,609	3,802,609		-	-
	\$ 9,902,443	\$ 9,902,443	\$ -	\$ -	\$ -

Investments in the State Treasurer’s investment pools are valued at the pool’s share price multiplied by the number of shares the District held. The fair value of a participant’s position in the pool approximates the value of that participant’s pool shares. The investment in the County Treasurer’s pool is valued using the District’s proportionate participation in the pool because the pool structure does not provide for shares. The State Board of Investment provides oversight for the State Treasurer’s investment pools. No comparable oversight is provided for the County Treasurer’s investment pool.

4. Interfund transfers:

Interfund transfers during the fiscal year are to be used to fund capital purchases of the capital projects fund. During the year ended June 30, 2025, the general fund transferred \$900,732 to the capital projects fund.

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

5. Lease receivables:

The District leases land and cell towers to third parties under the provisions of various lease agreements that expire at various dates between April 2026 and September 2028. The agreements are typically 5 years, with options to renew for an additional 5 years. One lease has up to ten, 5 year options to renew. There are no variable lease payments related to these leases. During the fiscal year ended June 30, 2025, the District recognized total lease-related revenues of \$98,588.

6. Capital assets:

Capital asset activity for the period ended June 30, 2025 was as follows.

	Beginning balance	Increases	Decreases	Ending balance
Capital assets, not depreciated:				
Land	\$ 176,373	\$ -	\$ -	\$ 176,373
Construction in progress	110,032	25,193	(110,032)	25,193
Total capital assets, not depreciated	286,405	25,193	(110,032)	201,566
Capital assets, depreciated:				
Buildings and improvements	3,531,968	-	-	3,531,968
Equipment	2,688,029	117,781	(44,071)	2,761,739
Vehicles	5,546,286	460,374	(222,837)	5,783,823
Intangibles - subscription assets	-	108,521	-	108,521
Total capital assets, depreciated	11,766,283	686,676	(266,908)	12,186,051
Less accumulated depreciation for:				
Buildings and improvements	(1,272,195)	(82,227)	-	(1,354,422)
Equipment	(2,010,378)	(139,587)	23,872	(2,126,093)
Vehicles	(2,883,301)	(344,369)	211,263	(3,016,407)
Intangibles - subscription assets	-	(27,130)	-	(27,130)
Total accumulated depreciation	(6,165,874)	(593,313)	235,135	(6,524,052)
Total capital assets, depreciated, net	5,600,409	93,363	(31,773)	5,661,999
Total capital assets, net	\$ 5,886,814	\$ 118,556	\$ (141,805)	\$ 5,863,565

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

7. Changes in noncurrent liabilities:

A summary of the changes in noncurrent liabilities for the period ended June 30, 2025 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Compensated absences	\$ 561,797	\$ 3,166	\$ -	\$ 564,963	\$ 263,000
General obligation bonds:					
Series 2019 (A)	2,635,000	-	(135,000)	2,500,000	135,000
Series 2022 (B)	2,875,000	-	(125,000)	2,750,000	125,000
Unamortized premium	<u>483,494</u>	<u>-</u>	<u>(24,589)</u>	<u>458,905</u>	<u>-</u>
	5,993,494	-	(284,589)	5,708,905	260,000
Certificates of participation:					
Series 2021	16,385,000	-	(460,000)	15,925,000	500,000
Unamortized discount	<u>(343,679)</u>	<u>-</u>	<u>4,660</u>	<u>(339,019)</u>	<u>-</u>
	16,041,321	-	(455,340)	15,585,981	500,000
Subscription liability	-	98,571	(34,000)	64,571	31,727
Net pension liability	2,776,395	158,978	-	2,935,373	-
Net OPEB liability	<u>121,922</u>	<u>-</u>	<u>(38,472)</u>	<u>83,450</u>	<u>-</u>
	<u>\$ 25,494,929</u>	<u>\$ 260,715</u>	<u>\$ (812,401)</u>	<u>\$ 24,943,243</u>	<u>\$ 1,054,727</u>

The change in compensated absences above is a net change for the year.

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

8. General obligation bonds:

The District, pursuant to a special bond election in November 2018, received voter approval to issue up to \$7,000,000 in general obligation debt to construct a new fire station and replace equipment and vehicles.

Series 2019 (A):

In May 2019, the Series 2019 (A) General Obligation Bonds were issued by the District in the amount of \$3,780,000. The interest rate ranges from 3% - 4% and the bonds mature July 1, 2038.

The Series 2019 (A) bonds were issued with a premium of \$343,554 that is being amortized over the life of the debt.

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

8. General obligation bonds (continued):

Series 2022 (B):

In May 2022, the Series 2022 (B) General Obligation Bonds were issued by the District in the amount of \$2,915,000. The interest rate ranges from 4% - 5% and the bonds mature July 1, 2041.

The Series 2022 (B) bonds were issued with a premium of \$221,386 that is being amortized over the life of the debt.

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Year ending <u>June 30,</u>	Principal	Interest	Total
2026	\$ 260,000	\$ 216,350	\$ 476,350
2027	265,000	205,850	470,850
2028	275,000	195,050	470,050
2029	280,000	183,950	463,950
2030	285,000	172,650	457,650
2031 - 2035	1,535,000	684,250	2,219,250
2036 - 2040	1,640,000	362,925	2,002,925
2041 - 2045	710,000	35,750	745,750
	\$ 5,250,000	\$ 2,056,775	\$ 7,306,775

9. Certificates of participation:

During fiscal year 2022, the District issued Certificates of Participation (COPs) in the amount of \$17,360,000, which are debt instruments representing a fractional share of the District's interest in a tax-exempt lease marketed to investors. The District will use the proceeds from the COPs to reduce the District's unfunded pension liability with Public Safety Personnel Retirement System (PSPRS). The District's lease payments to the trustee repay the COPs. The lease payments are payable in semi-annual installments of principal and interest, with interest rates ranging from .632% to 3.744%. Ownership of the underlying assets transfer to the District at the end of the contract. The COPs are secured by the leased assets and mature July 1, 2048.

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

9. Certificates of participation (continued):

Future principal and interest payments are as follows:

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 500,000	\$ 535,794	\$ 1,035,794
2027	500,000	525,984	1,025,984
2028	510,000	514,939	1,024,939
2029	525,000	502,654	1,027,654
2030	535,000	489,119	1,024,119
2031 - 2035	2,930,000	2,194,923	5,124,923
2036 - 2040	3,455,000	1,668,825	5,123,825
2041 - 2045	4,115,000	1,006,389	5,121,389
2046 - 2050	<u>2,855,000</u>	<u>216,216</u>	<u>3,071,216</u>
	<u>\$ 15,925,000</u>	<u>\$ 7,654,843</u>	<u>\$ 23,579,843</u>

10. Subscription-based information technology arrangements:

During the current fiscal year, the District entered into a three-year subscription-based information technology arrangement (SBITA). An initial subscription liability was recorded in the amount of \$98,571. The District is required to make annual subscription payments of \$34,000 through September 2026. The SBITA has an interest rate of 3.5% and there are no variable payments. In addition, the District incurred \$9,950 in implementation costs, which was added to the initial value of the subscription asset. The value of the subscription asset as of the end of the current fiscal year was \$108,521 and had accumulated amortization of \$27,130.

Future principal and interest subscription payments are as follows:

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 31,727	\$ 2,273	\$ 34,000
2027	<u>32,844</u>	<u>1,156</u>	<u>34,000</u>
	<u>\$ 64,571</u>	<u>\$ 3,429</u>	<u>\$ 68,000</u>

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

11. Line of credit:

The Board of Supervisors of Cochise County, on behalf of the District, established a line of credit in the amount of \$900,000 with a bank that is managed by the Cochise County Treasurer's Office. In accordance with the Arizona Revised Statutes, the line of credit can only be drawn on by the County Treasurer in order to pay warrants issued by the District to fund operations prior to the collection of the property tax levy in the current year. Interest is payable at the bank's prime rate (7.50% at June 30, 2025) and the line renews every July 1. The balance on the line at the beginning and end of the period was \$0.

12. Risk management:

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all such risks of loss, including workers' compensation and employees' health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

During the fiscal year ending June 30, 2025, the District sustained significant damage to a vehicle due to an accident. The District's insurance policy covered the damage. The impairment loss on the vehicle of \$31,774 was reported net of the insurance recovery of \$82,983 with vehicles and equipment on the statement on activities.

13. Commitments and contingencies:

Intergovernmental agreements:

The District is party to a variety of intergovernmental 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.

Legal:

From time to time, the District 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 and based upon consultation with legal counsel, resolution of any pending or threatened lawsuits will not have a material adverse effect on the District's financial statements.

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

14. Pension and other postemployment benefits:

The District contributes to the Arizona State Retirement System (ASRS) and the Public Safety Personnel Retirement System (PSPRS). These plans are component units of the State of Arizona.

At June 30, 2025, the District reported on the Statement of Net Position and Statement of Activities the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

	<u>Net pension/ OPEB liability</u>	<u>Net pension/ OPEB asset</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>	<u>Pension/ OPEB expense</u>
Pension plans:					
ASRS	\$ 417,639	\$ -	\$ 141,733	\$ 26,671	\$ 82,285
PSPRS - Tier 1 & 2	2,517,734	-	2,353,194	577,180	1,237,095
PSPRS - Tier 3 Risk Pool	<u>-</u>	<u>(49,973)</u>	<u>185,502</u>	<u>41,096</u>	<u>49,389</u>
Total pension plans	<u>2,935,373</u>	<u>(49,973)</u>	<u>2,680,429</u>	<u>644,947</u>	<u>1,368,769</u>
OPEB plans:					
ASRS - health insurance premium benefit	-	(16,193)	784	7,104	(2,970)
ASRS - long-term disability	69	-	1,436	673	427
PSPRS - Tier 1 & 2	83,381	-	55,151	62,221	1,238
PSPRS - Tier 3 Risk Pool	<u>-</u>	<u>(8,618)</u>	<u>2,688</u>	<u>1,624</u>	<u>(2,041)</u>
Total OPEB plans	<u>83,450</u>	<u>(24,811)</u>	<u>60,059</u>	<u>71,622</u>	<u>(3,346)</u>
	<u>\$ 3,018,823</u>	<u>\$ (74,784)</u>	<u>\$ 2,740,488</u>	<u>\$ 716,569</u>	<u>\$ 1,365,423</u>

The District's accrued payroll and related benefits includes \$25,437 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2025.

The District reported \$742,541 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

14. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS):

Plan description - District employees not covered by the other pension plan described below participate 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](http://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	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%

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

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

14. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

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

Contributions - In accordance with State statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2025, statute required active ASRS members to contribute at the actuarially determined rate of 12.27% (12.12% for retirement and 0.15% for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.27% (12.05% for retirement, 0.07% for health insurance premium benefit, and 0.15% for long-term disability) of the active members' annual covered payroll.

The District's contributions for the year ended June 30, 2025 were as follows:

	<u>Contributions</u>
Pension	\$ 54,257
Health insurance premium	315
Long-term disability	675

During fiscal year 2025, the District paid for the ASRS pension and OPEB contributions from the general fund.

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

14. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

Pension and OPEB assets/liabilities - At June 30, 2025, 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	\$ 417,639
Health insurance premium benefit	(16,193)
Long-term disability	69

The net asset and net liabilities were measured as of June 30, 2024. 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, 2023, to the measurement date of June 30, 2024.

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, 2024. The District's proportions measured as of June 30, 2024, and the change from its proportions measured as of June 30, 2023 were:

	Proportion June 30, 2024	Increase from June 30, 2023
Pension	0.00261 %	0.00043
Health insurance premium benefit	0.00268 %	0.00045
Long-term disability	0.00264 %	0.00044

Pension/OPEB expense - For the year ended June 30, 2025, the District recognized the following pension and OPEB expense:

	Pension/OPEB expense
Pension	\$ 82,285
Health insurance premium benefit	(2,970)
Long-term disability	427

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

14. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

Deferred outflows/inflows of resources - At June 30, 2025, 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	\$ 23,312	\$ -	\$ 469	\$ 3,910	\$ 253	\$ 183
Net difference between projected and actual earnings on pension plan investments	-	26,671	-	1,113	-	75
Changes in assumptions	-	-	-	168	50	412
Changes in proportion and differences between employer contributions and proportionate share of contributions	64,164	-	-	1,913	458	3
Contributions subsequent to the measurement date	<u>54,257</u>	<u>-</u>	<u>315</u>	<u>-</u>	<u>675</u>	<u>-</u>
	<u>\$ 141,733</u>	<u>\$ 26,671</u>	<u>\$ 784</u>	<u>\$ 7,104</u>	<u>\$ 1,436</u>	<u>\$ 673</u>

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

14. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

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 in the net asset or a reduction of the net liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year ending <u>June 30,</u>	Pension	Health insurance premium benefit	Long-term disability
2026	\$ 30,182	\$ (3,546)	\$ (5)
2027	42,268	(1,150)	101
2028	(6,751)	(1,144)	-
2029	(4,894)	(631)	(61)
2030	-	(164)	(14)
Thereafter	-	-	67
	\$ 60,805	\$ (6,635)	\$ 88

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

Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9% - 8.4% for pensions/ not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pension/ not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

14. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

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

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected geometric real rate of return
Public Equity	44 %	4.48 %
Credit	23 %	4.40 %
Real Estate	17 %	6.05 %
Private Equity	10 %	6.11 %
Interest Rate Sensitive	6 %	(0.45)%
	100 %	

Discount rate - At June 30, 2024, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0%. 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 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 (asset) liability.

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

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

14. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

	1% decrease (6.0%)	Current discount rate (7.0%)	1% increase (8.0%)
Net pension liability	\$ 639,491	\$ 417,639	\$ 232,745
Net insurance premium benefit liability (asset)	(11,772)	(16,193)	(19,952)
Net long-term disability liability	237	69	(96)

Plan fiduciary net position - Detailed information about the plans' fiduciary net position is available in the separately issued ASRS financial report.

Public Safety Personnel Retirement System (PSPRS):

Plan descriptions - District employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool).

The PSPRS issues a publicly available financial report that include financial statements and required supplementary information. The reports is available on the PSPRS website at [www.psprs.com](http://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:

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

14. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

	Initial membership date:		
	Tier 1: Before January 1, 2012	Tier 2: On or after January 1, 2012 and before July 1, 2017	Tier 3: 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 member	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		

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

14. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation.

PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents.

Employees covered by benefit terms - At June 30, 2025, the following employees were covered by the agent pension plan benefit terms:

	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	32	32
Inactive employees entitled to but not yet receiving benefits	1	-
Active employees	26	26
	59	58

Contributions - State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with State statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates are a percentage of active members' annual covered payroll. Contribution rates for the year ended June 30, 2025 are indicated below:

	Tier 1 & 2	Tier 3
Active members - pension	7.65 %	8.89 %
District:		
Pension	22.01 %	8.77 %
Health insurance	0.73 %	0.12 %
Legacy cost - Tiers 1 & 2 unfunded liabilities	- %	5.06 %

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

14. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

In addition, the District is required to contribute at the actuarially determined rate of 8.00% of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the PSPRS would typically fill and of employees participating in the PSPRS Tier 3 Risk Pool and PSPDCRP members in addition to the District's required contributions to the PSPRS Tier 3 Risk Pool and PSPDCRP.

The District's contributions to the pension and OPEB plans for the year ended June 30, 2025 were:

	<u>Tier 1 &amp; 2</u>	<u>Tier 3</u>
Pension	\$ 582,731	\$ 84,085
Health insurance	19,327	1,151

During fiscal year 2025, the District paid for the pension and OPEB contributions from the general fund.

PSPRS agent multiple employer plans (Tier 1 & 2):

Liability (asset) - At June 30, 2025, the District reported net pension liability of \$2,517,734 and a net OPEB liability (asset) of \$83,381. The net assets and net liabilities were measured as of June 30, 2024 and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

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

Actuarial valuation date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.0% - 6.25% for pension/not applicable for OPEB
Price inflation	2.5% for pension/not applicable for OPEB
Cost-of-living adjustment	1.85% for pension/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.2% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

14. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

PSPRS agent multiple-employer plans (Tier 1 & 2) (continued):

The target allocation and best estimates of geometric 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 geometric real rate of return</u>
U.S. Public Equity	24 %	3.62 %
International Public Equity	16 %	4.47 %
Global Private Equity	27 %	7.05 %
Core Bonds	6 %	2.44 %
Private Credit	20 %	6.24 %
Diversifying Strategies	5 %	3.15 %
Cash Mellon	<u>2 %</u>	0.89 %
	<u>100 %</u>	

Discount rate - At June 30, 2024, the discount rate used to measure the total pension/OPEB liability was 7.2%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

14. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

PSPRS agent multiple-employer plans (Tier 1 & 2) (continued):

Changes in the net pension liability -

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) - (b)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balances at June 30, 2024	\$ 34,904,660	\$ 32,481,020	\$ 2,423,640
Changes for the year:			
Service cost	621,263	-	621,263
Interest on the total pension liability	2,488,950	-	2,488,950
Differences between expected and actual experience	986,493	-	986,493
Contributions - employer	-	554,012	(554,012)
Contributions - employee	-	188,981	(188,981)
Net investment income	-	3,275,302	(3,275,302)
Benefit payments, including refunds of employee contributions	(1,914,349)	(1,914,349)	-
Administrative expense	<u>-</u>	<u>(15,683)</u>	<u>15,683</u>
Net changes	<u>2,182,357</u>	<u>2,088,263</u>	<u>94,094</u>
Balances at June 30, 2025	<u>\$ 37,087,017</u>	<u>\$ 34,569,283</u>	<u>\$ 2,517,734</u>

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

14. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

PSPRS agent multiple-employer plans (Tier 1 & 2) (continued):

Changes in the net OPEB liability -

	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB liability (asset) (a) - (b)
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances at June 30, 2024	\$ 571,420	\$ 449,786	\$ 121,634
Changes for the year:			
Service cost	11,237	-	11,237
Interest on the total OPEB liability	40,688	-	40,688
Differences between expected and actual experience	(29,560)	-	(29,560)
Contributions - employer	-	16,827	(16,827)
Net investment income	-	43,979	(43,979)
Benefit payments	(35,084)	(35,084)	-
Administrative expense	-	(188)	188
Net changes	<u>(12,719)</u>	<u>25,534</u>	<u>(38,253)</u>
Balances at June 30, 2025	<u>\$ 558,701</u>	<u>\$ 475,320</u>	<u>\$ 83,381</u>

Sensitivity of the District's net pension/OPEB (asset) liability to changes in the discount rate - The following table presents the District's net pension/OPEB (assets) liabilities calculated using the discount rate of 7.2%, as well as what the District's net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.2%) or 1 percentage point higher (8.2%) than the current rate:

	1% decrease (6.2%)	Current discount rate (7.2%)	1% increase (8.2%)
	<u>(6.2%)</u>	<u>(7.2%)</u>	<u>(8.2%)</u>
District's net pension liability (asset)	\$ 7,858,302	\$ 2,517,734	\$ (1,806,130)
District's net OPEB liability (asset)	\$ 144,344	\$ 83,381	\$ 32,021

Plan fiduciary net position - Detailed information about the plans' fiduciary net position is available in the separately issued PSPRS financial report.

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

14. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

PSPRS agent multiple-employer plans (Tier 1 & 2) (continued):

Expense - For the year ended June 30, 2025, the District recognized pension expense for PSPRS of \$1,237,095 and OPEB expense of \$1,238.

Deferred outflows/inflows of resources - At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 1,413,202	\$ 311,536	\$ 29,191	\$ 57,499
Changes in assumptions	357,261	-	6,633	-
Net difference between projected and actual earnings on plan investments	-	265,644	-	4,722
Contributions subsequent to the measurement date	<u>582,731</u>	<u>-</u>	<u>19,327</u>	<u>-</u>
	<u>\$ 2,353,194</u>	<u>\$ 577,180</u>	<u>\$ 55,151</u>	<u>\$ 62,221</u>

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year ending <u>June 30,</u>	Pension	Health
2026	\$ 311,505	\$ (17,634)
2027	853,676	(2,697)
2028	223,982	(1,534)
2029	(195,880)	(4,532)
2030	-	-
Thereafter	<u>-</u>	<u>-</u>
	<u>\$ 1,193,283</u>	<u>\$ (26,397)</u>

# Fry Fire District

## Notes to Financial Statements (continued)

Year Ended June 30, 2025

14. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

PSPRS cost-sharing multiple-employer plans (Tier 3 Risk Pool):

Pension and OPEB assets/liabilities - At June 30, 2025, the District reported the following asset and liabilities for its proportionate share of the PSPRS Tier 3 Risk Pool net pension/OPEB asset or liability.

	Net pension/OPEB (asset) liability
Pension	\$ (49,973)
Health insurance premium benefit	(8,618)

The net asset and net liabilities were measured as of June 30, 2024. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2023, to the measurement date of June 30, 2024.

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, 2024. The District's proportion measured as of June 30, 2024, and the change in proportions measured as of June 30, 2023, were:

	Proportion	Increase (decrease)
Pension	0.29286 %	0.00362
Health insurance premium benefit	0.29308 %	0.00369

Pension/OPEB expense - For the year ended June 30, 2025, the District recognized pension and OPEB expense (income) for PSPRS Tier 3 Risk Pool as follows:

	Expense (income)
Pension	\$ 49,389
Health insurance premium benefit	(2,041)

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

14. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

PSPRS cost-sharing multiple-employer plans (Tier 3 Risk Pool) (continued):

Deferred outflows/inflows of resources - At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 99,071	\$ -	\$ 519	\$ 251
Net difference between projected and actual earnings on pension plan investments	-	16,330	-	497
Changes in assumptions	153	3,221	78	1
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,193	21,545	940	875
Contributions subsequent to the measurement date	84,085	-	1,151	-
	\$ 185,502	\$ 41,096	\$ 2,688	\$ 1,624

The amounts reported as deferred outflows of resources related to PSPRS Tier 3 Risk Pool pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase of the net asset and a reduction of the net liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year ending <u>June 30,</u>	Pension	Health
2026	\$ 2,690	\$ (164)
2027	7,529	8
2028	3,169	(130)
2029	4,382	(94)
2030	8,525	30
Thereafter	34,023	261
	\$ 60,318	\$ (89)

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

14. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

PSPRS cost-sharing multiple-employer plans (Tier 3 Risk Pool) (continued):

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

Valuation (measurement) date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.75% - 15% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Future benefit increases	1.85% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables

Actuarial assumptions used 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 Tier 3 Risk Pool pension plan investments was determined to be 7.0% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage.

The target allocation and best estimates of geometric real rates of return for each major asset class are consistent with the allocations disclosed for the PSPRS agent multiple-employer plans (Tier 1 & 2).

Discount rate - The discount rate used to measure the PSPRS Tier 3 Risk Pool total pension/OPEB liability was 7.0%. 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 those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the District's proportionate share of the PSPRS Tier 3 Risk Pool net pension/OPEB (asset) liability to changes in the discount rate - The following table presents the District's proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.0%, as well as what the District's proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

## Fry Fire District

### Notes to Financial Statements (continued)

Year Ended June 30, 2025

14. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

PSPRS cost-sharing multiple-employer plans (Tier 3 Risk Pool) (continued):

	1% decrease (6.0%)	Current discount rate (7.0%)	1% increase (8.0%)
Net pension liability (asset)	\$ 78,968	\$ (49,973)	\$ (146,392)
Net health insurance premium liability (asset)	\$ (7,035)	\$ (8,618)	\$ (9,879)

PSPDCRP plan:

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

For the year ended June 30, 2025, active PSPDCRP members were required by statute to contribute at least 9 percent of the members' annual covered payroll, and the District was required by statute to contribute 9 percent of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the earnings on those contributions. Employees vest in a portion of the District's contributions each year as set forth in statute. The plan retains nonvested District contributions when forfeited because of employment terminations.

## **Required Supplementary Information**

## Fry Fire District

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - General Fund

Year Ended June 30, 2025

	Budgeted amounts		Actual	Variance with final budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 4,784,379	\$ 4,784,379	\$ 4,795,796	\$ 11,417
Fire district assistance tax	400,000	400,000	395,477	(4,523)
Charges for services	2,175,233	2,175,233	3,691,549	1,516,316
Grants and contributions	530,000	530,000	201,475	(328,525)
Investment earnings	122,284	122,284	89,869	(32,415)
State shared tax revenue	95,000	95,000	107,469	12,469
Other	18,000	18,000	50,695	32,695
Total revenues	8,124,896	8,124,896	9,332,330	1,207,434
<b>Expenditures:</b>				
Public safety:				
Emergency operations	5,231,864	5,231,864	5,262,749	30,885
Administration	1,575,272	1,575,272	2,101,472	526,200
Capital outlay	-	-	232,008	232,008
Debt service	1,003,670	1,003,670	1,039,367	35,697
Total expenditures	7,810,806	7,810,806	8,635,596	824,790
Revenues over expenditures	314,090	314,090	696,734	382,644
<b>Other financing uses:</b>				
Transfers out	(314,090)	(314,090)	(900,732)	(586,642)
Proceeds from sale of capital assets	-	-	22,200	22,200
SBITAs issued	-	-	98,571	98,571
Insurance recoveries	-	-	82,982	82,982
Total other financing uses	(314,090)	(314,090)	(696,979)	(382,889)
Net change in fund balance	-	-	(245)	(245)
Fund balance, beginning of year	-	-	813,060	813,060
Fund balance, end of year	\$ -	\$ -	\$ 812,815	\$ 812,815

## Fry Fire District

### Schedule of the District's Proportionate Share of the Net Pension/OPEB Liability - Cost Sharing Plan (ASRS)

Year Ended June 30, 2025

#### ASRS Pension (schedule to be built prospectively from 2021, which was the first year of participation in this plan)

Reporting date (Measurement date)	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
District's proportion of the net pension liability	0.00261 %	0.00218 %	0.00178 %	0.00178 %	0.00171 %	- %	- %	- %	- %	- %
District's proportionate share of the net pension liability	\$ 417,639	\$ 352,755	\$ 290,536	\$ 233,884	\$ 296,283	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 364,615	\$ 281,449	\$ 194,130	\$ 199,914	\$ 65,790	\$ -	\$ -	\$ -	\$ -	\$ -
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	115 %	125 %	150 %	117 %	450 %	- %	- %	- %	- %	- %
Plan fiduciary net position as a percentage of total pension liability	77 %	74 %	74 %	79 %	69 %	- %	- %	- %	- %	- %

#### ASRS Health insurance premium benefit (schedule to be built prospectively from 2021, which was the first year of participation in this plan)

Reporting date (Measurement date)	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
District's proportion of the net pension liability	0.00268 %	0.00223 %	0.00182 %	0.00182 %	0.00175 %	- %	- %	- %	- %	- %
District's proportionate share of the net pension liability	\$ (16,193)	\$ (12,040)	\$ (10,157)	\$ (8,867)	\$ (1,239)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 364,615	\$ 281,449	\$ 194,130	\$ 199,914	\$ 65,790	\$ -	\$ -	\$ -	\$ -	\$ -
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	(4)%	(4)%	(5)%	(4)%	(2)%	- %	- %	- %	- %	- %
Plan fiduciary net position as a percentage of total pension liability	138 %	134 %	138 %	130 %	104 %	- %	- %	- %	- %	- %

See accompanying notes to required supplementary information

## Fry Fire District

### Schedule of the District's Proportionate Share of the Net Pension/OPEB Liability - Cost Sharing Plan (ASRS) (continued)

Year Ended June 30, 2025

**ASRS Long-term disability (schedule to be built prospectively from 2021, which was the first year of participation in this plan)**

Reporting date (Measurement date)	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
District's proportion of the net OPEB liability	0.00264 %	0.00220 %	0.00179 %	0.00180 %	0.00173 %	- %	- %	- %	- %	- %
District's proportionate share of the net OPEB liability	\$ 69	\$ 288	\$ 165	\$ 372	\$ 1,312	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 364,615	\$ 281,449	\$ 194,130	\$ 199,914	\$ 65,790	\$ -	\$ -	\$ -	\$ -	\$ -
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.02 %	0.10 %	0.08 %	0.19 %	1.99 %	- %	- %	- %	- %	- %
Plan fiduciary net position as a percentage of total OPEB liability	99 %	94 %	95 %	90 %	68 %	- %	- %	- %	- %	- %

## Fry Fire District

### Schedule of Changes in Net Pension Liability and Related Ratios - Agent Retirement Plan (PSPRS)

Year Ended June 30, 2025

Reporting date (Measurement date)	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
<b>Total pension liability</b>										
Service cost	\$ 621,263	\$ 662,399	\$ 674,619	\$ 572,118	\$ 590,218	\$ 612,790	\$ 591,000	\$ 616,597	\$ 507,061	\$ 509,210
Interest	2,488,950	2,396,882	2,323,699	2,141,007	2,016,399	1,967,644	1,873,329	1,678,985	1,556,320	1,497,010
Benefit changes	-	-	-	-	-	-	-	290,508	595,933	-
Difference between expected and actual experience	986,493	16,094	(382,498)	1,238,648	464,888	(842,004)	(175,939)	686,270	(30,760)	(255,469)
Assumption changes	-	-	526,324	-	-	658,689	-	864,466	921,105	-
Benefit payments, including refunds of employee contributions	<u>(1,914,349)</u>	<u>(1,596,683)</u>	<u>(1,746,106)</u>	<u>(1,357,183)</u>	<u>(1,335,708)</u>	<u>(1,349,142)</u>	<u>(1,313,153)</u>	<u>(1,077,321)</u>	<u>(1,010,072)</u>	<u>(978,195)</u>
<b>Net change in total pension liability</b>	2,182,357	1,478,692	1,396,038	2,594,590	1,735,797	1,047,977	975,237	3,059,505	2,539,587	772,556
<b>Total pension liability, beginning</b>	<u>34,904,660</u>	<u>33,425,968</u>	<u>32,029,930</u>	<u>29,435,340</u>	<u>27,699,543</u>	<u>26,651,566</u>	<u>25,676,329</u>	<u>22,616,824</u>	<u>20,077,237</u>	<u>19,304,681</u>
<b>Total pension liability, ending (a)</b>	<u>\$ 37,087,017</u>	<u>\$ 34,904,660</u>	<u>\$ 33,425,968</u>	<u>\$ 32,029,930</u>	<u>\$ 29,435,340</u>	<u>\$ 27,699,543</u>	<u>\$ 26,651,566</u>	<u>\$ 25,676,329</u>	<u>\$ 22,616,824</u>	<u>\$ 20,077,237</u>
<b>Plan fiduciary net position</b>										
Adjustment to beginning of year	\$ -	\$ -	\$ -	\$ -	\$ (75,239)	\$ (16,296)	\$ -	\$ -	\$ -	\$ -
Contributions - employer	554,012	431,919	17,707,891	1,431,774	1,228,795	1,208,155	1,495,352	1,068,196	1,072,871	835,895
Contributions - employee	188,981	220,113	223,616	240,321	218,825	224,395	235,228	555,844	419,779	309,556
Pension plan net investment income	3,275,302	2,358,013	(1,060,049)	3,481,172	154,945	619,085	722,050	1,085,217	51,388	301,225
Benefit payments, including refunds of employee contributions	(1,914,349)	(1,596,683)	(1,746,106)	(1,357,183)	(1,335,708)	(1,349,142)	(1,313,153)	(1,077,321)	(1,010,072)	(978,195)
Hall/Parker settlement	-	-	-	-	-	-	(395,688)	-	-	-
Administrative expenses	(15,683)	(12,348)	(19,021)	(16,301)	(12,637)	(11,760)	(11,689)	(10,002)	(7,794)	(7,735)
Tier 1 & 2 adjustment	-	-	-	-	-	-	-	-	-	-
Other	-	(2,800)	-	-	(16,677)	-	13,023	(25,045)	(128,692)	24,156
<b>Net change in fiduciary net position</b>	2,088,263	1,398,214	15,106,331	3,779,783	162,304	674,437	745,123	1,596,889	397,480	484,902
<b>Plan fiduciary net position, beginning</b>	<u>32,481,020</u>	<u>31,082,806</u>	<u>15,976,475</u>	<u>12,196,692</u>	<u>12,034,388</u>	<u>11,359,951</u>	<u>10,614,828</u>	<u>9,017,939</u>	<u>8,620,459</u>	<u>8,135,557</u>
<b>Plan fiduciary net position, ending (b)</b>	<u>\$ 34,569,283</u>	<u>\$ 32,481,020</u>	<u>\$ 31,082,806</u>	<u>\$ 15,976,475</u>	<u>\$ 12,196,692</u>	<u>\$ 12,034,388</u>	<u>\$ 11,359,951</u>	<u>\$ 10,614,828</u>	<u>\$ 9,017,939</u>	<u>\$ 8,620,459</u>
<b>Net pension liability, ending (a) - (b)</b>	\$ 2,517,734	\$ 2,423,640	\$ 2,343,162	\$ 16,053,455	\$ 17,238,648	\$ 15,665,155	\$ 15,291,615	\$ 15,061,501	\$ 13,598,885	\$ 11,456,778
<b>Plan fiduciary net position as a percentage of total pension liability</b>	93.21 %	92.99 %	92.99 %	49.88 %	41.44 %	43.45 %	42.62 %	41.34 %	39.87 %	43.94 %
<b>Covered valuation payroll</b>	\$ 2,455,933	\$ 2,332,507	\$ 2,529,271	\$ 2,729,800	\$ 2,383,228	\$ 2,489,752	\$ 2,627,836	\$ 2,612,698	\$ 2,617,767	\$ 2,765,466
<b>Net pension liability as a percentage of covered valuation payroll</b>	102.52 %	103.91 %	92.64 %	588.08 %	723.33 %	629.19 %	581.91 %	576.47 %	519.48 %	414.28 %

See accompanying notes to required supplementary information

## Fry Fire District

### Schedule of Changes in Net OPEB Liability and Related Ratios - Agent Retirement Plan (PSPRS)

Year Ended June 30, 2025

(schedule to be built prospectively from 2018; 2017 - 2016 information not available)

Reporting date (Measurement date)	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
<b>Total OPEB liability</b>										
Service cost	\$ 11,237	\$ 11,989	\$ 11,499	\$ 11,127	\$ 11,926	\$ 8,146	\$ 8,409	\$ 9,144	\$ -	\$ -
Interest on total OPEB liability	40,688	37,978	34,730	34,789	35,493	38,568	38,903	39,443	-	-
Changes of benefit changes	-	-	-	-	-	-	-	22	-	-
Difference between expected and actual experience	(29,560)	22,993	27,726	(19,604)	(23,983)	(74,384)	(28,926)	(12,200)	-	-
Assumption changes	-	-	9,008	-	-	8,518	-	(8,007)	-	-
Benefit payments	(35,084)	(34,035)	(29,434)	(25,571)	(25,842)	(26,533)	(27,153)	(29,318)	-	-
<b>Net change in total OPEB liability</b>	<u>(12,719)</u>	<u>38,925</u>	<u>53,529</u>	<u>741</u>	<u>(2,406)</u>	<u>(45,685)</u>	<u>(8,767)</u>	<u>(916)</u>	<u>-</u>	<u>-</u>
<b>Total OPEB liability, beginning</b>	<u>571,420</u>	<u>532,495</u>	<u>478,966</u>	<u>478,225</u>	<u>480,631</u>	<u>526,316</u>	<u>535,083</u>	<u>535,999</u>	<u>-</u>	<u>-</u>
<b>Total OPEB liability, ending (a)</b>	<u><u>\$ 558,701</u></u>	<u><u>\$ 571,420</u></u>	<u><u>\$ 532,495</u></u>	<u><u>\$ 478,966</u></u>	<u><u>\$ 478,225</u></u>	<u><u>\$ 480,631</u></u>	<u><u>\$ 526,316</u></u>	<u><u>\$ 535,083</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Plan fiduciary net position</b>										
Adjustment to beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,296	\$ -	\$ -	\$ -	\$ -
Contributions - employer	16,827	9,900	13,671	17,533	18,490	20,207	7,396	21,000	-	-
Contributions - employee	-	-	-	-	-	-	-	-	-	-
Net investment income	43,979	32,533	(18,322)	102,273	4,742	19,171	23,824	37,794	-	-
Benefit payments	(35,084)	(34,035)	(29,434)	(25,571)	(25,842)	(26,533)	(27,153)	(29,318)	-	-
Administrative expenses	(188)	(180)	(326)	(421)	(386)	(331)	(363)	(335)	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Net change in fiduciary net position</b>	<u>25,534</u>	<u>8,218</u>	<u>(34,411)</u>	<u>93,814</u>	<u>(2,996)</u>	<u>28,810</u>	<u>3,704</u>	<u>29,141</u>	<u>-</u>	<u>-</u>
<b>Plan fiduciary net position, beginning</b>	<u>449,786</u>	<u>441,568</u>	<u>475,979</u>	<u>382,165</u>	<u>385,161</u>	<u>356,351</u>	<u>352,647</u>	<u>323,506</u>	<u>-</u>	<u>-</u>
<b>Plan fiduciary net position, ending (b)</b>	<u><u>\$ 475,320</u></u>	<u><u>\$ 449,786</u></u>	<u><u>\$ 441,568</u></u>	<u><u>\$ 475,979</u></u>	<u><u>\$ 382,165</u></u>	<u><u>\$ 385,161</u></u>	<u><u>\$ 356,351</u></u>	<u><u>\$ 352,647</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Net OPEB liability (asset), ending (a) - (b)</b>	\$ 83,381	\$ 121,634	\$ 90,927	\$ 2,987	\$ 96,060	\$ 95,470	\$ 169,965	\$ 182,436	\$ -	\$ -
<b>Plan fiduciary net position as a percentage of total OPEB liability</b>	85.08 %	78.71 %	82.92 %	99.38 %	79.91 %	80.14 %	67.71 %	65.91 %	-	-
<b>Covered valuation payroll</b>	\$ 2,455,933	\$ 2,332,507	\$ 2,529,271	\$ 2,729,800	\$ 2,383,228	\$ 2,489,752	\$ 2,627,836	\$ 2,612,698	\$ -	\$ -
<b>Net OPEB liability as a percentage of covered valuation payroll</b>	3.40 %	5.21 %	3.59 %	0.11 %	4.03 %	3.83 %	6.47 %	6.98 %	-	-

See accompanying notes to required supplementary information

## Fry Fire District

### Schedule of the District's Proportionate Share of the Net Pension/OPEB Liability - Cost Sharing Plan (PSPRS Tier 3 Risk Pool)

Year Ended June 30, 2025

**PSPRS Tier 3 Risk Pool - Pension (schedule to be built prospectively from 2019; 2018 - 2016 information not available)**

Reporting date (Measurement date)	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
District's proportion of the net pension liability (asset)	0.293 %	0.289 %	0.241 %	0.256 %	0.161 %	0.143 %	0.116 %	- %	- %	- %
District's proportionate share of the net pension liability (asset)	\$ (49,973)	\$ (24,230)	\$ (13,031)	\$ (23,669)	\$ 483	\$ (2,048)	\$ 228	\$ -	\$ -	\$ -
District's covered payroll	\$ 759,056	\$ 596,697	\$ 323,914	\$ 109,358	\$ 53,558	\$ 9,307	\$ -	\$ -	\$ -	\$ -
District's proportionate share of the net pension liability(asset) as a percentage of its covered payroll	(6.6)%	(4.1)%	(4.0)%	(21.6)%	0.9 %	(22.0)%	- %	- %	- %	- %
Plan fiduciary net position as a percentage of total pension liability (asset)	110 %	108 %	108 %	122 %	99 %	118 %	89 %	- %	- %	- %

Amounts related to the PSPRS Tier 3 Risk Pool - Health are not further disclosed because of their relative insignificance to the District's financial statements.

## Fry Fire District

### Schedule of Pension/OPEB Contributions

Year Ended June 30, 2025

#### ASRS Pension (schedule to be built prospectively from 2021, which was the first year of participation in this plan)

Reporting fiscal year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 54,257	\$ 42,100	\$ 33,943	\$ 23,315	\$ 23,290	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>54,257</u>	<u>42,100</u>	<u>33,943</u>	<u>23,315</u>	<u>23,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 450,265	\$ 364,615	\$ 281,449	\$ 194,130	\$ 199,914	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	12.05 %	11.55 %	12.06 %	12.01 %	11.65 %	- %	- %	- %	- %	- %

#### ASRS Health insurance premium benefit (schedule to be built prospectively from 2021, which was the first year of participation in this plan)

Reporting fiscal year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 315	\$ 385	\$ 313	\$ 444	\$ 780	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>315</u>	<u>385</u>	<u>313</u>	<u>444</u>	<u>780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 450,265	\$ 364,615	\$ 281,449	\$ 194,130	\$ 199,914	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	0.07 %	0.11 %	0.11 %	0.23 %	0.39 %	- %	- %	- %	- %	- %

#### ASRS Long-term disability (schedule to be built prospectively from 2021, which was the first year of participation in this plan)

Reporting fiscal year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 675	\$ 525	\$ 399	\$ 401	\$ 360	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>675</u>	<u>525</u>	<u>399</u>	<u>401</u>	<u>360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 450,265	\$ 364,615	\$ 281,449	\$ 194,130	\$ 199,914	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	0.15 %	0.14 %	0.14 %	0.21 %	0.18 %	- %	- %	- %	- %	- %

## Fry Fire District

### Schedule of Pension/OPEB Contributions (continued)

Year Ended June 30, 2025

#### PSPRS Pension

Reporting fiscal year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 582,731	\$ 543,269	\$ 451,493	\$ 17,759,677	\$ 1,435,936	\$ 1,208,155	\$ 1,495,352	\$ 1,068,196	\$ 1,072,871	\$ 835,895
Contributions in relation to the actuarially determined contribution	<u>582,731</u>	<u>543,269</u>	<u>451,493</u>	<u>17,759,677</u>	<u>1,435,936</u>	<u>1,208,155</u>	<u>1,495,352</u>	<u>976,189</u>	<u>1,072,871</u>	<u>835,895</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,007</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,418,353	\$ 2,455,933	\$ 2,332,507	\$ 2,529,271	\$ 2,729,800	\$ 2,383,228	\$ 2,489,752	\$ 2,627,836	\$ 2,612,698	\$ 2,617,767
Contributions as a percentage of covered payroll	24.10 %	22.12 %	19.36 %	702.17 %	52.60 %	48.53 %	56.90 %	37.36 %	40.98 %	30.23 %

#### PSPRS Health (schedule to be built prospectively from 2018; 2017 - 2016 information not available)

Reporting fiscal year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 19,327	\$ 16,383	\$ 15,426	\$ 16,432	\$ 18,678	\$ 20,207	\$ 7,396	\$ 21,000	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>19,327</u>	<u>16,383</u>	<u>15,426</u>	<u>16,432</u>	<u>18,678</u>	<u>20,207</u>	<u>7,396</u>	<u>21,000</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,418,353	\$ 2,455,933	\$ 2,332,507	\$ 2,529,271	\$ 2,729,800	\$ 2,383,228	\$ 2,489,752	\$ 2,627,836	\$ -	\$ -
Contributions as a percentage of covered payroll	0.80 %	0.67 %	0.66 %	0.65 %	0.68 %	0.81 %	0.28 %	0.80 %	-	-

#### PSPRS Tier 3 Risk Pool - pension (schedule to be built prospectively from 2019; 2018 - 2016 information not available)

Reporting fiscal year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily determined contribution	\$ 84,085	\$ 71,655	\$ 58,536	\$ 31,776	\$ 10,728	\$ 5,254	\$ 913	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>84,085</u>	<u>71,655</u>	<u>58,536</u>	<u>31,776</u>	<u>10,728</u>	<u>5,254</u>	<u>913</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 958,783	\$ 759,056	\$ 596,697	\$ 323,914	\$ 109,358	\$ 53,558	\$ 9,307	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	8.77 %	9.44 %	9.81 %	9.81 %	9.81 %	9.81 %	9.81 %	-	-	-

Contributions to the PSPRS Tier 3 Risk Pool - Health are not further disclosed because of their relative insignificance to the District's financial statements.

## Fry Fire District

### Notes to Required Supplementary Information

Year Ended June 30, 2025

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.

2. Pension and OPEB plan schedules:

Actuarially determined contribution rates:

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

Actuarial cost method	Entry age normal
Amortization method	Level percent-of-pay, closed
Remaining amortization period as of the 2023 actuarial valuation	25 years
Asset valuation method	7-year smoothed fair value; 80%/120% corridor

Actuarial assumptions:

Investment rate of return	In the 2022 actuarial valuation, the investment rate of return was decreased from 7.3% to 7.2%. In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
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Salary increase	In the 2017 actuarial valuation, 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%. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0% - 9.0% to 4.5% - 8.5%.
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## Fry Fire District

### Notes to Required Supplementary Information (continued)

Year Ended June 30, 2025

2. Pension and OPEB plan schedules (continued):

Actuarially determined contribution rates (continued):

Wage growth	In the 2022 actuarial valuation, wage growth was changed from 3.5% to a range of 3.0% - 6.25%. In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5%. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0%. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5%.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females).

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 contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. Also, the District refunded excess employee contributions to PSPRS members. PSPRS allowed the District to reduce its actual employer contributions for the refund amounts. As a result, the District's pension contributions were less than the actuarially or statutorily determined contributions for 2018.



## STATISTICAL SECTION

## Statistical Section

This part of the annual comprehensive financial report of the District presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health of the District.

This section contains the following tables and information:

### **Financial Trends**

These schedules contain trend information to help the reader understand how the financial performance and well-being of the District have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the most significant local revenue source of the District – the property tax.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the current levels of outstanding debt of the District and its ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the financial activities of the District take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the financial report of the District relates to the services the District provides and the activities it performs.

## Fry Fire District

### Net Position by Component

#### LAST TEN FISCAL YEARS

#### (Accrual Basis of Accounting)

	Fiscal year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities										
Net investments in capital assets	\$ 1,834,070	\$ 2,007,131	\$ 1,856,814	\$ 2,142,562	\$ 1,757,056	\$ 1,170,035	\$ 1,629,177	\$ 1,331,151	\$ 1,363,051	\$ 1,549,843
Restricted	706,003	572,435	389,679	443,270	441,264	430,877	3,641,003	-	-	-
Unrestricted	<u>(9,320,963)</u>	<u>(10,140,108)</u>	<u>(10,198,034)</u>	<u>(10,260,142)</u>	<u>(9,561,229)</u>	<u>(9,160,888)</u>	<u>(12,891,684)</u>	<u>(8,871,169)</u>	<u>2,331,387</u>	<u>2,827,055</u>
Total governmental activities net position	<u>\$ (6,780,890)</u>	<u>\$ (7,560,542)</u>	<u>\$ (7,951,541)</u>	<u>\$ (7,674,310)</u>	<u>\$ (7,362,909)</u>	<u>\$ (7,559,976)</u>	<u>\$ (7,621,504)</u>	<u>\$ (7,540,018)</u>	<u>\$ 3,694,438</u>	<u>\$ 4,376,898</u>

Source: District financial records

# Fry Fire District

## Changes in Net Position

### LAST TEN FISCAL YEARS

#### (Accrual Basis of Accounting)

	Fiscal year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses										
Governmental activities:										
Public Safety	\$ 8,532,373	\$ 7,704,032	\$ 7,816,193	\$ 7,441,273	\$ 7,415,871	\$ 6,613,013	\$ 6,530,095	\$ 6,557,014	\$ 6,340,914	\$ 5,918,573
Interest on long-term debt	746,988	760,740	772,806	477,607	115,588	144,148	37,647	-	-	-
Total primary government expenses	<u>9,279,361</u>	<u>8,464,772</u>	<u>8,588,999</u>	<u>7,918,880</u>	<u>7,531,459</u>	<u>6,757,161</u>	<u>6,567,742</u>	<u>6,557,014</u>	<u>6,340,914</u>	<u>5,918,573</u>
Program revenues										
Governmental activities:										
Charges for services	3,620,451	2,644,502	2,483,141	2,460,987	2,692,514	1,750,245	1,984,282	1,901,256	1,686,666	1,849,130
Capital grants and contributions	35,793	131,123	-	-	-	-	-	-	-	-
Operating grants and contributions	165,682	171,568	555,277	149,355	79,946	216,413	282,787	122,303	66,885	270,288
Total primary government program revenues	<u>3,821,926</u>	<u>2,947,193</u>	<u>3,038,418</u>	<u>2,610,342</u>	<u>2,772,460</u>	<u>1,966,658</u>	<u>2,267,069</u>	<u>2,023,559</u>	<u>1,753,551</u>	<u>2,119,418</u>
Total primary government net expenses	<u>(5,457,435)</u>	<u>(5,517,579)</u>	<u>(5,550,581)</u>	<u>(5,308,538)</u>	<u>(4,758,999)</u>	<u>(4,790,503)</u>	<u>(4,300,673)</u>	<u>(4,533,455)</u>	<u>(4,587,363)</u>	<u>(3,799,155)</u>
General revenues and other changes in net position										
Property taxes	5,299,636	4,989,109	4,663,808	4,445,243	4,397,177	4,257,433	3,700,665	3,589,758	3,439,944	3,493,819
Fire district assistance tax	395,477	387,876	398,446	399,358	397,163	400,000	405,384	395,683	398,028	386,269
Investment earnings	361,610	386,928	70,031	24,566	38,046	127,554	48,841	25,603	15,001	16,627
State shared tax revenue	107,469	105,196	109,269	-	-	-	-	-	-	-
Other	50,695	39,469	28,296	123,020	67,674	49,134	64,297	25,562	51,931	64,369
Gain on sale of capital assets	22,200	-	3,500	4,950	56,006	17,910	-	16,200	-	-
Total primary government	<u>6,237,087</u>	<u>5,908,578</u>	<u>5,273,350</u>	<u>4,997,137</u>	<u>4,956,066</u>	<u>4,852,031</u>	<u>4,219,187</u>	<u>4,052,806</u>	<u>3,904,904</u>	<u>3,961,084</u>
Change in net position										
Total primary government	<u>\$ 779,652</u>	<u>\$ 390,999</u>	<u>\$ (277,231)</u>	<u>\$ (311,401)</u>	<u>\$ 197,067</u>	<u>\$ 61,528</u>	<u>\$ (81,486)</u>	<u>\$ (480,649)</u>	<u>\$ (682,459)</u>	<u>\$ 161,929</u>

Source: District financial records

## Fry Fire District

### Fund Balances of Governmental Funds

#### LAST TEN FISCAL YEARS

#### (Modified Accrual Basis of Accounting)

	Fiscal year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General fund										
Nonspendable	\$ 36,835	\$ 52,290	\$ 48,283	\$ 30,313	\$ 48,257	\$ 43,304	\$ 24,616	\$ 51,053	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	566,869	539,131	508,656	472,625	395,982	394,032	320,994	320,753	508,114	505,156
Unassigned	<u>209,111</u>	<u>221,639</u>	<u>918,336</u>	<u>1,799,410</u>	<u>2,443,153</u>	<u>2,091,955</u>	<u>1,330,514</u>	<u>1,192,479</u>	<u>448,214</u>	<u>954,845</u>
Total general fund	<u>\$ 812,815</u>	<u>\$ 813,060</u>	<u>\$ 1,475,275</u>	<u>\$ 2,302,348</u>	<u>\$ 2,887,392</u>	<u>\$ 2,529,291</u>	<u>\$ 1,676,124</u>	<u>\$ 1,564,285</u>	<u>\$ 956,328</u>	<u>\$ 1,460,001</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	2,375,200	2,644,549	2,901,615	4,095,204	2,352,960	3,946,730	3,641,003	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	6,843,468	5,755,657	4,649,920	2,560,840	1,706,110	1,705,463	1,819,794	1,333,951	1,375,059	1,367,054
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 9,218,668</u>	<u>\$ 8,400,206</u>	<u>\$ 7,551,535</u>	<u>\$ 6,656,044</u>	<u>\$ 4,059,070</u>	<u>\$ 5,652,193</u>	<u>\$ 5,460,797</u>	<u>\$ 1,333,951</u>	<u>\$ 1,375,059</u>	<u>\$ 1,367,054</u>

Source: District financial records

# Fry Fire District

## Changes in Fund Balances - Governmental Funds and Debt Service Ratio

### LAST TEN FISCAL YEARS

#### (Modified Accrual Basis of Accounting)

	Fiscal year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Revenues</b>										
Property taxes	\$ 5,293,164	\$ 4,977,009	\$ 4,646,608	\$ 4,431,804	\$ 4,401,374	\$ 4,259,655	\$ 3,706,483	\$ 3,601,835	\$ 3,439,944	\$ 3,493,819
Fire district assistance tax	395,477	387,876	398,446	399,358	397,163	400,000	405,384	395,683	398,028	386,269
Charges for services	3,691,549	2,575,654	2,541,169	2,573,018	2,654,578	1,825,976	1,940,551	1,769,689	1,686,666	1,849,130
Grants and contributions	201,475	302,691	555,277	149,355	79,946	216,413	282,787	122,303	66,884	270,288
Investment earnings	361,610	386,928	70,031	24,566	38,046	127,554	48,841	25,603	30,725	16,627
State shared tax revenue	107,469	105,196	109,269	-	-	-	-	-	-	-
Other	50,695	39,469	28,296	123,020	67,674	49,134	64,297	25,562	36,207	64,368
<b>Total revenues</b>	<b>10,101,439</b>	<b>8,774,823</b>	<b>8,349,096</b>	<b>7,701,121</b>	<b>7,638,781</b>	<b>6,878,732</b>	<b>6,448,343</b>	<b>5,940,675</b>	<b>5,658,454</b>	<b>6,080,501</b>
<b>Expenditures</b>										
Public Safety	7,364,221	6,307,649	5,887,426	22,730,826	6,184,752	5,468,678	5,808,575	5,471,293	6,115,230	5,639,906
Capital outlay	493,316	866,126	871,158	1,768,037	2,231,325	315,613	140,317	562,855	38,892	282,993
Debt service:										
Principal	754,000	635,000	735,000	512,683	306,176	15,988	371,522	-	-	-
Interest	766,917	779,592	790,594	494,305	208,850	96,647	12,798	-	-	-
Debt issuance costs	-	-	-	333,801	-	-	-	-	-	-
<b>Total expenditures</b>	<b>9,378,454</b>	<b>8,588,367</b>	<b>8,284,178</b>	<b>25,839,652</b>	<b>8,931,103</b>	<b>5,896,926</b>	<b>6,333,212</b>	<b>6,034,148</b>	<b>6,154,122</b>	<b>5,922,899</b>
<b>Revenues over (under) expenditures</b>	<b>722,985</b>	<b>186,456</b>	<b>64,918</b>	<b>(18,138,531)</b>	<b>(1,292,322)</b>	<b>981,806</b>	<b>115,131</b>	<b>(93,473)</b>	<b>(495,668)</b>	<b>157,602</b>
<b>Other financing sources (uses)</b>										
Proceeds from sale of capital assets	22,200	-	3,500	4,950	57,300	17,910	-	16,200	-	-
Issuance of bonds payable	-	-	-	3,136,386	-	-	4,123,554	-	-	-
Issuance of lease obligations	-	-	-	-	-	44,847	-	371,522	-	-
Issuance of certificates of participation	-	-	-	17,009,125	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>22,200</b>	<b>-</b>	<b>3,500</b>	<b>20,150,461</b>	<b>57,300</b>	<b>62,757</b>	<b>4,123,554</b>	<b>387,722</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 745,185</b>	<b>\$ 186,456</b>	<b>\$ 68,418</b>	<b>\$ 2,011,930</b>	<b>\$ (1,235,022)</b>	<b>\$ 1,044,563</b>	<b>\$ 4,238,685</b>	<b>\$ 294,249</b>	<b>\$ (495,668)</b>	<b>\$ 157,602</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>17.33 %</b>	<b>18.32 %</b>	<b>20.58 %</b>	<b>4.18 %</b>	<b>7.69 %</b>	<b>2.02 %</b>	<b>6.21 %</b>	<b>- %</b>	<b>- %</b>	<b>- %</b>

Source: District financial records

## Fry Fire District

### Assessed and Estimated Actual Value of Taxable Property

#### LAST TEN FISCAL YEARS

Fiscal year	Commercial, Industrial, Utilities, & Mines	Agriculture & Vacant	Residential (owner occupied)	Residential (rental)	Railroad	Less: Tax exempt real property	Total			Assessed value as a % of actual value
							Taxable assessed value	Direct tax rate	Estimated real market value	
2016	\$ 16,742,560	\$ 10,730,611	\$ 75,658,843	\$ 20,376,671	\$ -	\$ 5,688,992	\$ 117,819,693	2.9777	\$ 1,108,866,479	10.63 %
2017	16,018,265	9,945,268	75,592,953	19,392,028	-	5,389,080	115,559,434	3.0164	1,096,737,047	10.54
2018	15,784,644	9,481,830	75,527,077	18,843,544	-	5,451,461	114,185,634	3.1476	1,094,063,958	10.44
2019	15,842,537	9,448,058	77,376,346	19,496,477	-	5,896,078	116,267,340	3.1999	1,114,676,687	10.43
2020	15,084,321	13,511,756	78,383,343	17,862,742	-	5,694,313	119,147,849	3.5976	1,136,746,903	10.48
2021	15,453,294	12,944,957	81,657,989	18,219,083	-	5,303,194	122,972,129	3.5906	1,171,242,438	10.50
2022	15,495,586	12,870,524	83,621,373	17,128,982	-	5,486,258	123,630,207	3.6143	1,179,810,804	10.48
2023	15,085,926	13,238,143	87,624,788	16,644,343	-	5,903,829	126,689,371	3.6750	1,217,144,748	10.41
2024	13,226,851	14,189,047	94,994,084	16,546,043	-	4,899,995	134,056,030	3.7768	1,287,792,587	10.41
2025	13,138,310	15,028,965	101,471,791	16,961,334	-	5,879,246	140,721,154	3.7524	1,364,142,559	10.32

Source: Cochise County Assessor

## Fry Fire District

### Property Tax Rates - All Direct and Overlapping Governments

#### LAST TEN FISCAL YEARS

Fiscal year	Fry Fire District	Fry Fire District Debt Service	Total District	Overlapping Rates							Total direct and overlapping rates
				Cochise County	State School Tax Equalization	Palominas School District	Cochise County Junior College	Cochise County Library District	Cochise County Flood Plain Division	Mobile Home Relocation Fund	
2016	2.9777	-	2.9777	2.6276	0.5054	6.8185	2.1756	0.1451	0.2597	-	15.5096
2017	3.0164	-	3.0164	2.6276	0.5010	5.4687	2.2860	0.1451	0.2597	-	14.3045
2018	3.1476	-	3.1476	2.6747	0.4875	5.9803	2.3735	0.1451	0.2597	-	15.0684
2019	3.1999	-	3.1999	2.6747	0.4741	5.8534	2.4023	0.1451	0.2597	-	15.0092
2020	3.1999	0.3977	3.5976	2.6747	0.4566	5.6027	2.4516	0.1451	0.2597	-	15.1880
2021	3.1999	0.3907	3.5906	2.6747	0.4426	5.5340	2.4020	0.1451	0.2597	-	15.0487
2022	3.2200	0.3943	3.6143	2.6747	0.4263	5.3695	2.4442	0.1451	0.2597	-	14.9338
2023	3.2930	0.3820	3.6750	2.6747	0.4263	5.2593	2.4297	0.1451	0.2597	-	14.8698
2024	3.3999	0.3769	3.7768	2.6747	0.4263	5.5296	2.4122	0.1451	0.2597	-	15.2244
2025	3.3999	0.3525	3.7524	2.6747	0.4263	4.0680	2.4122	0.1451	0.2597	-	13.7384

Source: Cochise County Tax Assessor

## Fry Fire District

### Principal Property Taxpayers

#### CURRENT AND NINE YEARS AGO

		June 30, 2025	
Taxpayer	Type of business	Assessed value	Percent of total assessed valuation
Sulphur Springs Valley Electric	Utility	\$ 1,515,978	1.08 %
Rancho San Pedro LLC	Real Estate	1,212,750	0.86
Vista View Resorts LLC	Real Estate	995,223	0.71
Southwest Gas Corporation (T&D)	Utility	670,532	0.48
Pueblo Del Sol Water Company	Utility	507,157	0.36
Temark Investments	Real Estate	502,409	0.36
Arizona Public Service Company	Utility	360,231	0.26
Sun Canyon Homes Inc	Real Estate	348,532	0.25
Boyd Sierra Vista GSA, LLC	Real Estate	338,777	0.24
Qwest Corporation	Telecommunications	307,760	0.22
		<u>\$ 6,759,349</u>	<u>4.82 %</u>
Total assessed value		<u>\$ 140,721,154</u>	

		June 30, 2016	
Taxpayer	Type of business	Assessed value	Percent of total assessed valuation
Sulphur Springs Valley Electric	Utility	\$ 1,549,519	1.32 %
Waa Gst Exemp Trust	Real Estate	796,791	0.68
Qwest Corporation	Telecommunications	660,316	0.56
Pueblo Del Sol Water Company	Utility	628,386	0.53
Haymore Plaza Associates	Real Estate	536,500	0.46
SV Central Storage LLC	Commercial	447,112	0.38
Steward Title & Trust of Tucson #3731	Real Estate	396,190	0.34
Pima Plaza LLC	Real Estate	389,864	0.33
Sierra Vista 92 Limited Partnership	Real Estate	379,841	0.32
Greer Debra & Garry	Manufacturing	316,689	0.27
		<u>\$ 6,101,208</u>	<u>5.19 %</u>
Total assessed value		<u>\$ 117,819,693</u>	

Source: Cochise County Assessor

## Fry Fire District

### Property Tax Levies and Collections

#### LAST TEN FISCAL YEARS

Fiscal year	Operating property tax levy	Tax roll corrections	Property tax levy (adjusted)	Collected within the fiscal year of the levy		Collections in subsequent years	Total collections to date	
				Amount	% of levy		Amount	% of levy
2016	\$ 3,499,659	\$ (78)	\$ 3,499,581	\$ 3,493,819	99.8 %	\$ 3,844	\$ 3,497,663	- %
2017	3,467,392	(119)	3,467,273	3,439,944	99.2	25,506	3,465,450	-
2018	3,591,348	245	3,591,593	3,460,354	96.4	128,876	3,589,230	-
2019	3,703,000	(426)	3,702,574	3,598,410	97.2	100,989	3,699,399	99.9
2020*	4,264,840	(409)	4,264,431	4,150,316	97.3	111,065	4,261,381	99.9
2021	4,390,118	(1,263)	4,388,855	4,302,627	98.0	84,733	4,387,360	99.9
2022	4,443,847	(1,254)	4,442,593	4,333,471	97.5	105,403	4,438,874	99.9
2023	4,660,757	(5,975)	4,654,782	4,544,989	97.5	105,887	4,650,876	99.8
2024	4,997,172	(211)	4,996,961	4,859,516	97.2	130,952	4,990,468	99.9
2025	5,300,523	(1,230)	5,299,293	5,156,294	97.3	-	5,156,294	97.3

Source: Cochise County Treasurer

\* First year for Debt Service Fund Levy

## Fry Fire District

### Ratios of Outstanding Debt by Type

#### LAST TEN FISCAL YEARS

Fiscal year	General obligation bonds	Certificates of participation	Leases payable	Subscription liability	Total outstanding debt		
					Amount	Percentage of personal income	Debt per capita
2016	\$ -	\$ -	\$ -	\$ -	\$ -	- %	-
2017	-	-	-	-	-	-	-
2018	-	-	371,522	-	371,522	0.01	2.89
2019	4,123,554	-	-	-	4,123,554	0.08	31.64
2020	4,123,554	-	28,859	-	4,152,413	0.06	31.74
2021	3,812,642	-	12,683	-	3,825,325	0.08	29.14
2022	6,601,103	16,840,352	-	-	23,441,455	0.55	185.36
2023	6,230,904	16,457,763	-	-	22,688,667	0.33	179.15
2024	5,993,494	16,041,321	-	-	22,034,815	0.28	173.09
2025	5,708,905	15,585,981	-	64,571	21,359,457	0.35	166.54

Note: Personal income and population information can be found in the Demographic and Economic Statistics.

Source: District financial records

## Fry Fire District

### Ratios of Net General Bonded Debt Outstanding

#### LAST TEN FISCAL YEARS

Fiscal year	General obligation bonds (1)	Less: amounts available in debt service fund (2)	Total	Percentage of estimated actual taxable value of property (3)	Per capita (4)
2016	\$ -	\$ -	\$ -	- %	\$ -
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	4,123,554	425,265	3,698,289	0.34 %	28.38
2020	4,123,554	430,877	3,692,677	0.33 %	28.23
2021	3,812,642	441,264	3,371,378	0.30 %	25.68
2022	6,601,103	443,270	6,157,833	0.53 %	48.69
2023	6,230,904	363,428	5,867,476	0.50 %	46.33
2024	5,993,494	530,738	5,462,756	0.45 %	42.91
2025	5,708,905	631,219	5,077,686	0.37 %	39.59

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(1) This is the general bonded debt, net of any issuance discounts and premiums.

(2) This is the amount restricted for debt service principal payments.

(3) See schedule of Assessed and Estimated Actual Value of Taxable Property for property value data.

(4) Population data can be found in the schedule of Demographic and Economic Statistics.

## Fry Fire District

### Direct and Overlapping Governmental Activities Debt

Governmental Unit	Debt outstanding at June 30, 2024 *	Estimated percentage applicable	Estimated share of overlapping debt
Debt repaid with property taxes:			
Palominas School District	\$ 338,444	27.31 %	\$ 92,440
Cochise County Junior College	10,695,000	27.31	<u>2,921,149</u>
Subtotal, overlapping debt			3,013,589
Fry Fire District direct debt			<u>21,359,457</u>
Total direct and overlapping debt			<u>\$ 24,373,046</u>

*Note: Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the District. This Schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. The process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.*

Source: Arizona Department of Administration

\* Outstanding debt as of June 30, 2024 is the most recent information available.

## Fry Fire District

### Legal Debt Margin Information

#### LAST TEN FISCAL YEARS

	Fiscal year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net assessed value	\$ 140,721,154	\$ 134,056,030	\$ 126,689,371	\$ 123,630,207	\$ 122,972,129	\$ 118,877,849	\$ 116,267,430	\$ 114,185,635	\$ 115,559,434	\$ 117,979,998
Debt limit rate	6 %	6 %	6 %	6 %	6 %	6 %	6 %	6 %	6 %	6 %
Debt limit	8,443,269	8,043,362	7,601,362	7,417,812	7,378,328	7,132,671	6,976,046	6,851,138	6,933,566	7,078,800
Less bond obligations	<u>(5,708,905)</u>	<u>(5,993,494)</u>	<u>(6,230,904)</u>	<u>(6,601,103)</u>	<u>(3,812,642)</u>	<u>(4,123,554)</u>	<u>(4,123,554)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 2,734,364</u>	<u>\$ 2,049,868</u>	<u>\$ 1,370,458</u>	<u>\$ 816,709</u>	<u>\$ 3,565,686</u>	<u>\$ 3,009,117</u>	<u>\$ 2,852,492</u>	<u>\$ 6,851,138</u>	<u>\$ 6,933,566</u>	<u>\$ 7,078,800</u>
Total net debt applicable to the limit as a percentage of debt limit	67.61 %	74.51 %	81.97 %	88.99 %	51.85 %	58.22 %	59.11 %	5.42 %	- %	- %

## Fry Fire District

### Demographic and Economic Statistics

#### LAST TEN FISCAL YEARS

Fiscal year	Population (Cochise County)	Personal income (thousands of dollars)	Per capita income (Cochise County)	Unemployment rate (Cochise County)
2016	129,112	4,657,515	36,073	6.1
2017	128,343	4,732,071	36,871	5.5
2018	128,383	4,895,203	38,130	5.7
2019	130,319	5,109,813	39,210	6.0
2020	130,808	6,605,150	50,495	8.8
2021	131,264	4,959,285	37,781	6.3
2022	126,463	4,274,449	33,800	3.5
2023	126,648	6,952,215	54,894	4.3
2024	127,305	7,909,409	62,130	4.4
2025	128,253	6,119,207	47,712	4.8

Sources: Office of Economic Opportunity - Arizona Labor Statistics

## Fry Fire District

### Principal Employers

#### CURRENT AND NINE YEARS AGO

Employer	June 30, 2024	
	Employees	Rank
Trade, Transportation, Utilities	6,600	1
State & Local Government	6,200	2
Education & Health Services	4,900	3
Federal Government	4,600	4
Leisure & Hospitality	4,000	5
Professional & Business Services	3,600	6
Natural Resources and Construction	2,100	7
Financial Activities	1,000	8
Manufacturing	900	9
Other Services (except Public Administration)	700	10
Total	34,600	

Employer	June 30, 2015	
	Employees	Rank
Fort Huachuca	7,956	1
Cochise County	816	2
Sierra Vista Unified Districts No. 68	707	3
Wal-Mart Stores, Inc.	643	4
Canyon Vista Medical Center	623	5
General Dynamics Information Technology	623	6
Arizona State Prison Complex	615	7
Cochise College	521	8
Douglas Unified School District No. 27	492	9
Northrop Grumman Corporation	450	10
Total	13,446	

Source: Cochise College Center for Economic Research

Note 1: 2024 is the most recent year available for employment statistics

Note 2: Employer statistics within district boundaries were not available. Employer statistics are based on Cochise County.

Note 3: Statistics were only available by industry for 2024 and by specific employer in 2015

## Fry Fire District

### Operating Indicators by Function

#### LAST TEN FISCAL YEARS

Function	Fiscal year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public safety										
Fire prevention inspections	300	297	213	313	286	254	267	281	260	230
Emergency medical service calls	2,957	2,910	2,970	3,409	2,695	2,368	2,229	2,428	2,582	2,837
Patient transports	2,203	2,049	1,950	2,106	1,859	1,642	1,565	1,663	1,603	1,912
Fire responses	92	81	108	59	66	55	61	94	99	102
Other responses - including hazardous materials, mutual aid, public service	738	766	644	669	603	782	729	654	584	523
Miscellaneous - including false alarms, good intent	515	506	516	254	237	467	435	739	398	286

Source: Various District departments

## Fry Fire District

### Full-Time Equivalent Employees by Function

#### LAST TEN FISCAL YEARS

Function	Fiscal year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Safety										
Fire and rescue service	49	47	47	45	45	39	39	37	36	36
Fire prevention	1	1	1	1	1	1	1	1	1	1
Administrative and support	6	5	6	5	5	4	5	4	4	6
Total	56	53	54	51	51	44	45	42	41	43

Source: District HR department

## Fry Fire District

### Capital Asset Statistics by Function

LAST TEN FISCAL YEARS

Function	Fiscal year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public safety										
Number of Stations	3	3	3	3	3	3	3	3	3	3
Equipment:										
Ambulances	6	6	6	5	5	5	5	5	5	5
Engines	5	5	5	5	5	8	8	9	9	9
Brush rigs	2	2	2	2	2	2	2	2	2	2
Rescue units	2	2	2	2	2	1	1	1	1	1
Tenders	4	3	3	2	2	2	2	2	2	2
Support units	6	6	6	5	7	6	6	5	5	5
UTV/ATV	1	1	1	1	1	1	1	-	-	-

Source: District capital assets records