

Sonoita-Elgin Fire District

Financial Statement

Year ended June 30, 2023

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

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, 2023, 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, 2023, 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 Statement 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 statement, 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 Statement

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 Statement

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 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 statement.

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 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 statement.
- 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 January 19, 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.

Restriction 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.

Walker & Armstrong, LLP

Tucson, Arizona
January 19, 2024

Sonoita-Elgin Fire District
Statement of Cash Receipts, Disbursements
and Changes in Cash and Investment Balances - Governmental Fund
Year Ended June 30, 2023

	General Fund
Cash Receipts:	
Taxes:	
Property taxes	\$ 1,144,283
Fire district assistance tax	84,183
Charges for services	454,559
Intergovernmental	31,240
Contributions	3,152
Sale of apparatus	4,500
Other	44,077
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Total cash receipts	1,765,994
Cash Disbursements:	
<i>Public safety-fire protection and emergency medical services:</i>	
Current:	
Salaries and wages	809,614
Employee benefits	167,159
Fuel, repairs, maintenance and supplies	170,732
Training and related	35,831
Administration expense	60,068
Fuels treatment	32,901
Utilities and communications	36,902
Insurance	30,468
Professional services	36,394
Wildland related	8,078
Other	3,410
Capital outlay	21,354
Debt service:	
Principal	141,829
Interest	9,376
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Total cash disbursements	1,564,116
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Excess of cash receipts over disbursements	201,878
Cash and investments, beginning of year	1,004,224
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Cash and investments, end of year	\$ 1,206,102
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The accompanying notes are an integral
part of this financial statement.

Sonoita-Elgin Fire District
Notes to Financial Statement
Year ended June 30, 2023

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 on the basis of 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, 2023, 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 expensed 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.

For the year ended June 30, 2023, the District implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (Statement), which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The implementation of this Statement had no effect on the financial statement as the District did not have such arrangements for the year ended June 30, 2023.

Notes to Financial Statement - Continued

Note 1 – Summary of Significant Accounting Policies - Continued

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.

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 the 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.

Notes to Financial Statement - Continued

Note 2 – Cash and Investments - Continued

Cash on deposit – At June 30, 2023, the carrying amount of bank deposits was \$1,195,220 and the bank balances were \$1,258,885. Included in the District's bank deposits is a \$100,000 non-negotiable certificate of deposit which matures in fiscal year 2024. At June 30, 2023, uninsured balances were fully collateralized by securities held by the pledging institution.

Investments

As of June 30, 2023, the District's investments consisted of amounts held with the Santa Cruz County Treasurer's Local Government Investment Pool totaling \$10,485 and amounts with the Pima County Treasurer's Local Government Investment Pool totaling \$397.

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 – At June 30, 2023, all of 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 – At June 30, 2023, 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.

Notes to Financial Statement - Continued

Note 3 – Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2023, are as follows:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Due Within One Year
Financed purchases	\$ 275,687	\$ -	\$(129,976)	\$ 145,711	\$ 123,408
Lease payable	-	61,706	(11,853)	49,853	8,638
	<u>\$ 275,687</u>	<u>\$ 61,706</u>	<u>\$(141,829)</u>	<u>\$ 195,564</u>	<u>\$ 132,046</u>

Financed 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 at June 30, 2023.

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 123,408	\$ 3,848	\$ 127,256
2025	22,303	513	22,816
Total	<u>\$ 145,711</u>	<u>\$ 4,361</u>	<u>\$ 150,072</u>

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 fiscal year 2023 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 at June 30, 2023.

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 8,638	\$ 3,579	\$ 12,217
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	<u>\$ 49,853</u>	<u>\$ 11,232</u>	<u>\$ 61,085</u>

Note 4 – Retirement Plans

The District contributes to two retirement plans as described below. The plans are component units of the State of Arizona and benefits are established by State statute. The plans generally provide 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.

Notes to Financial Statement - Continued

Note 4 – Retirement Plans - Continued

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.

Retirement Plan – Arizona State Retirement System

Plan description – The Arizona State Retirement System (ASRS) administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health insurance premium benefit other postemployment benefit (OPEB) plan and a cost sharing multiple-employer defined benefit long-term disability (OPEB) plan that covers general employees of the District.

The ASRS is governed by the Arizona State Retirement System Board according to the provisions of ARS 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.

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. The District had no contributions to the plans for the year ended June 30, 2023.

Liability – At June 30, 2023, the District had no remaining ASRS net pension liability.

Retirement Plan – 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). 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.

Notes to Financial Statement - Continued

Note 4 – Retirement Plans - Continued

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

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

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

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

Notes to Financial Statement - Continued

Note 4 – Retirement Plans - Continued

Employees covered by benefit terms – At June 30, 2023, the following employees were covered by the agent plans' benefit terms:

	<u>Pension</u>	<u>Health</u>
Inactive employees or beneficiaries currently receiving benefits	1	1
Inactive employees entitled to but not yet receiving benefits	7	-
Active employees	<u>3</u>	<u>3</u>
Total	<u>11</u>	<u>4</u>

Contributions – State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with State statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability.

For the year ended June 30, 2023, active PSPRS members were required to contribute 7.65% of the members' annual covered payroll. The District is required to contribute at an actuarially determined rate. The rate for the year ended June 30, 2023, was 14.13% for the pension plan, and 0.00% for the health insurance premium benefit. The District's contributions to the plans for the year ended June 30, 2023, were \$33,112, which were paid out of the general fund. The District also refunded excess employee contributions to PSPRS members of \$55,509 and PSPRS allowed the District to reduce its actual employer contributions for the refunded amounts. As a result, the District's pension contributions were less than the actuarially or statutorily determined contributions for fiscal year 2023.

Liability – At June 30, 2023, the District reported the following net assets and liabilities:

	<u>Net pension (asset) liability</u>	<u>Net OPEB (asset) liability</u>
PSPRS	<u>\$ 148,399</u>	<u>\$ (45,821)</u>

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

Notes to Financial Statement - Continued

Note 4 – Retirement Plans - Continued

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

PSPRS

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

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

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

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

PSPRS

Asset class	Target allocation	Long-term expected geometric real rate of return
U.S. public equity	24%	3.49%
International public equity	16%	4.47%
Global private equity	20%	7.18%
Other assets (capital appreciation)	7%	4.83%
Core bond	2%	0.45%
Private credit	20%	5.10%
Diversifying strategies	10%	2.68%
Cash - Mellon	1%	-0.35%
Total	<u>100%</u>	

Notes to Financial Statement - Continued

Note 4 – Retirement Plans - Continued

Discount rate – At June 30, 2022, the discount rate used to measure the PSPRS total pension/OPEB liability was 7.2 percent, which was a decrease 0.1 from the discount rate as of June 30, 2021.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate.

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

Changes in the net pension/OPEB liability:

PSPRS	Pension Increase (decrease)		
	Total pension liability (a)	Plan fiduciary net position (b)	Net pension (asset) liability (a) – (b)
Balances at June 30, 2022	\$ 1,673,284	\$ 1,843,683	\$ (170,399)
Changes for the year:			
Service cost	26,294	-	26,294
Interest on the total liability	121,859	-	121,859
Differences between expected and actual experience in the measurement of the liability	100,972	-	100,972
Changes of Assumptions	38,675	-	38,675
Contributions—employer	-	28,350	(28,350)
Contributions—employee	-	13,934	(13,934)
Net investment income	-	(71,988)	71,988
Benefit payments	(60,562)	(60,562)	-
Administrative expense	-	(1,294)	1,294
Net changes	227,238	(91,560)	318,798
Balances at June 30, 2023	\$ 1,900,522	\$ 1,752,123	\$ 148,399

Notes to Financial Statement - Continued

Note 4 – Retirement Plans - Continued

	Health insurance premium benefit Increase (decrease)		
	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB (asset) liability (a) – (b)
Balances at June 30, 2022	\$ 10,638	\$ 62,550	\$(51,912)
Changes for the year:			
Service cost	1,057	-	1,057
Interest on the total liability	854	-	854
Differences between expected and actual experience in the measurement of the liability	1,365	-	1,365
	378	-	378
Contributions—employer	-	15	(15)
Contributions—employee	-	-	-
Net investment income	-	(2,409)	2,409
Administrative expense	-	(43)	43
Net changes	3,654	(2,437)	6,091
Balances at June 30, 2023	\$ 14,292	\$ 60,113	\$(45,821)

Sensitivity of the District's net pension/OPEB liability (asset) to changes in the discount rate –

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

	1% Decrease 6.2%	Current Discount Rate 7.2%	1% Increase 8.2%
Net pension liability (asset)	\$ 431,957	\$ 148,399	\$(78,809)
Net OPEB asset	\$(43,576)	\$(45,821)	\$(47,682)

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

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.

Notes to Financial Statement - Continued

Note 6 – Subsequent Events

Management has evaluated subsequent events through January 19, 2024, the date the financial statement was available to be issued noting the following:

- In September 2023, the District received American Rescue Plan Act funds totaling \$67,319 to pay for salaries and other needs of the District.
- In October 2023, the District purchased an all-terrain vehicle and trailer for \$40,027.