SONOITA-ELGIN FIRE DISTRICT

PROUD PAST, STRONG FUTURE

FINANCIAL STATEMENT

YEAR ENDED JUNE 30, 2024

SONOITA-ELGIN FIRE DISTRICT
For the Fiscal Year Ended June 30, 2024
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BDR RICHARDS CPA'S, PLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management
of Sonoita-Elgin Fire District
Sonoita, AZ

Report on the Audit of the Financial Statement

Opinion

We have audited the accompanying modified cash basis financial statement of cash receipts, disbursements and changes in cash and investment balances – governmental fund of Sonoita-Elgin Fire District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statement, which collectively comprise the District's basic financial statement as listed in the table of contents.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts, disbursements and changes in cash and investment balances of the governmental fund of Sonoita-Elgin Fire District as of and for the year ended June 30, 2024, in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statement is prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2024, on our consideration of Sonoita-Elgin Fire District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters.

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sonoita-Elgin Fire District's internal control over financial reporting and compliance.

Restrictions on Use

This report is intended solely for the information and use of members of the governing board and management of the District, Santa Cruz and Pima Counties, and the State of Arizona and is not intended to be and should not be used by anyone other than these specified parties.

BDR Richards CPA's, PLC

Snowflake, AZ
December 31, 2024

Sonoita-Elgin Fire District
Statement of Cash Receipts, Disbursements and Changes in Cash and Investment Balances - Governmental Fund
Year Ended June 30, 2024

	General Fund
Cash Receipts:	
Taxes:	
Property taxes	$ 1,207,508
Fire district assistance tax	87,686
Charges for services	422,345
Intergovernmental	30,452
Contributions	6,339
Other	25,876
Total cash receipts	1,780,206
Cash Disbursements:	
Public safety-fire protection and emergency medical services:	
Current:	
Salaries and wages	925,017
Employee benefits	286,425
Fuel, repairs, maintenance and supplies	212,141
Training and related expenses	34,717
Administration expense	67,447
Fuels treatment	58,064
Utilities and communications	25,809
Insurance	30,711
Professional services	45,325
Wildland related	7,804
Other	13,232
Capital outlay	56,118
Debit service:	
Principal	132,046
Interest	7,427
Total cash disbursements	1,902,283
Excess of cash receipts over disbursements	(122,077)
Cash and investments, beginning of year	1,206,102
Cash and investments, end of year	$ 1,084,025

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

Sonoita-Elgin Fire District
Notes to Financial Statement
Year ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Sonoita-Elgin Fire District (the “District”) was established in September 2006 pursuant to Arizona Revised Statute Title 48 and is a special-purpose government governed by a separately elected governing body and is legally separate and fiscally independent of other state and local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, nor is the District combined with another reporting entity.

Basis of Presentation

The accounts of the District are organized based on fund accounting, each of which is considered a separate reporting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent. The general fund is the District’s primary operating fund which accounts for all financial resources except those required to be accounted for in another fund. The District reports the general fund as its only major governmental fund.

As required under Arizona Revised Statute, Title 48 § 251.A(1), the District has prepared this financial statement in a manner sufficient to report beginning and ending fund balance and all revenue and expenditures for the year ended June 30, 2024, presented on a modified cash basis. Fund balance is equal to the cash and investment balances as reported on the statement of cash receipts, disbursements and changes in cash and investment balances – governmental fund.

The financial statement is presented on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the modified cash basis of accounting, revenues are recognized when received rather than when earned and expenditures are recognized when paid rather than when the obligation is incurred. In addition, all items including the acquisition of capital assets are expended as paid and receivables, prepaid expenses, payables and accrued expenses are not reported. Accordingly, the financial statement is not intended to present the financial position and the results of operations in conformity with accounting principles generally accepted in the United States of America.

Cash and Investments

Cash includes amounts in demand deposits, non-negotiable certificates of deposit that have redemption terms that do not consider market rates, and short-term investments with an original maturity date within three months of the acquisition date. Investments are carried at fair value. Changes in fair value and amortization of premiums/discounts relating to investments held by the District are reported as interest income.

Note 1 – Summary of Significant Accounting Policies – continued

Property Tax Calendar

The District levies real and personal property taxes on or before the third Monday in August, that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of next year and becomes delinquent after the first business day of May. A lien against real and personal property assessed attaches on the first day of January preceding assessment and levy thereof.

Budgetary Accounting

The District is required, under Arizona Revised Statutes, to adopt a budget each fiscal year and to submit it to the Santa Cruz County and Pima County Arizona's Board of Supervisors no later than the first day of August each year. The adopted budget is on the modified cash basis of accounting, which is a legally acceptable basis for budgetary purposes. All annual appropriations lapse at fiscal year-end. The District is subject to expenditure limitations under Arizona Revised Statutes which do not permit the District to incur unsecured debt in excess of property taxes levied and to be collected plus available and unencumbered cash.

Estimates

The preparation of the basic financial statement may require management to make estimates and assumptions that affect certain disclosures in the notes to the financial statement. Actual results could differ from those estimates.

Note 2 – Cash and Investments

Arizona Revised Statutes authorize special districts to invest public monies in the Arizona State Treasurer's local government investment pool, interest bearing savings accounts, certificates of deposit and in accounts of any savings and loan associations insured by an agency of the government of the United States, up to the amount of such insurance or pledged collateral. All investments are stated at fair value based on market prices. 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. State statute requires collateral for deposits at 102 percent of deposits not federally insured.

Cash on deposit – On June 30, 2024, the carrying amount of bank deposits was $1,084,025 and the bank balances were $1,084,025. Included in the District's bank deposits is a $100,000 non-negotiable certificate of deposit. On June 30, 2024, uninsured and uncollateralized balances totaled $232,651.

Note 2 – Cash and Investments – continued

Investments

As of June 30, 2024, the District's investments consisted of amounts held with the Santa Cruz County Treasurer's Local Government Investment Pool totaling $12,165 and amounts with the Pima County Treasurer's Local Government Investment Pool totaling $3,713.

Santa Cruz and Pima County Treasurers' investment pools are not required to register (and are not registered) with the Securities and Exchange Commission and there is no regulatory oversight of their operations. Santa Cruz County is processing property tax receipts and disbursements to the District as an agency transaction.

The fair value of each participant's position in the Treasurers' investment pools approximate the value of the participant's share in the pool and the participant's shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

Credit risk – On June 30, 2024, all the District's investments were invested in the Santa Cruz and Pima County investment pools which are not rated by rating agencies.

Custodial credit risk – For all investments, custodial credit risk is the risk that, in the event of the counterparty's failure, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. External investment pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Interest rate risk – On June 30, 2024, the District's investments can be withdrawn from the pools at will
Foreign currency risk – The District does not have a formal investment policy with respect to foreign currency risk because state statutes do not allow foreign investments.
and therefore, are not subject to a significant amount of interest rate risk.

Note 3 – Long Term Liabilities

Changes in long-term liabilities for the year ending June 30, 2024, are as follows:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
Financed purchases	$ 145,711	$ -	$ (123,408)	$ 22,303	$ 22,303
Lease Payable	49,853	-	(8,638)	41,215	9,258
Total	$ 195,564	$ -	$ (132,046)	$ 63,518	$ 31,561

Note 3 – Long Term Liabilities - continued

Finance purchases – The District has acquired vehicles under contract agreements at a total purchase price of $746, 642. The following schedule details debt service requirements to maturity for the District's financed purchases on June 30, 2024.

Year ended June 30,	Principal	Interest	Total
2025	$ 22,303	$ 513	$ 22,816
Total	$ 22,303	$ 513	$ 22,816

Lease payable - The District has obtained the right to use equipment under the provisions of a lease agreement totaling $61,706. Principal and interest payments for the lease payable for the fiscal year 2024 are included in debt service payments on the District's financial statement. The following schedule details minimum lease payments to maturity for the District's lease payable on June 30, 2024.

Year ending June 30,	Principal	Interest	Total
2025	$ 9,258	$ 2,959	$ 12,217
2026	9,923	2,294	12,217
2027	10,635	1,582	12,217
2028	11,399	818	12,217
Total	$ 41,215	$ 7,653	$ 48,868

Note 4 – Retirement Plan

The District contributes to the Public Safety Personnel Retirement System (PSPRS). The plan is established by State statute. The plan provides retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees' average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation.

The health insurance premium benefit is paid as a fixed dollar amount per month toward the retiree's healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

Public Safety Personnel Retirement System

Plan description – The District has entered into a Joinder Agreement with the Arizona State Public Safety Personnel Retirement System (PSPRS) to cover all full-time personnel engaged in fire suppression activities and/or fire support under an agent multiple-employer defined benefit pension plan or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP).

Note 4 – Retirement Plans – continued

Plan description – continued - 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) which are not further disclosed because of their relative insignificance to the District's financial statements.

The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPRS plan. The report is available on the PSPRS website at www.psprs.com.

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

	Initial Membership Date:		
	Before January 1, 2012	**On or after January 1, 2012 and before July 1, 2017**	**On or after July 1, 2017**
Years of service and age required to receive benefit	20 years of service, any age; 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5	15 years of credited service, age 52.5; 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% of 2% years 1-20; years over 20 - 2% - 2.5%; 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		
Surviver Benefit: Retired members	80% to 100% of retirement member's pension benefit		
Surviver Benefit: Active members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job		

Note 4 – Retirement Plans – continued

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. In addition, the Legislature may enact permanent one-time benefit increases after a joint Legislative Budget committee analysis of the increase's effects on the plan. PSPRS also provides temporary disability benefits of 50 percent of the members' compensation for up to 12 months.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from $150 per month to $260 per month depending on the age of the member and dependents.

Employees covered by benefit terms – On June 30, 2024, the following employees were covered by the agent pension plans benefit terms:

PSPRS	**Pension**	**Health**
Inactive employees or beneficiaries currently receiving benefits	1	1
Inactive employees entitled to but not yet receiving benefits	8	0
Active employees	3	3
Total	12	4

Contributions and annual OPEB cost – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements for pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Rates are a percentage of active members' annual covered payroll. Contribution rates for the year ending June 30, 2024, are indicated below.

	Active member - Pension	**Pension**	**Health insurance premium**
PSPRS Tier 1 and Tier 2	7.65%	14.16%	0.00%
PSPRS Tier 3 risk pool	11.73%	11.55%	0.12%

In addition, statute requires the District to contribute at the actuarially determined rate of 8.0% for annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the PSPRS would typically fill.

The District's contributions to the pension plan for the year ending June 30, 2024, were $96,328. The district made no contributions for OPEB for the fiscal year ended June 30, 2024. The District paid for pension contributions from the General Fund during the fiscal year.

Note 4 – Retirement Plans – continued

Pension/OPEB liability/asset – On June 30, 2024, the District reported a net pension liability of $229,694 and a net OPEB asset of $47,366. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liabilities as of June 30, 2024, reflect the following changes of benefit terms and actuarial assumptions.

The total liabilities as of June 30, 2024, reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the investment rate of return from 7.3% to 7.2%, changing the wage inflation to 3.5%, and updating mortality, withdrawal, disability, and retirement assumptions. The total pension liabilities also reflect changes of benefit terms for legislation that changed benefit eligibility and multipliers for employees who became members on or after January 1, 2012, and before July 1, 2017, and a court decision that decreased the contribution rates for employees who became members before July 20, 2011.

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

Valuation date	June 30, 2023
Discount rate	Tiers 1 & 2 – 7.2%; Tier 3 7.00%
Inflation	2.50%
Cost of living adjustments	1.85%
Mortality rates	Pubs-2020 Employee mortality tables

Actuarial assumptions used on June 30, 2023; valuations were based on the results of an actuarial experience study for the 5-year period ended June 30, 2022.

Discount rate - On June 30, 2024, The discount rate used to measure the total pension/OPEB liability was 7.20%. The projection of cash flows used to determine the PSPRS discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Note 4 – Retirement Plans – continued

Changes in Net Pension/OPEB Liability (Asset) Schedule

	Pension			Health insurance premium benefit		
	Increase (decrease)			Increase (decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**	**Total OPEB Liability (a)**	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability (Asset) (a) - (b)**
Balances at June 30, 2023	$ 1,900,522	$1,752,123	$ 148,399	$ 14,292	$ 60,113	$ (45,821)
Changes for the year:						
Service cost	35,089		35,089	1,505		1,505
Interest on total pension/OPEB liability	137,140		137,140	1,137		1,137
Changes of benefit terms	-			-		
Difference between expected and actual experience in the measurement	1,194		1,194	215		215
Changes of assumptions	-					
Contributions - employer		25,773	(25,773)		-	
Contributions - employee		11,451	(11,451)		-	
Net investment income		129,656	(129,656)		4,508	(4,508)
Benefit payments, including refunds of employee contributions	(61,773)	(61,773)		-	-	
Plan administrative expenses		(2,916)	2,916		(106)	106
Other changes*		(71,836)	71,836		-	-
Net changes	111,650	30,355	81,295	2,857	4,402	(1,545)
Balances at June 30, 2024	$ 2,012,172	$1,782,478	$ 229,694	$ 17,149	$ 64,515	$ (47,366)

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

	1% Decrease	**Discount Rate**	**1% Increase**
	6.20%	**7.20%**	**8.20%**
Net pension (asset) / liability	$ 526,359	$ 229,694	$ (9,252)
Net OPEB (asset)/ liability	(44,765)	(47,366)	(49,528)

Sonoita-Elgin Fire District
Notes to Financial Statement
Year ended June 30, 2024

Schedule of Changes in the Net Pension Liability and Related Ratios
Last 10 Fiscal Years

PSPRS Pension	**Reporting Fiscal Year (Measurement Date)**									
	2024 (2023)	**2023 (2022)**	**2022 (2021)**	**2021 (2020)**	**2020 (2019)**	**2019 (2018)**	**2018 (2017)**	**2017 (2016)**	**2016 (2015)**	**2015 (2014)**
Total pension liability										
Service cost	$ 35,089	$ 26,294	$ 63,524	$ 85,297	$ 120,998	$ 120,881	$ 129,321	$ 97,010	$ 80,288	$ 89,824
Interest on total pension liability	137,140	121,859	117,243	103,220	101,215	76,595	61,563	40,089	58,928	52,276
Changes of benefit terms	-	-	-	-	-	-	2,367	75,373	-	(1,827)
Difference between expected and actual experience of the total net pension liability	1,194	100,972	(37,515)	37,865	(149,574)	78,788	(6,703)	45,870	(291,585)	38,803
Changes of assumptions	-	38,675	-	-	13,388	-	31,903	35,659	-	6,417
Benefit payments, including refunds of employee contributions	(61,773)	(60,562)	(25,026)	-	(8,245)	-	-	-	(191,966)	-
Net change in total pension liability	111,650	227,238	118,226	226,382	77,782	276,264	218,451	294,001	(344,335)	185,493
Total pension liability - beginning	1,900,522	1,673,284	1,555,058	1,328,676	1,250,894	974,630	756,179	462,178	806,513	621,020
Total pension liability - ending (a)	$ 2,012,172	$ 1,900,522	$ 1,673,284	$ 1,555,058	$ 1,328,676	$ 1,250,894	$ 974,630	$ 756,179	$ 462,178	$ 806,513
Plan fiduciary net position										
Contributions - employer	$ 25,773	$ 28,350	$ 23,289	$ 52,818	$ 55,725	$ 92,938	$ 53,854	$ 65,999	$ 57,506	$ 67,013
Contributions - employee	11,451	13,934	16,178	30,216	43,039	55,346	62,484	58,669	53,305	52,722
Net investment income	129,656	(71,988)	402,721	17,466	64,119	70,045	99,122	4,088	22,753	79,133
Benefit payments, including refunds of employee contributions	(61,773)	(60,562)	(25,026)	-	(8,245)	-	-	-	(191,966)	-
Hall/Parker Settlement	-	-	-	-	-	(40,112)	-	-	-	-
Pension Plan Administrative Expense	(2,916)	(1,294)	(1,857)	(1,424)	(2,107)	(1,766)	(1,277)	(989)	(936)	-
Other (net transfer)	(71,836)	-	-	1	-	12	(9,081)	46,745	(34,298)	(34,456)
Net change in plan fiduciary net position	30,355	(91,560)	415,305	99,077	152,531	176,463	205,102	174,512	(93,636)	164,412
Plan fiduciary net position - beginning	1,752,123	1,843,683	1,428,378	1,329,301	1,176,770	1,000,307	795,205	620,693	714,329	549,917
Plan fiduciary net position - ending (b)	$ 1,782,478	$ 1,752,123	$ 1,843,683	$ 1,428,378	$ 1,329,301	$ 1,176,770	$ 1,000,307	$ 795,205	$ 620,693	$ 714,329
Net pension liability(asset) - ending (a) - (b)	$ 229,694	$ 148,399	$ (170,399)	$ 126,680	$ (625)	$ 74,124	$ (25,677)	$ (39,026)	$ (158,515)	$ 92,184
Plan fiduciary net position as a percentage of the total pension liability	88.58%	92.19%	110.18%	91.85%	100.05%	94.07%	102.63%	105.16%	134.30%	88.57%
Covered payroll	$ 192,345	$ 165,441	$ 111,851	$ 315,638	$ 399,147	$ 563,285	$ 578,099	$ 530,692	$ 438,413	$ 426,781
Net pension liability as a percentage of covered payroll	119.42%	89.70%	-152.34%	40.13%	-0.16%	13.16%	-4.44%	-7.35%	-36.16%	21.60%

Sonoita-Elgin Fire District
Notes to Financial Statement
Year ended June 30, 2024

Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios
Last 10 Fiscal Years

PSPRS Health Insurance Premium Benefit	**Reporting Fiscal Year (Measurement Date)**						
	2024 (2023)	**2023 (2022)**	**2022 (2021)**	**2021 (2020)**	**2020 (2019)**	**2019 (2018)**	**2018 (2017)**
Total OPEB liability							
Service cost	$ 1,505	$ 1,057	$ 2,043	$ 2,337	$ 2,704	$ 3,042	$ 3,006
Interest on total OPEB liability	1,137	854	1,623	1,560	2,532	2,293	2,063
Changes of benefit terms	-	-	-	-	-	-	(14)
Difference between expected and actual experience of the total net OPEB liability	215	1,365	(13,214)	(2,461)	(18,264)	(3,284)	(267)
Changes of assumptions or other inputs	-	378	-	-	268	-	(1,329)
Benefit payments	-	-	-	-	-	-	-
Net change in total OPEB liability	2,857	3,654	(9,548)	1,436	(12,760)	2,051	3,459
Total OPEB liability - beginning	14,292	10,638	20,186	18,750	31,510	29,459	26,000
Total OPEB liability - ending (a)	$ 17,149	$ 14,292	$ 10,638	$ 20,186	$ 18,750	$ 31,510	$ 29,459
Plan fiduciary net position							
Contributions - employer	$ -	$ 15	$ 246	$ 1,003	$ 476	$ 2,025	$ 709
Contributions - employee	-	-	-	-	-	-	-
OPEB plan net investment inome	4,508	(2,409)	13,338	598	2,381	2,804	4,158
Benefit payments	-	-	-	-	-	-	-
OPEB plan administrative expense	(106)	(43)	(55)	(49)	(41)	(43)	(37)
Other changes	-	-	-	-	-	-	-
Net change in plan fiduciary net position	4,402	(2,437)	13,529	1,552	2,816	4,786	4,830
Plan fiduciary net position - beginning	60,113	62,550	49,021	47,469	44,653	39,867	35,037
Plan fiduciary net position - ending (b)	$ 64,515	$ 60,113	$ 62,550	$ 49,021	$ 47,469	$ 44,653	$ 39,867
Net OPEB liability/(asset) - ending (a) - (b)	$ (47,366)	$ (45,821)	$ (51,912)	$ (28,835)	$ (28,719)	$ (13,143)	$ (10,408)
Plan fiduciary net position as a percentage of the total OPEB liability	376.20%	420.61%	587.99%	242.85%	253.17%	141.71%	135.33%
Covered payroll	$ 192,345	$ 165,441	$ 111,851	$ 315,638	$ 399,147	$ 563,285	$ 578,099
Net OPEB (asset) liability as a percentage of covered payroll	-24.63%	-27.70%	-46.41%	-9.14%	-7.20%	-2.33%	-1.80%

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

Sonoita-Elgin Fire District
Notes to Financial Statement
Year ended June 30, 2024

Schedule of Contributions
Last 10 Fiscal Years

PSPRS Pension	Reporting Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 96,328	$ 23,976	$ 28,350	$ 21,905	$ 52,818	$ 55,725	$ 92,938	$ 53,854	$ 65,999	$ 57,506
Contributions in relation to the actuarially determined contribution	$ (96,328)	$ (25,773)	$ (28,350)	$ (23,289)	$ (52,818)	$ (55,725)	$ (92,938)	$ (53,854)	$ (65,999)	$ (57,506)
Contribution deficiency (excess)	$ -	$ (1,797)	$ -	$ (1,384)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 680,282	$ 192,345	$ 165,441	$ 111,851	$ 315,638	$ 399,147	$ 563,285	$ 578,099	$ 530,692	$ 438,413
Contributions as a percentage of covered payroll	14.16%	13.40%	17.14%	20.82%	16.73%	13.96%	16.50%	9.32%	12.44%	13.12%

PSPRS Health Insurance Premium Benefit	Reporting Fiscal Year							
	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ -	$ -	$ -	$ 15	$ 246	$ 1,003	$ 476	$ 2,025
Contributions in relation to the actuarially determined contribution	$ -	$ -	$ -	$ (15)	$ (246)	$ (1,003)	$ (476)	$ (2,025)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 680,282	$ 192,345	$ 165,441	$ 111,851	$ 315,638	$ 399,147	$ 563,285	$ 578,099
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.01%	0.08%	0.25%	0.08%	0.35%

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

Note 5 – 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.

Note 6 – Subsequent Events

Management has evaluated subsequent events through December 31, 2024.

BDR RICHARDS
CPA'S, PLC

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

To the Board of Directors and Management
Sonoita-Elgin Fire District
Sonoita, AZ

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the governmental fund of Sonoita-Elgin Fire District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statement, which collectively comprise the District's financial statement, and have issued our report thereon dated December 31, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Report on Compliance with Title 48, Chapter 5, Article 1 Applicable to Debt and Warrant Issuance Limitations

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of title 48, Chapter 5, Article 1 limiting the amount of certain debt and warrants that can be issued by the District and requiring certain certifications, insofar as such compliance relates to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly

Purpose of This Report

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

BDR Richards CPA's, PLC

Snowflake, AZ

December 31, 2024