

NEW ISSUE – BOOK-ENTRY-ONLY

RATING: See “RATING” herein.

INSURANCE: See “BOND INSURANCE AND RELATED RISK FACTORS” herein.

In the opinion of Greenberg Traurig, LLP, Bond Counsel, assuming the accuracy of certain representations and certifications and the continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Bonds will be excludable from gross income for federal income tax purposes. Further, interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the “Code”), on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income. See “TAX EXEMPTION” herein for a description of certain other federal tax consequences of ownership of the Bonds. Bond Counsel is further of the opinion that interest on the Bonds will be exempt from income taxation under the laws of the State of Arizona.

\$15,935,000\*

**SUPERSTITION FIRE AND MEDICAL DISTRICT  
OF PINAL AND MARICOPA COUNTIES, ARIZONA  
GENERAL OBLIGATION BONDS, SERIES 2026**

Dated: Date of Initial Authentication and Delivery

Due: January 1 and July 1, as shown on the inside front cover page

The General Obligation Bonds, Series 2026 (the “Bonds”) of Superstition Fire and Medical District of Pinal and Maricopa Counties, Arizona (the “District”), will be issued in the form of fully-registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). Beneficial ownership interests in the Bonds may be purchased in amounts of \$5,000 of principal due on a specific maturity date or integral multiples thereof. The Bonds will mature on the dates and in the principal amounts and will bear interest from their dated date to their maturity or prior redemption as set forth on the inside front cover page. Interest on the Bonds will accrue from the date of initial authentication and delivery and will be payable semiannually on January 1 and July 1 of each year commencing on January 1, 2027\*, until maturity or prior redemption. Proceeds of the Bonds are expected to be used to (i) construct, renovate, improve, equip and furnish fire stations and other District facilities, (ii) acquire apparatus, vehicles and equipment, and (iii) pay costs incurred in connection with the issuance of the Bonds. See “THE BONDS – Authorization and Purpose.”

**SEE MATURITY SCHEDULE ON INSIDE FRONT COVER PAGE**

Certain of the Bonds will be subject to redemption prior to their stated maturity dates as described under “THE BONDS – Redemption Provisions” herein.\*

The District will initially utilize DTC’s “book-entry-only system,” although the District and DTC each reserve the right to discontinue the book-entry-only system at any time. Utilization of the book-entry-only system will affect the method and timing of payment of principal of and interest on the Bonds and the method of transfer of the Bonds. So long as the book-entry-only system is in effect, a single fully-registered Bond, for each maturity of the Bonds will be registered in the name of Cede & Co., as nominee of DTC, on the registration books maintained by U.S. Bank Trust Company, National Association, the initial bond registrar and paying agent for the Bonds. DTC will be responsible for distributing the principal and interest payments to its direct and indirect participants who will, in turn, be responsible for distribution to the Beneficial Owners (as defined in APPENDIX G – “BOOK-ENTRY-ONLY SYSTEM” herein) of the Bonds. So long as the book-entry-only system is in effect and Cede & Co. is the registered owner of the Bonds, all references herein (except under the heading “TAX EXEMPTION”) to owners of the Bonds will refer to Cede & Co. and not the Beneficial Owners. See APPENDIX G – “BOOK-ENTRY-ONLY SYSTEM” herein.

Principal of and interest on the Bonds will be payable from a continuing, direct, annual, *ad valorem* tax levied against all taxable property located within the boundaries of the District as more fully described herein. The Bonds will be payable from such tax without limit as to rate or amount. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS” herein.

The Bonds will be offered when, as and if issued by the District and received by the underwriter identified below (the “Underwriter”), subject to the legal opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Bond Counsel, as to validity and tax exemption. In addition, certain legal matters will be passed upon for the Underwriter by its counsel, Squire Patton Boggs (US) LLP, Phoenix, Arizona. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about March 26, 2026\*.

*This cover page contains certain information with respect to the Bonds for convenience of reference only. It is not a summary of the series of which the Bonds are a part. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Bonds.*

\* Subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**\$15,935,000\***  
**SUPERSTITION FIRE AND MEDICAL DISTRICT  
OF PINAL AND MARICOPA COUNTIES, ARIZONA  
GENERAL OBLIGATION BONDS, SERIES 2026**

**MATURITY SCHEDULE\***

Maturity Date	Principal Amount	Interest Rate	Yield	CUSIP® <sup>(1)</sup> No.
7/1/2027	\$ 800,000	%	%	
7/1/2028	1,125,000			
7/1/2029	50,000			
7/1/2030	100,000			
7/1/2031	100,000			
7/1/2032	500,000			
7/1/2033	575,000			
7/1/2034	600,000			
7/1/2035	650,000			
7/1/2036	725,000			
7/1/2037	850,000			
7/1/2038	1,025,000			
7/1/2039	1,200,000			
7/1/2040	1,400,000			
7/1/2041	1,450,000			
7/1/2042	1,460,000			
7/1/2043	765,000			
7/1/2044	805,000			
7/1/2045	845,000			
1/1/2046	910,000			

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\* Subject to change.

<sup>(1)</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (“CGS”) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2026 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, Bond Counsel, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

## REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by Superstition Fire and Medical District of Pinal and Maricopa Counties, Arizona (the “District”) or Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the District’s General Obligation Bonds, Series 2026 (the “Bonds”) by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth in this Official Statement, which includes the cover page, inside front cover page and appendices hereto, has been obtained from the District, the Arizona Department of Revenue, the Assessor and the Treasurer of Pinal County, Arizona and Maricopa County, Arizona, and other sources that are considered to be accurate and reliable and customarily relied upon in the preparation of similar official statements, but such information has not been independently confirmed or verified by the District or the Underwriter, is not guaranteed as to accuracy or completeness, and is not to be construed as the promise or guarantee of the District or the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement: “The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.”

None of the District, the Underwriter, counsel to the Underwriter or Bond Counsel (as defined herein) are actuaries. None of them have performed any actuarial or other analysis of the District’s share of the unfunded liabilities of the Arizona State Retirement System or the Public Safety Personnel Retirement System.

The presentation of information, including tables of receipts from taxes and other sources, shows recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are “forward looking statements” that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District or the Underwriter and its accuracy cannot be guaranteed. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the District or any of the other parties or matters described herein since the date hereof.

The Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

A wide variety of information, including financial information, concerning the District is available from publications and websites of the District and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such publications and websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

The District will undertake to provide continuing disclosure as described in this Official Statement under the heading “CONTINUING DISCLOSURE” and in APPENDIX F – “FORM OF CONTINUING DISCLOSURE UNDERTAKING” all pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM THE INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS.

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## OFFICIAL STATEMENT

**\$15,935,000\***

### **SUPERSTITION FIRE AND MEDICAL DISTRICT OF PINAL AND MARICOPA COUNTIES, ARIZONA GENERAL OBLIGATION BONDS, SERIES 2026**

#### INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, the inside front cover page and appendices hereto, has been prepared on behalf of Superstition Fire and Medical District of Pinal and Maricopa Counties, Arizona (the “District”), in connection with the issuance of \$15,935,000\* aggregate principal amount of bonds designated General Obligation Bonds, Series 2026 (the “Bonds”). Certain information concerning the authorization, purpose, terms, conditions of sale and sources of payment of and security for the Bonds is stated in this Official Statement. See APPENDIX A – “THE DISTRICT – DISTRICT INFORMATION” and APPENDIX B – “THE DISTRICT – FINANCIAL INFORMATION” for certain information about the District.

Reference to provisions of State of Arizona (the “State” or “Arizona”) law, whether codified in the Arizona Revised Statutes, or uncodified, or of the State Constitution, are references to the current provisions. These provisions may be amended, repealed or supplemented.

Neither this Official Statement nor any statement that may have been made orally or in writing in connection herewith is to be considered as or as part of a contract with the original purchasers or subsequent owners or beneficial owners of the Bonds.

#### THE BONDS

##### **Authorization and Purpose**

The Bonds will be issued, executed and delivered pursuant to the Arizona Constitution and the laws of the State, including particularly Title 48, Chapter 5, Article 1, Arizona Revised Statutes, a vote of the qualified electors of the District at an election held on November 4, 2025 (the “Election”), and a resolution adopted by the District Board of the District (the “District Board”) on February 18, 2026 (the “Bond Resolution”).

The Bonds represent the first installment of an aggregate voted principal amount of \$33,800,000 of general obligation bonds approved at the Election. Proceeds of the Bonds are expected to be used to (i) construct, renovate, improve, equip and furnish fire stations and other District facilities, (ii) acquire apparatus, vehicles and equipment, and (iii) pay costs incurred in connection with the issuance of the Bonds. After the issuance of the Bonds, the District will have \$16,900,000\* remaining authorized but unissued voter authorization for general obligation bonds from the Election. Bonds payable from the same source as the Bonds are outstanding and additional bonds payable from the same source as the Bonds may be issued in the future pursuant to authority remaining from the Election and authority approved at subsequent elections in and for the District. See “ESTIMATED DEBT SERVICE REQUIREMENTS” and TABLE 11 herein for information concerning the District’s currently outstanding bonds, which are payable from the same source as the Bonds.

##### **Terms of the Bonds – Generally**

The Bonds will be dated the date of delivery and will be registered only in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), under the book-entry-only system described herein (the “Book-Entry-Only

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\* *Subject to change. See footnote (b) to TABLE 13 for a description of the treatment of certain proceeds of the Bonds for State voter authorization and debt limit purposes.*

System”). See APPENDIX G – “BOOK-ENTRY-ONLY SYSTEM.” The Bonds will mature on the dates and in the principal amounts and will bear interest from their date at the rates set forth on the inside front cover page of this Official Statement. Beneficial ownership interests in the Bonds may be purchased in amounts of \$5,000 of principal due on a specific maturity date or integral multiples thereof. Interest on the Bonds will be payable semiannually on each January 1 and July 1, commencing January 1, 2027\* (each an “Interest Payment Date”) until maturity or prior redemption. The District has chosen the fifteenth day of the month preceding each Interest Payment Date as the “Record Date” for the Bonds.

See “TAX EXEMPTION” herein for a discussion of the treatment of interest income on the Bonds for federal and State income tax purposes.

**Bond Registrar and Paying Agent**

U.S. Bank Trust Company, National Association will serve as the initial bond registrar, paying agent and transfer agent (the “Bond Registrar and Paying Agent”) for the Bonds. The District may change the Bond Registrar and Paying Agent without notice to or consent of the owners of the Bonds.

**Redemption Provisions\***

*Optional Redemption.* The Bonds maturing before or on July 1, 20\_\_ will not be subject to redemption prior to their stated maturity dates. The Bonds maturing on or after July 1, 20\_\_ will be subject to redemption prior to their stated maturity dates, at the option of the District, in whole or in part from maturities selected by the District on July 1, 20\_\_, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Bond called for redemption, plus interest accrued to the date fixed for redemption but without premium.

*Mandatory Redemption.* The Bonds maturing on \_\_\_\_ 1, 20\_\_ (the “Term Bonds”) will be subject to mandatory redemption and will be redeemed in the years and in the amounts set forth below, at a redemption price equal to the principal amount thereof, without premium, plus interest accrued to the date fixed for redemption as follows:

Term Bond due ____ 1, 20__	
<u>Redemption</u>	<u>Principal</u>
<u>Dates</u>	<u>Amount</u>

See APPENDIX G for DTC’s method of appointment when less than all of the Bonds of a maturity are called prior to redemption. If the Book-Entry-Only System is discontinued, the Bond Registrar and Paying Agent shall proceed to select for redemption (by lot in such manner as the Bond Registrar and Paying Agent may determine) from the Term Bonds, a principal amount of the Term Bonds equal to the aggregate principal amount of the Term Bonds redeemable with the required mandatory payment, and shall call such Term Bonds for redemption on the next \_\_\_\_ 1 and give notice of such redemption.

Whenever Bonds subject to mandatory redemption are purchased, redeemed (other than pursuant to mandatory redemption) or delivered by the District to the Bond Registrar and Paying Agent for cancellation, the principal amount of the Bonds so retired shall satisfy and be credited against the mandatory redemption requirements for such Bonds for such years as the District may direct.

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\* *Subject to change.*

*Notice of Redemption.* So long as the Bonds are held under the Book-Entry-Only System, notices of redemption will be sent to DTC in the manner required by DTC. See APPENDIX G – “BOOK-ENTRY-ONLY SYSTEM.” If the Book-Entry-Only System is discontinued, notice of redemption of any Bond will be mailed to the registered owner of the Bond or Bonds being redeemed at the address shown on the bond register maintained by the Bond Registrar and Paying Agent not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Neither the failure of any registered owner of Bonds to receive a notice of redemption nor any defect therein will affect the validity of the proceedings for redemption of Bonds as to which proper notice of redemption was given.

Notice of any redemption will also be provided as set forth in APPENDIX F – “FORM OF CONTINUING DISCLOSURE UNDERTAKING,” but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

If monies for the payment of the redemption price and accrued interest are not held in separate accounts by the District, the Pinal County, Arizona Treasurer (the “Treasurer of the County”) or the Bond Registrar and Paying Agent prior to sending the notice of redemption, such redemption shall be conditional on such monies being so held on the date set for redemption and if not so held by such date, the redemption shall be cancelled and be of no force and effect.

*Effect of Redemption.* On the date designated for redemption, the Bonds or portions thereof to be redeemed will become and be due and payable at the redemption price for such Bonds or portions thereof, and, if monies for payment of the redemption price are held in a separate account by the Bond Registrar and Paying Agent, interest on such Bonds or portions thereof to be redeemed will cease to accrue, such Bonds or portions thereof will cease to be entitled to any benefit or security under the Bond Resolution, the owners of such Bonds or portions thereof will have no rights in respect thereof except to receive payment of the redemption price thereof and such Bonds or portions thereof will be deemed paid and no longer outstanding. DTC’s practice is to determine by lot the amount of each Direct Participant’s (as defined in APPENDIX G – “BOOK-ENTRY-ONLY SYSTEM”) proportionate share that is to be redeemed.

*Redemption of Less than All of a Bond.* The District may redeem any amount which is included in a Bond that is subject to prior redemption in a denomination equal to or in excess of, but divisible by, \$5,000. In the event of a partial redemption, the Bond will be redeemed in accordance with DTC’s procedures. In the event of a partial redemption if the Book-Entry-Only System is discontinued, the registered owner will submit the Bond for partial redemption and the Bond Registrar and Paying Agent will make such partial payment and will cause to be issued a new Bond in a principal amount which reflects the redemption so made, to be authenticated and delivered to the registered owner thereof.

### **Registration and Transfer When Book-Entry-Only System Has Been Discontinued**

If the Book-Entry-Only System is discontinued, the Bonds will be transferred only upon the bond register maintained by the Bond Registrar and Paying Agent and one or more new Bonds, registered in the name of the transferee, of the same principal amount, maturity and rate of interest as the surrendered Bond or Bonds will be authenticated, upon surrender to the Bond Registrar and Paying Agent of the Bond or Bonds to be transferred, together with an appropriate instrument of transfer executed by the transferor if the Bond Registrar and Paying Agent’s requirements for transfer are met. The Bond Registrar and Paying Agent may, but is not required to, transfer or exchange any Bonds during the period from the Record Date to and including the respective Interest Payment Date.

The transferor will be responsible for all transfer fees, taxes, fees and any other costs relating to the transfer of ownership of individual Bonds.

## SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS

### General

For the purpose of paying the principal of and interest on the Bonds and costs of administration of the Bonds, the District will be required by law to cause to be levied on all the taxable property in the District a continuing, direct, annual, *ad valorem* property tax sufficient to pay all principal, interest, and costs of administration for the Bonds as the same become due. The Bonds will be payable from such tax without limit as to rate or amount. The taxes will be levied, assessed and collected at the same time and in the same manner as other similar taxes are levied, assessed and collected. For information concerning the *ad valorem* property tax levy and collection procedures, see APPENDIX B – “THE DISTRICT – FINANCIAL INFORMATION – PROPERTY TAXES.”

### Defeasance

Pursuant to the Bond Resolution, payment of all or any part of the Bonds may be provided for by the irrevocable deposit, in trust, of monies or obligations issued or guaranteed by the United States of America (“Defeasance Obligations”) or both, which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant in case of a deposit in trust of Defeasance Obligations, to pay when due the principal or redemption price of and interest on such Bonds. Any Bonds so provided for will no longer be outstanding under the Bond Resolution or payable from *ad valorem* taxes on taxable property in the District, and the owners of such Bonds shall thereafter be entitled to payment only from the monies and Defeasance Obligations deposited in trust.

### Investment of Debt Service Funds

The amounts collected from the tax levy described above are required by law to be kept in a special fund of the District (the “Debt Service Fund”) held by the Treasurer of the County to be used only for the payment of principal, interest, and costs of administration of the Bonds as above-stated. The District instructs the Treasurer of the County to invest the monies credited to the Debt Service Fund. The District does not monitor the manner in which the Treasurer of the County invests monies in the Debt Service Fund.

ALTHOUGH THE PROCEEDS OF THE SALE OF THE BONDS WILL BE DEPOSITED IN THE CAPITAL FUND OF THE DISTRICT (THE “CAPITAL FUND”) AND INVESTED SIMILARLY TO THE AMOUNTS HELD IN THE DEBT SERVICE FUND, THE PROCEEDS OF THE SALE OF THE BONDS WILL NOT BE PLEDGED TO, NOR DO THEY SECURE, PAYMENT OF THE BONDS. THE BONDS WILL NOT BE SECURED BY PHYSICAL ASSETS OF THE DISTRICT (INCLUDING THOSE FINANCED WITH THE PROCEEDS OF THE SALE OF THE BONDS) OR AMOUNTS ON DEPOSIT IN THE CAPITAL FUND.

*[Remainder of this page left intentionally blank]*

## SOURCES AND USES OF FUNDS

### Sources of Funds

Principal Amount	\$15,935,000.00*
[Net] Original Issue Premium (a)	<hr/>
Total Sources of Funds	<hr/> <hr/>

### Uses of Funds

Deposit to the Capital Fund	
Payment of Costs of Issuance (b)	<hr/>
Total Uses of Funds	<hr/> <hr/>

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\* *Subject to change.*

- (a) *Net original issue premium consists of original issue premium on the Bonds, less original issue discount on the Bonds.*
- (b) *Will include bond insurance premium, if any, and compensation and costs of the Underwriter (as defined herein) with respect to the Bonds.*

*[Remainder of this page left intentionally blank]*

## ESTIMATED DEBT SERVICE REQUIREMENTS

The following table illustrates (i) annual debt service on the outstanding bonds of the District, (ii) estimated annual debt service on the Bonds and (iii) total estimated annual debt service on all bonds of the District outstanding after the issuance of the Bonds.

### Schedule of Estimated Annual Debt Service Requirements (a) Superstition Fire and Medical District

Fiscal Year	Bonds Outstanding		The Bonds*		Total Estimated Annual Payment Requirements*
	Principal	Interest	Principal	Interest (b)	
2025/26	\$ 659,000	\$ 37,865			\$ 696,865
2026/27	679,000	19,216	\$ 800,000	\$ 978,250(c)	2,476,466
2027/28			1,125,000	734,000	1,859,000
2028/29			50,000	677,750	727,750
2029/30			100,000	675,250	775,250
2030/31			100,000	670,250	770,250
2031/32			500,000	665,250	1,165,250
2032/33			575,000	640,250	1,215,250
2033/34			600,000	611,500	1,211,500
2034/35			650,000	581,500	1,231,500
2035/36			725,000	549,000	1,274,000
2036/37			850,000	512,750	1,362,750
2037/38			1,025,000	470,250	1,495,250
2038/39			1,200,000	419,000	1,619,000
2039/40			1,400,000	359,000	1,759,000
2040/41			1,450,000	289,000	1,739,000
2041/42			1,460,000	216,500	1,676,500
2042/43			765,000	143,500	908,500
2043/44			805,000	105,250	910,250
2044/45			845,000	65,000	910,000
2045/46			910,000	22,750	932,750
	<u>\$ 1,338,000</u>		<u>\$ 15,935,000</u>		

(a) Prepared by Stifel, Nicolaus & Company, Incorporated (the "Underwriter").

(b) Interest on the Bonds is estimated.

(c) The first interest payment on the Bonds will be due on January 1, 2027\*. Thereafter, interest payments will be made semiannually on each July 1 and January 1 until maturity or prior redemption.

\* Subject to change.

## LITIGATION

No litigation or administrative action or proceeding is pending to restrain or enjoin, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, the levy and collection of taxes to pay the debt service on the Bonds, to contest or question the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds. Representatives of the District will deliver a certificate to the same effect at the time of the initial delivery of the Bonds.

## RATING

S&P Global Ratings, a division of Standard & Poor's Financial Services, LLC ("S&P") has assigned a rating of "\_\_\_" to the Bonds. Such rating reflects only the view of S&P. An explanation of the significance of a rating assigned by S&P may be obtained at One California Street, 31st Floor, San Francisco, California 94111. Such rating may be revised or withdrawn entirely at any time by S&P if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect on the market price or marketability of the Bonds. The District will covenant in its continuing disclosure undertaking with respect to the Bonds that it will file notice of any formal change in any rating relating to the Bonds. See "CONTINUING DISCLOSURE" herein and APPENDIX F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" hereto.

## BOND INSURANCE AND RELATED RISK FACTORS

The District intends to apply, or has applied, to bond insurance companies (each a "Bond Insurer") for a municipal bond insurance policy (the "Policy") for the Bonds to guarantee the scheduled payments of principal of and interest on the Bonds. A commitment to provide the Policy has not been issued, and representatives of the District have yet to determine whether, if such commitment is issued, the Policy will be purchased. If the Policy is purchased, the following are risk factors relating to bond insurance generally.

If the District ultimately determines to obtain the Policy for the Bonds, in the event of default of the payment of principal or interest with respect to any of the Bonds when all or some become due, any owner of the Bonds on which such principal or interest was not paid will have a claim under the Policy for such payments. In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds will remain payable solely from *ad valorem* property taxes as described under "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS." In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance will be given that such event will not adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The long-term ratings on the Bonds will be dependent in part on the financial strength of the Bond Insurer and its claims paying ability. The Bond Insurer's financial strength and claims paying ability will be predicated upon a number of factors which could change over time. No assurance will be given that the long-term rating of the Bond Insurer and of the rating on the Bonds insured by the Bond Insurer will not be subject to downgrade, and such event could adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The obligations of the Bond Insurer will be general obligations of the Bond Insurer, and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law, state receivership or other similar laws related to insolvency of insurance companies.

None of the District, the Underwriter, or their respective attorneys, agents or consultants have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal of and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

## LEGAL MATTERS

The Bonds are to be sold with the understanding that the District will furnish the Underwriter with the approving opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Bond Counsel (“Bond Counsel”) addressing legal matters relating to the validity of the Bonds under Arizona law, and with regard to the tax-exempt status of the interest income thereon (see “TAX EXEMPTION”). The signed legal opinion of Bond Counsel is dated and premised on the law in effect only as of the date of original delivery of the Bonds and will be delivered to the District at the time of original issuance. The fees of Bond Counsel and counsel to the Underwriter are expected to be paid from the proceeds of the sale of the Bonds and are contingent upon delivery of the Bonds.

The proposed text of the legal opinion is set forth as APPENDIX E – “FORM OF OPINION OF BOND COUNSEL.” The legal opinion to be delivered may vary from the text of APPENDIX E – “FORM OF OPINION OF BOND COUNSEL” if necessary to reflect the facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Bond Counsel has reviewed or expressed any opinion concerning any matters relating to the Bonds subsequent to the original delivery of the Bonds.

Bond Counsel has reviewed the information in the tax caption on the cover page as well as the information under the headings “THE BONDS,” “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS,” “TAX EXEMPTION,” “RELATIONSHIP AMONG PARTIES” (but only as it applies to Bond Counsel) and “CONTINUING DISCLOSURE” (except as it relates to the District’s compliance with prior continuing disclosure undertakings, if any) and in APPENDICES E – “FORM OF OPINION OF BOND COUNSEL” and F – “FORM OF CONTINUING DISCLOSURE UNDERTAKING” but otherwise has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has neither examined nor attempted to examine nor verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

Certain legal matters will be passed upon for the Underwriter by Squire Patton Boggs (US) LLP, Phoenix, Arizona, counsel to the Underwriter.

From time to time, there are legislative proposals (and interpretations of such proposals by courts of law and other entities and individuals) which, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and non-financial, impacting the operations of fire districts which could have a material impact on the District and could adversely affect the secondary market value and marketability (liquidity) of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to enactment.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. The rendering of an opinion also does not guarantee the outcome of any legal dispute that may arise out of the transaction.

## TAX EXEMPTION

### In General

The Internal Revenue Code of 1986, as amended (the “Code”), includes requirements which the District must continue to meet after the issuance of the Bonds in order that the interest on the Bonds be and remain excludable from gross income for federal income tax purposes. The District’s failure to meet these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The District has covenanted in the Bond Resolution to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications of the District and continuing compliance by the District with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Bonds will be excludable from gross income of the owners thereof for federal income tax purposes. Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income. Bond Counsel is further of the opinion that the interest on the Bonds will be exempt from income taxation under the laws of the State. Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors as to the status of interest on the Bonds under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Bonds will be based on and will assume the accuracy of certain representations and certifications of the District, and compliance with certain covenants of the District to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds will be and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other consequences regarding the Bonds.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Bonds, or the ownership or disposition of the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of the Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Bonds, (iii) the inclusion of the interest on the Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, (v) the inclusion of interest on the Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits, (vi) net gain realized upon the sale or other disposition of property such as the Bonds generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates, and (vii) receipt of certain investment income, including interest on the Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors as to the impact of these other tax consequences.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

### **Original Issue Discount and Original Issue Premium**

Certain of the Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other

interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Certain of the Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount Bonds and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount Bonds or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

### **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or State tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Bonds, adversely affect the market price or marketability of the Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Bonds. Prospective purchasers of the Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

### **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of the Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Bonds and proceeds from the sale of the Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Bonds. This withholding generally applies if the owner of the Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

## **UNDERWRITING**

The Bonds will be purchased by the Underwriter at an aggregate purchase price of \$ \_\_\_\_\_, pursuant to a bond purchase agreement (the "Purchase Contract") entered into by and between the District and the Underwriter. If the Bonds are sold to produce the prices or yields shown on the inside front cover page hereof, the Underwriter's compensation will be \$ \_\_\_\_\_. The Purchase Contract provides that the Underwriter will purchase all of the Bonds so offered if any are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including

dealers depositing the Bonds into unit investment trusts) and others at prices higher or yields lower than the public offering prices or yields stated on the inside front cover page hereof. The initial offering prices or yields set forth on the inside front cover page may be changed, from time to time, by the Underwriter without amendment of this Official Statement.

The Underwriter and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

## **RELATIONSHIP AMONG PARTIES**

Bond Counsel has previously represented, and is currently representing, the Underwriter with respect to other financings and has acted or is acting as bond counsel with respect to other bonds underwritten by the Underwriter and may do so in the future. Bond Counsel and counsel to the Underwriter also serve and have served as bond counsel for one or more of the political subdivisions that the District territorially overlaps. Counsel to the Underwriter has previously acted or is acting as bond counsel with respect to other bonds underwritten by the Underwriter and may continue to do so in the future if requested.

## **CONTINUING DISCLOSURE**

The District will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the District by not later than February 1 in each year commencing February 1, 2027 (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Notices of Listed Events”). The Annual Reports, the Notices of Listed Events and any other document or information required to be filed by the District as such will be filed with the Municipal Securities Rulemaking Board (the “MSRB”) through the Electronic Municipal Market Access system, described in APPENDIX F – “FORM OF CONTINUING DISCLOSURE UNDERTAKING.” The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is also set forth in APPENDIX F – “FORM OF CONTINUING DISCLOSURE UNDERTAKING.” These covenants will be made in order to assist the Underwriter in complying with the Securities and Exchange Commission’s Rule 15c2-12(b)(5) (the “Rule”). A failure by the District to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. *Pursuant to Arizona Law, the ability of the District to comply with such covenants will be subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants.* Should the District not comply with such covenants due to a failure to appropriate for such purpose, the District has covenanted to provide notice of such fact to the MSRB. Absence of continuing disclosure, due to non-appropriation or otherwise, could adversely affect the Bonds and specifically their market price and transferability. The District has implemented written procedures to facilitate compliance with its continuing disclosure undertakings.

The District did not file an annual report for the fiscal year ended June 30, 2021 required by an existing continuing disclosure undertaking until February 20, 2026.

## **GENERAL PURPOSE FINANCIAL STATEMENTS**

The annual comprehensive financial report of the District for the fiscal year ended June 30, 2025, a copy of which is included in APPENDIX C – “THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025” of this Official Statement, includes the District’s financial statements for the fiscal year ended June 30, 2025 that were audited by Baker Tilly US, LLP, a certified public accounting firm, to the extent indicated in its report thereon. **The District has not requested the consent of Baker Tilly US, LLP to include its report and Baker Tilly US, LLP has performed no procedures subsequent to rendering its report on the financial statements.**

**THE FINANCIAL STATEMENTS INCLUDED IN APPENDIX C OF THIS OFFICIAL STATEMENT ARE CURRENT AS OF THEIR DATE ONLY AND MAY NOT REPRESENT THE CURRENT FINANCIAL CONDITION OF THE DISTRICT.**

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## CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are “forward looking statements” that must be read with an abundance of caution and that may not be realized or may not occur in the future. All financial and other information in this Official Statement has been derived by the District from official records and other sources and is believed by the District to be accurate and reliable. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District and its accuracy is not guaranteed. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

The District Board has authorized the execution and use of this Official Statement.

SUPERSTITION FIRE AND MEDICAL DISTRICT  
OF PINAL AND MARICOPA COUNTIES, ARIZONA

By: \_\_\_\_\_  
Chairman of the District Board

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**THE DISTRICT –  
DISTRICT INFORMATION**

**General Information**

The District was formed in 1955 for the express purpose of providing fire protection services to the property within its boundaries. Since that time the District has grown from one fire station to five, which includes a Fleet Services facility, an Administration office, and a Regional Training Center.

The District responds to approximately 12,000 requests for emergency and non-emergency service annually and is located on the east side of the Phoenix Metro area in Pinal County, Arizona (“Pinal County”). This encompasses a total of seventy seven (77) square miles, after a 9,500 acres annexation in March 2021, and serves the City of Apache Junction, Arizona (“Apache Junction”), the unincorporated areas of Gold Canyon, Superstition Foothills, Goldfield Foothills and Entrada Del Oro.

The District’s population fluctuates from 60,829 fulltime residents to over 84,000 residents during the winter months.

**TABLE 1**

**POPULATION STATISTICS**

<u>Years</u>	<u>City of Apache Junction</u>	<u>Pinal County</u>	<u>Maricopa County</u>	<u>State of Arizona</u>
2025 Estimate (a)	44,934	502,071	4,787,790	7,718,747
2020 Census	38,499	425,264	4,420,568	7,151,502
2010 Census	35,840	375,770	3,817,117	6,392,017
2000 Census	31,814	179,727	3,072,149	5,130,632
1990 Census	18,092	116,397	2,122,101	3,665,305

(a) Estimate as of July 2025 (data released in December 2025).

Source: Arizona Office of Economic Opportunity, Population Statistics Unit and the U.S. Census Bureau.

Fiscal management of District operations is provided by an elected five-member board (the “District Board”), in conjunction with the fire chief who directs administrative and operational services. District operations are divided into four sections; Emergency Services, Community and Technical Services, Administrative Services and Financial Services each led by a member of the District’s Senior Leadership Team. The District delivers advanced life support (ALS) and fire-related life safety functions utilizing a three-platoon system. Each platoon has an assigned battalion chief that directs daily operations with station captains providing supervision of direct fire and emergency medical services (EMS) related operations.

**Administration and Governance**

The District has 141 full-time employees, of which 127 are full-time emergency personnel, 76 are state certified paramedics, 51 are emergency responders and 14 are administrative.

The District operates under the supervision of the District Board. The members of the District Board are elected at large from within the District’s boundaries for four year terms. The present members of the District Board are:

**TABLE 2**

**DISTRICT BOARD**

- Kathleen Chamberlain, *Board Chair*
- Connie Van Driel, *Board Clerk*
- Jeff Cross, *Board Member*
- Shawn Kurian, *Board Member*
- Jason Moeller, *Board Member*

Administration officials of the District include:

**ADMINISTRATIVE OFFICIALS**

- John Whitney IV, *Fire Chief*
- Anna Butel, *Administrative Director*
- Miki Klemesrud, *Administrative Specialist – AP/AR*

**THE DISTRICT –  
FINANCIAL INFORMATION**

**PROPERTY TAXES**

As described under the heading “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS,” the District will be required by law to cause to be levied on all the taxable property in the District a continuing, direct, annual, *ad valorem* property tax sufficient to pay all principal, interest, and costs of administration for the Bonds as the same become due. The State’s *ad valorem* property tax levy and collection procedures are summarized under this heading “PROPERTY TAXES.”

**Taxable Property**

Real property and improvements and personal property are either valued by the Assessors of Pinal County or Maricopa County, Arizona (together, the “Counties”) or the Arizona Department of Revenue (the “Department of Revenue”). Property valued by the Assessors of the Counties is referred to as “locally assessed” property and generally encompasses residential, agricultural and traditional commercial and industrial property. Property valued by the Department of Revenue is referred to as “centrally valued” property and generally includes large mine and utility entities.

Locally assessed property is assigned two values: Full Cash Value and Limited Property Value (both as defined herein). Centrally valued property is assigned one value: Full Cash Value.

**Full Cash Value**

In the context of a specific property parcel, full cash value (“Full Cash Value”) is statutorily defined to mean “the value determined as prescribed by statute” or if a statutory method is not prescribed it is “synonymous with market value, which means the estimate of value that is derived annually by using standard appraisal methods and techniques,” which generally include the market approach, the cost approach and the income approach. In valuing locally assessed property, the Assessors of the Counties generally use a cost approach to value commercial/industrial property and a market approach to value residential property. In valuing centrally valued property, the Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. State law allows taxpayers to appeal such Full Cash Values by providing evidence of a lower value, which may be based upon another valuation approach. Full Cash Value is used as the ceiling for determining Limited Property Value. Unlike Limited Property Value, increases in Full Cash Value are not limited.

**Limited Property Value**

In the context of a specific property parcel, limited property value (“Limited Property Value”) is a property value determined pursuant to the Arizona Constitution and the Arizona Revised Statutes. Except as described in the next sentence, for locally assessed property in existence in the prior year, Limited Property Value is limited to the lesser of Full Cash Value or an amount 5% greater than Limited Property Value determined for the prior year for such specific property parcel. In the following circumstances, Limited Property Value is established at a level or percentage of Full Cash Value that is comparable to that of other properties of the same or a similar use or classification: property that was erroneously totally or partially omitted from the property tax rolls in the preceding tax year, except as a result of the matters described in this sentence; property for which a change in use has occurred since the preceding tax year and property that has been modified by construction, destruction, or demolition since the preceding valuation year such that the total value of the modification is equal to or greater than fifteen percent of the Full Cash Value. (Limited Property Value of property that has been split, subdivided or consolidated varies depending on when the change occurred.) A separate Limited Property Value is not provided for centrally valued property.

## Full Cash Value and Limited Property Value for Taxing Jurisdictions

The Full Cash Value in the context of a taxing jurisdiction is the sum of the Full Cash Value associated with each parcel of property in the jurisdiction. Full Cash Value of the jurisdiction is the basis for determining constitutional and statutory debt limits for certain political subdivisions in Arizona, but not for fire districts.

The Limited Property Value in the context of a taxing jurisdiction is the sum of the Limited Property Value associated with each parcel of locally assessed property within the jurisdiction plus the sum of the Full Cash Value associated with each parcel of centrally valued property within the jurisdiction. Limited Property Value of the jurisdiction is used as the basis for levying both primary and secondary taxes and as the basis for determining debt limits for fire districts, including the District. See “Primary Taxes” and “Secondary Taxes” below.

## Property Classification and Assessment Ratios

All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the Limited Property Value or Full Cash Value of the property, as applicable, to obtain the “Limited Assessed Property Value” and the “Full Cash Assessed Value,” respectively.

The assessment ratios for each property classification are set forth by tax year in the following table.

**TABLE 3**

### Property Tax Assessment Ratios (Tax Year)

Property Classification (a)	2022	2023	2024	2025	2026
Mining, utilities, commercial and industrial (b)	17.5%	17%	16.5%	16%	15.5%
Agricultural and vacant land	15	15	15	15	15
Owner occupied residential	10	10	10	10	10
Leased or rented residential	10	10	10	10	10
Railroad, private car company and airline flight property (c)	15	14	14	13	13

(a) Additional classes of property exist, but seldom amount to a significant portion of a municipal body’s total valuation.

(b) The assessment ratio for this property classification will decrease to 15% for tax year 2027 and each tax year thereafter.

(c) This percentage is determined annually pursuant to Section 42-15005, Arizona Revised Statutes.

Source: State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

## Primary Taxes

Per State statute, taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are “primary taxes.” Primary taxes are levied against Net Limited Assessed Property Value (as defined herein). “Net Limited Assessed Property Value” is determined by excluding the value of property exempt from taxation from Limited Assessed Property Value of locally assessed property and from Full Cash Assessed Value of centrally valued property and combining the resulting two amounts. Fire districts do not levy primary taxes.

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the maximum allowable prior year’s levy limit plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts. The combined

taxes on owner occupied residential property only, for purposes other than voter-approved bond indebtedness and overrides and certain special district assessments, are constitutionally limited to 1% of the Limited Property Value of such property. This constitutional limitation on the combined tax levies for owner occupied residential property is implemented by reducing the school district's taxes. To offset the effects of reduced school district property taxes, the State compensates the school district by providing additional State aid.

### **Secondary Taxes**

Per State statute, taxes levied for payment of bonds, voter-approved budget overrides, the maintenance and operation of special purpose districts such as sanitary, fire, road improvement, water conservation and career technical education districts, and taxes levied by school districts for qualified desegregation expenditures are "secondary taxes." Like primary taxes, secondary taxes are also levied against Net Limited Assessed Property Value. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and overrides and certain special district assessments. Specific to fire districts, the law permits an annual operation and maintenance secondary tax levy that is limited to the lesser of the amount of the levy in the preceding tax year multiplied by 1.08 or a tax rate of \$3.75 per \$100 of Net Limited Assessed Property Value as of the date hereof and for each tax year thereafter. It should be noted that the assessment ratio of class one property, shown as "Mining, utilities, commercial and industrial" in TABLE 3 decreased to 15.5% for tax year 2026 and will decrease to 15% for each tax year thereafter. The District does not anticipate that the combined effect of the changes to tax rates and assessment ratios described above will be material. Additionally, State law permits an unlimited secondary tax for payment of voter approved bonds such as the Bonds. Fire districts also have a mechanism for imposition of a limited tax rate for voter approved operation and maintenance overrides.

### **Calculating Debt Limitations**

Net Limited Assessed Property Value is determined by excluding the value of property exempt from taxation from Limited Assessed Property Value of both locally assessed and centrally valued property and combining the resulting two amounts. This is the basis for determining bonded debt limitations for certain political subdivisions in Arizona, including the District.

### **Tax Procedures**

The State tax year has been defined as the calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the Counties prepare the tax roll setting forth certain valuations by taxing district of all property in each respective County subject to taxation. The tax roll is then forwarded to the Treasurers of the Counties. The Assessors of the Counties are required to complete the assessment roll by December 15th of the year prior to the levy. This roll identifies the valuation and classification of each parcel located within each respective County for the tax year.

Property owners may file an appeal with the Assessors of the Counties to request a review of the Assessors of the Counties' determination of the Full Cash Value and legal classification of their property. Once the appeals process is complete, the Assessors of the Counties, if necessary, correct the tax roll based upon the appeal decisions and sends the corrected values to each taxing jurisdiction (cities, school districts, including the District, community colleges and special districts such as fire and health).

On occasion, it may be determined that a taxpayer or class of taxpayers is due a property tax refund associated with a successful appeal. These refunds may be for a single year or several years and may range widely in amount. Generally, these refunds are paid by the Treasurer of the appropriate County with amounts received from the underlying taxing jurisdictions which, in most cases, may levy an additional property tax in the following year to account for that underlying taxing jurisdiction's portion of the taxpayer refund. Importantly, in most cases, taxpayer refunds of this type are not the ultimate burden of the underlying taxing jurisdiction, as the underlying taxing jurisdictions levied a tax in an amount which was based on the approved (i.e., pre-appeal) property tax levy. Refunds do not change the amount of revenue the underlying taxing jurisdictions are eligible to receive for the affected fiscal years, but such

refunds do change the distribution of the burden of the property taxes among the taxpayers. This is reconciled by the underlying taxing jurisdictions levying for the refunded amounts in a subsequent year.

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then levied upon each non-exempt parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll due to appeals or other reasons reduces the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years and liens imposed by the United States. Set forth below is a record of property taxes levied and collected in the District for a portion of the current fiscal year and all of the previous five fiscal years.

**TABLE 4**

**Property Taxes Levied and Collected (a)  
Superstition Fire and Medical District**

Fiscal Year	District Total Tax Rate	District Tax Levy as of June 30th	Collected to June 30th of Initial Fiscal Year		Adjusted District Tax Levy as of 2/9/2026	Cumulative Collections to February 09, 2026	
			Amount	% of Levy		Amount	% of Levy
2025/26	\$ 3.8000	\$ 23,170,208	(b)	(b)	\$ 23,116,772	\$ 15,370,807	66.49%
2024/25	3.8050	21,525,172	\$ 20,960,975	97.38%	21,434,285	21,185,620	98.84
2023/24	3.4701	18,858,329	18,470,860	97.95	18,755,631	18,753,737	99.99
2022/23	3.4850	17,056,441	16,758,130	98.25	16,979,799	17,004,063	100.00
2021/22	3.6300	16,693,466	16,392,163	98.20	16,714,264	16,657,270	99.66
2020/21	3.6500	15,758,984	15,500,234	98.36	15,768,115	15,729,507	99.76

(a) Taxes are collected by the Treasurers of the Counties. Taxes in support of debt service are levied by the Board of Supervisors of the Counties as required by Arizona Revised Statutes. Interest and penalty collections for delinquent taxes are not included in the collection figures above, but are deposited in each respective County's General Fund.

(b) 2025/26 taxes in course of collection:  
 First installment due 10-01-25; delinquent 11-01-25;  
 Second installment due 03-01-26; delinquent 05-01-26.

Source: Office of the Treasurers of the Counties.

**Delinquent Tax Procedures**

The property taxes due the District are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of each subsequent month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurers of the Counties prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurers of the Counties to deliver a treasurer's deed to the certificate holder as prescribed by law.

Chapter 176, Laws of Arizona 2024 (commonly referred to by its original bill number as "SB 1431") revises the redemption and foreclosure process for tax lien certificate holders whereby a delinquent taxpayer may request an entry of judgment directing the sale of the property for excess proceeds. If a delinquent taxpayer requests an excess proceeds sale, and an entry of judgment is granted to direct such excess proceeds sale, a tax lien certificate holder's potential financial return on the subject tax lien eligible for foreclosure may decrease relative to the tax lien certificate holder's potential financial return on such tax lien prior to the enactment of SB 1431. Therefore, in connection with the new excess proceeds sale process instituted by SB 1431, it is reasonable to conclude that "tax sale investors" may be less willing to purchase tax liens. The effective date of SB 1431 was September 14, 2024. None of the District, the Underwriter or the counsel or agents of either of them, are able to determine or predict what impact, if any, SB 1431 will have on property tax collections in the District.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect *ad valorem* taxes on property of a taxpayer within the District. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When an owner of land or property within the District (a "debtor") files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the District, the Underwriter or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the Counties are expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

*[Remainder of this page left intentionally blank]*

## ASSESSED VALUATIONS AND TAX RATES

**TABLE 5**

**Direct and Overlapping Net Limited Assessed Property Values and Tax Rates  
Per \$100 Net Limited Assessed Property Value**

Overlapping Jurisdiction	2025/26 Net Limited Assessed Property Value	2025/26 Combined Tax Rates Per \$100 Net Limited Assessed Property Value
State of Arizona	\$ 92,368,086,849	None
Pinal County	4,073,510,894	\$3.3630
Pinal County Community College District	4,073,510,894	1.7611
Pinal County Fire District Assistance Tax	4,073,510,894	0.0519
Pinal County Library District	4,073,510,894	0.0890
Pinal County Flood Control District (a)	3,594,801,512	0.1620
Central Arizona Water Conservation District (b)	4,073,510,894	0.1400
Maricopa County	60,724,517,168	1.4009
Maricopa County Community College District	60,724,517,168	1.2881
Maricopa County Special Health Care District (MIHS)	60,724,517,168	0.3046
Maricopa County Fire District Assistance Tax	60,724,517,168	0.0090
Maricopa County Library District	60,724,517,168	0.0556
Maricopa County Flood Control District (a)	56,554,825,877	0.1428
Central Arizona Water Conservation District (b)	60,724,517,168	0.1400
City of Apache Junction	238,509,446	None
Apache Junction Unified School District No. 43	631,945,919	3.5123
Superior Unified School District No. 15	27,740,669	5.7575
Mesa Unified School District No. 4	4,221,073,957	7.3696
East Valley Institute of Technology	30,407,132,485	0.0500
Cobre Valley Institute of Technology	66,858,494	0.0500
Superstition Vistas Community Facilities District No. 1	10,844,085	3.6000
Superstition Vistas Community Facilities District No. 2	2,513,858	4.1500
Superstition Fire & Medical District (c)	610,504,672	3.8000

(a) *The assessed value of the Flood Control Districts do not include the personal property assessed valuation of their respective Counties.*

(b) *Value shown for the Central Arizona Water Conservation District covers only their respective County's portion of such District.*

(c) *Approximately 99.9% of the District's Net Limited Assessed Property Value is in the Pinal County portion of the District.*

Source: *State and County Abstract of the Assessment Roll, Arizona Department of Revenue, Property Tax Rates and Assessed Values, Arizona Tax Research Association, and the Assessors of the Counties.*

**TABLE 6**

**Net Limited Assessed Property Value by Property Classification  
Superstition Fire and Medical District**

Class	2025/26	2024/25	2023/24	2022/23	2021/22
Commercial, industrial, utilities and mines	\$69,454,684	\$65,780,481	\$62,881,236	\$61,612,401	\$60,720,837
Agricultural and vacant	26,262,259	26,407,022	27,734,770	28,099,884	23,412,421
Residential (owner occupied)	314,662,832	285,540,178	260,295,757	236,811,657	219,496,928
Residential (rental)	200,018,984	185,790,648	170,962,969	163,001,528	154,996,548
Certain Government property improvements	105,913	98,774	94,848	85,741	70,666
Totals (a)	<u>\$610,504,672</u>	<u>\$563,617,103</u>	<u>\$521,969,580</u>	<u>\$489,611,212</u>	<u>\$458,697,401</u>

(a) *Totals may not add up due to rounding.*

Source: *State and County Abstract of the Assessment Roll, Arizona Department of Revenue.*

**TABLE 7**

**Net Limited Assessed Property Value of Major Taxpayers  
Superstition Fire and Medical District**

Major Taxpayer (a)	2025/26 Net Limited Assessed Property Value	As % of 2025/26 Net Limited Assessed Property Value
Arizona Water Company	\$ 4,291,578	0.70%
Hampton Meridian Cat LLC	4,253,706	0.70
Smith's Food & Drug Centers Inc	2,631,369	0.43
Wal-Mart Stores Inc	2,085,539	0.34
Southwest Gas Corporation	1,927,041	0.32
Gold Canyon MJ LLC	1,768,727	0.29
Amerco Real Estate Company	1,884,734	0.31
Gold Canyon Sewer Company	1,492,800	0.24
JSH Time LLC	1,445,278	0.24
Gilligan Gold Canyon LLC	1,381,272	0.23
	<u>\$ 23,162,044</u>	<u>3.79%</u>

(a) *Some of such taxpayers or their parent corporations are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected, copied and obtained at prescribed rates at the Commission's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-*

2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at <http://www.sec.gov>. No representatives of the District, the Underwriter, Bond Counsel or counsel to the Underwriter has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

Source: The Assessors of the Counties.

**TABLE 8**

**Comparative Net Limited Assessed Property Values  
Superstition Fire and Medical District**

Fiscal Year	Superstition Fire & Medical District	City of Apache Junction	Pinal County	Maricopa County	State of Arizona
2025/26	\$ 610,504,672	\$ 238,509,446	\$ 4,073,510,894	\$60,724,517,168	\$92,368,086,849
2024/25	563,617,103	214,344,520	3,772,917,916	58,328,686,358	88,425,625,840
2023/24	521,969,580	198,538,048	3,390,905,658	54,722,310,149	83,026,514,349
2022/23	489,611,212	186,889,095	3,126,962,457	51,575,018,185	78,415,651,030
2021/22	458,697,401	177,244,877	2,868,880,625	48,724,126,672	74,200,360,570

Source: *Property Tax Rates and Assessed Values*, Arizona Tax Research Association.

**TABLE 9**

**Net Full Cash Assessed Value and Estimated Net Full Cash Value History  
Superstition Fire and Medical District**

Fiscal Year	Net Full Cash Assessed Value	Estimated Net Full Cash Value (a)
2025/26	\$1,058,756,592	\$9,974,124,106
2024/25	1,047,673,532	9,873,589,917
2023/24	875,958,901	8,180,834,449
2022/23	630,516,620	5,804,438,952
2021/22	588,670,517	5,390,532,457

(a) *Estimated Net Full Cash Value is the total market value of the property within the District less the estimated Full Cash Value of property exempt from taxation within the District.*

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

**DIRECT AND OVERLAPPING BONDED INDEBTEDNESS**

**TABLE 10**

**Current Year Statistics (For Fiscal Year 2025/26)  
Superstition Fire and Medical District**

Total General Obligation Bonds Outstanding and to be Outstanding	\$ 17,273,000* (a)
Total Certificates of Participation Outstanding	27,735,000
Net Limited Assessed Property Value	610,504,672
Net Full Cash Assessed Value	1,058,756,592
Estimated Net Full Cash Value	9,974,124,106

*The District's preliminary fiscal year 2026/27 Net Limited Assessed Property Value is estimated at \$669,299,012, an increase of approximately 9.6% from the fiscal year 2025/26 Net Limited Assessed Property Value. The District's preliminary fiscal year 2026/27 Net Full Cash Assessed Value is estimated at \$1,166,862,522, an increase of approximately 10.2% from the fiscal year 2025/26 Net Full Cash Assessed Value. The District's preliminary fiscal year 2026/27 Estimated Net Full Cash Value is estimated at \$11,032,549,813, an increase of approximately 10.6% from the fiscal year 2025/26 Estimated Net Full Cash Value. The values are subject to adjustment until approved by the Board of Supervisors of each respective County before or on August 17, 2026.*

\* Subject to change.

(a) Includes the Bonds. See footnote (b) to TABLE 13 for a description of the treatment of certain proceeds of the Bonds for State voter authorization and debt limit purposes.

Source: *Property Tax Rates and Assessed Values*, Arizona Tax Research Association and *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

**TABLE 11**

**Direct General Obligation Bonded Debt Outstanding and to be Outstanding  
Superstition Fire and Medical District**

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding and to be Outstanding
2018	\$ 5,471,000	Current refunding	2027	\$ 1,338,000
Total General Obligation Bonded Debt Outstanding				\$ 1,338,000
Plus: The Bonds				15,935,000*
Total General Obligation Bonded Debt Outstanding and to be Outstanding				<u>\$ 17,273,000* (a)</u>

\* Subject to change.

(a) Includes the Bonds. See footnote (b) to TABLE 13 for a description of the treatment of certain proceeds of the Bonds for State voter authorization and debt limit purposes.

**TABLE 12**

**Certificates of Participation Outstanding  
Superstition Fire and Medical District**

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding
2021	\$29,360,000	PSPRS payment / Contingency Reserve Fund	2045	\$27,735,000
Total Certificates of Participation Outstanding				<u>\$27,735,000</u>

**TABLE 13**

**Statutory Debt Limit / Unused Borrowing Capacity after Bond Issuance  
Superstition Fire and Medical District**

2025/26 Debt Limitation (6% of Net Limited Assessed Property Value)	\$ 36,630,280
Less: General Obligation Bonds Outstanding and to be Outstanding (a)	(17,273,000)*
Less: Original Issue Premium on the Bonds (b)	(965,000)*
Unused Borrowing Capacity	<u>\$ 18,392,280 *</u>

\* *Subject to change.*

(a) *Includes the Bonds.*

(b) *This amount represents premium on the Bonds, which has been or will be deposited into the Capital Fund for project cost use, and such amount reduces in equal amount the borrowing capacity of the District under State statutes and the principal amount of general obligation bonds authorized at the Election (as described under the heading "THE BONDS – Authorization and Purpose"). Such capacity (but not authorization) will be recaptured as premium is amortized.*

*[Remainder of this page left intentionally blank]*

TABLE 14

**Direct and Overlapping General Obligation Bonded Debt  
Superstition Fire and Medical District**

Overlapping Jurisdiction	General Obligation Bonded Debt (b)	Proportion Applicable to the District (a)	
		Approximate Percent	Net Debt Amount
State of Arizona	None	0.66%	None
Pinal County	None	14.99	None
Pinal County Community College District	\$ 47,810,000	14.99	\$ 7,165,374
Maricopa County	None	0.09	None
Maricopa County Community College District	26,675,000	0.09	24,695
Maricopa County Special Health Care District (MIHS)	512,560,000	0.09	474,505
City of Apache Junction	None	13.56	None
Apache Junction Unified School District No. 43	3,500,000	96.52	3,378,032
Superior Unified School District No. 15	None	0.06	None
Mesa Unified School District No. 4	170,560,000	0.09	157,897
East Valley Institute of Technology	None	1.95	None
Cobre Valley Institute of Technology	None	0.02	None
Superstition Vistas Community Facilities District No. 1	7,240,000	1.78	128,600
Superstition Vistas Community Facilities District No. 2	2,500,000	0.41	10,294
Superstition Fire & Medical District (c)	17,273,000*	100.00	17,273,000*
Net Direct and Overlapping General Obligation Bonded Debt			<u>\$ 28,612,397*</u>

\* Subject to change.

(a) Proportion applicable to the District is computed on the ratio of Net Limited Assessed Property Value for 2025/26.

(b) Includes total stated principal amount of general obligation bonds outstanding. Does not include outstanding principal amount of certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed above. Does not include outstanding principal amounts of various county and city improvement districts, as the bonds of these districts are presently being paid from special assessments against property within the various improvement districts.

Does not include presently authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future as indicated in the following table. Additional bonds may also be authorized by voters within overlapping jurisdictions pursuant to future elections.

<u>Overlapping Jurisdiction</u>	<u>General Obligation Bonds Authorized but Unissued</u>
<i>Maricopa County Special Health Care District (MIHS)</i>	\$898,000,000
<i>Superstition Vistas Community Facilities District No. 1</i>	392,665,000
<i>Superstition Vistas Community Facilities District No. 2</i>	397,470,000
<i>Superstition Fire and Medical District (d)</i>	16,900,000*

*Also does not include the obligation of the Central Arizona Water Conservation District (the "CAWCD") to the United States Department of the Interior (the "Department of the Interior"), for repayment of certain capital costs for construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at \$1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the \$1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages will be fixed for the entire 50-year repayment period, which commenced October 1, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Arizona's Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to 14 cents per \$100 of Net Limited Assessed Property Value, of which 14 cents is being levied. (See Sections 48-3715 and 48-3715.02, Arizona Revised Statutes.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.*

(c) *Includes the Bonds.*

(d) *Reflects the reduction in authorization from the Election in connection with the issuance of the Bonds.*

Source: The various entities, *Property Tax Rates and Assessed Values*, Arizona Tax Research Association and Assessors of the Counties.

*[Remainder of this page left intentionally blank]*

**TABLE 15**

**Direct and Overlapping General Obligation Bonded Debt Ratios  
Superstition Fire and Medical District**

	Per Capita Bonded Debt Population Estimated @ 60,829	As % of District's 2025/26 Net Limited Assessed Property Value	As % of District's 2025/26 Estimated Net Full Cash Value
Net Direct General Obligation Bonded Debt (a)*	\$739.91	7.37%	0.45%
Net Direct and Overlapping General Obligation Debt (a)*	926.32	9.23	0.56

\* Subject to change.

(a) Includes the Bonds.

Source: State and County Abstract of the Assessment Roll, Arizona Department of Revenue, Property Tax Rates and Assessed Values, Arizona Tax Research Association and the District.

**TABLE 16**

**Other Obligations  
Superstition Fire and Medical District**

The District has the following capital lease payment obligations:

Item	Annual Payment Amount	Periods Due
2015 Pierce Tender Capital Lease	\$ 42,255.15	Annually through November 25, 2026
2024 Pierce Pumper Capital Lease	142,161.57	Annually through May 27, 2029
2025 Pierce Pumper Capital Lease	195,139.91	Annually through August 23, 2031

**DISTRICT EMPLOYEE RETIREMENT SYSTEM**

**Pension and Retirement Plans**

The District contributes to the retirement plans described below: the cost-sharing Arizona State Retirement System (“ASRS”) and the multiple-employer Public Safety Personnel Retirement System (“PSPRS”). Benefits are established by State statute and, depending on the plan, provide retirement, death, long-term disability, survivor and health insurance premium benefits. Both the District and each covered employee contribute in the case of each.

The Governmental Accounting Standards Board (“GASB”) adopted Statement Number 68, Accounting and Financial Reporting for Pensions, which requires that cost-sharing employers report their “proportionate share” of a plan’s net pension liability in their government-wide financial statements and that the cost-sharing employer’s pension expense component include its proportionate share of the system’s pension expense, the net effect of annual changes in the employer’s proportionate share and the annual differences between the employer’s actual contributions and its proportionate share. GASB’s Statement No. 67, Financial Reporting for Pensions, is designed to improve financial reporting by state and local governmental pension plans.

Starting on page 40 in APPENDIX C – “THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025” is information about the plans based on GASB’s Statements

No.s 67 and 68. Please refer to APPENDIX C for more specific information about the plans. In the case of any difference between what is here versus what is in APPENDIX C, the latter supersedes the former.

**The Arizona State Retirement System**

ASRS is a multiple-employer defined benefit pension plan, a multiple-employer defined benefit health insurance premium benefit plan, and a multiple-employer defined benefit long-term disability plan for approximately 600,000 Arizona public employees including qualified employees of the State, municipal governments, counties and K-12 education agencies. As of June 30, 2025, the unfunded liability for ASRS was \$15.5 billion with a funding ratio of 78.8% and an assumed earning rate of 7.0%. As of June 30, 2025, the District reported a liability of \$3,504,330 for its proportionate share of the net pension liability under ASRS. Pursuant to State statute, the contribution rate for the employer (the District) and active members of ASRS are equal. For fiscal year 2026/27, the actuarially determined contribution rate for the District and active members of ASRS is 11.98% (11.87% for retirement and health insurance and 0.11% for long-term disability).

The table below shows recent actuarially determined contribution rates that the active ASRS members and the District are/were required to contribute, the plan’s funded status and the pension contributions under ASRS for the current and past four fiscal years.

<u>Fiscal year ended</u>	<u>Retirement and Health Insurance Premiums</u>	<u>Long-term Disability</u>	<u>Total Contribution Rate</u>	<u>Funded Status</u>	<u>Pension Contributions</u>
June 30, 2027	11.87%	0.11%	11.98%	unavailable	unavailable
June 30, 2026	11.86	0.14	12.00	unavailable	unavailable
June 30, 2025	12.12	0.15	12.27	75.6%	\$355,478
June 30, 2024	12.14	0.15	12.29	74.0	341,510
June 30, 2023	12.03	0.14	12.17	73.1	338,494

**The Public Safety Personnel Retirement System**

PSPRS is an agent multiple-employer defined benefit pension plan and an agent multiple employer defined benefit health insurance premium benefit plan that covers public safety personnel who are regularly assigned to hazardous duties for which the Arizona State Legislature establishes active plan members’ contribution rates and member benefits. This is not a “pooled” system – a separate account exists for the police and fire employees of each participating political subdivision. In total, there are 258 individual plans in PSPRS. Each plan has its own financial condition, funding status, etc. which varies greatly across the system.

A 2016 amendment to the State constitution (“Prop 124”) created an exception to the prohibition in the Constitution against diminishing or impairing public retirement system benefits by allowing for certain adjustments to PSPRS and preserved the State’s legislature ability to modify public retirement benefits. Prop 124 allowed for, among other things, the replacement of permanent benefit increases then required by law with COLA (defined below) provisions tied to the regional consumer price indexes.

PSPRS active membership is comprised of three separate “tiers” based on date of hire which are shown in the following table.

<u>“Tier 1” Members</u>	<u>“Tier 2” Members</u>	<u>“Tier 3” Members</u>
Hired into PSPRS position before January 1, 2012	Hired into PSPRS position on or after January 1, 2012 and before July 1, 2017	Hired into PSPRS position on or after July 1, 2017

The different tiers have different types of plans. Tier 1 members have a defined benefit plan, Tier 2 members have a defined benefit or defined benefit hybrid plan and Tier 3 members have a defined contribution, defined benefit or defined benefit hybrid plan. (The hybrid plan is a pension with an additional defined contribution tax-deferred retirement savings account for Tier 2 and Tier 3 members who do not contribute to Social Security). For Tier 1 and Tier 2 members, the type of plan is determined automatically. For Tier 3 members the type of plan is an irrevocable career choice with a default to a defined benefit plan after 90 days. The actuarially determined employer contribution rate varies among the different tiers and the different types of plans as shown in the tables below.

As of June 30, 2025, the unfunded liability for Tiers 1 and 2 of PSPRS was \$7.1 billion.

*The following table shows the District's actuarially determined annual contribution rates, funded status and annual pension contribution amounts for its obligations under PSPRS.*

	Fiscal Year Ended				
	6/30/2027	6/30/2026	6/30/2025	6/30/2024	6/30/2023
<b>Contribution Rates</b>					
Tier 1 Defined Benefit Employer	18.71%	18.88%	16.71%	15.70%	35.56%
Tier 1 Defined Benefit Employee	7.65%	7.65%	7.65%	7.65%	7.65%
Tier 2 Defined Benefit Employer (a)	18.71%	18.88%	16.71%	15.70%	35.56%
Tier 2 Defined Benefit Employee (a)(b)	11.65%	11.65%	11.65%	11.65%	11.65%
Tier 3 Defined Benefit Employer (a)(c)	14.33%	14.68%	11.87%	11.67%	31.00%
Tier 3 Defined Benefit Employee (a)	8.66%	8.69%	8.89%	9.56%	9.94%
Tier 3 Defined Contribution Employer (c)	16.45%	16.73%	13.71%	12.80%	31.91%
Tier 3 Defined Contribution Employee	10.78%	10.74%	10.73%	10.60%	10.85%
Pension Funded Status	N/A	N/A	92.6%	92.4%	96.3%
Health Funded Status	N/A	N/A	128.7%	127.8%	110.6%
Total District (Employer) Pension and Health Contribution	N/A	N/A	\$1,051,102	\$1,043,442	\$1,310,101

- (a) Does not include additional contribution percentage of 3% associated with Tier 2 defined benefit members additionally participating in the defined contribution plan. Employer rate is 4% for Tier 2 members for a period of time depending on the individual's membership date.
- (b) Tier 2 employees contribute a maximum of 11.65%, but statutory requirements dictate only 7.65% is applied toward employer costs.
- (c) The amortization of unfunded liabilities for Tier 1 and Tier 2 is applied to the payroll for employees in all tiers, including Tier 3, on a level percent basis.

PSPRS has reported increases in its unfunded liabilities. The increases in unfunded liabilities is expected to result in increased future annual contributions by the District and its employees; however the specific impact on the District's and its employees' future contributions cannot be determined at this time.

### **Statutory Changes and Court Decisions Regarding the PSPRS**

PSPRS is operated under the umbrella of the Public Safety Personnel Retirement System and the Public Safety Personnel Retirement System Board of Trustees. Since 2011, there have been various retirement program modifications designed to mitigate the increasing unfunded liabilities in the programs. Some of these modifications were enacted by the Arizona Legislature and other changes (like Prop 124) were implemented by voter approved amendments to the State Constitution. Additionally, in some instances, modifications enacted by the Arizona

Legislature were reversed based on the outcome of successful court challenges. Substantively, the modifications have included changes to contribution rates, retirement criteria, funding horizons, retirement benefits and post-retirement benefit increase calculations.

### **Potential Future State Legislation Affecting PSPRS**

Bills are frequently introduced at sessions of the State Legislature that, if enacted, could impact the administration of the PSPRS and the eligibility, timing and payment of benefits from such plans. The District is unable to determine whether any such bills will be enacted into legislation or in what form such legislation may be enacted and what the impact of any such legislation may be.

### **District Actions Related to PSPRS**

On July 29, 2021, the District caused the execution and delivery of \$29,360,000 aggregate principal amount of Certificates of Participation, Taxable Series 2021, the proceeds of which were used to fund a portion of the District's then-unfunded liabilities with respect to PSPRS and fund a Contingency Reserve Fund. It is expected that funding the unfunded liabilities with the proceeds of such obligations will result in present value savings.

### **Other Post-Employment Retirement Benefits**

The District was required to implement GASB 75, which requires reporting the actuarially accrued cost of post-employment benefits, other than pension benefits ("OPEB"), such as health and life insurance for current and future retirees. GASB 75 requires that such benefits be recognized as current costs over the working lifetime of employees, and to the extent such costs are not pre-funded, GASB 75 will require the reporting of such costs as a financial statement liability.

District's firefighters who are not members of PSPRS participate in the Public Safety Personnel Defined Contribution Retirement Plan ("PSPDCRP"). The PSPDCRP is a defined contribution pension plan. The PSPRS Board of Trustees governs the PSPDCRP according to the provision of Arizona Revised Statutes 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% of the members' annual covered payroll, and the District was required by statute to contribute 9% or 5%, respectively, of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the earnings on those contributions. Employees vest in a portion of the District's contributions each year as set forth in statute. The plan retains nonvested District contributions when forfeited because of employment terminations. For the year ended June 30, 2025, the District recognized pension expense of \$3,348,230.

### **Governmental Accounting Standards**

*New Reporting Requirements* - Governmental Accounting Standards Board Statement No. 67, Financial Reporting for Pension Plans, An Amendment of GASB Statement No. 25, is designed to improve financial reporting by state and local governmental pension plans. This statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

## REVENUES AND EXPENDITURES

The following information of the District was derived from the budget of the District for fiscal year 2025/26 and the audited financial statements of the District for fiscal years 2020/21 through and including 2024/25. Budgeted figures for fiscal year 2025/26 are on a cash basis, are presented in the format required by State law, and are “forward looking” statements that may not be realized during the course of the fiscal year as presented herein and thus must be viewed with an abundance of caution. Audited figures for fiscal years 2020/21 through and including 2024/25 are on a modified accrual basis. The presentation which follows has not been independently subject to any audit procedures.

The following information should be read in conjunction with the audited financial statements of the District. **See APPENDIX C for the District’s most recent audited general purpose financial statements, which are for fiscal year ended June 30, 2025.** Such audited financial statements are the most recent available for the District, are not current and therefore must be considered with an abundance of caution. **The District has not requested the consent of Baker Tilly US, LLP to include its report and Baker Tilly US, LLP has performed no procedures subsequent to rendering its report on the financial statements.**

TABLE 17

**General Fund  
Superstition Fire and Medical District**

	Budgeted	Audited				
	2025/26 (a)	2024/25	2023/24	2022/23	2021/22	2020/21
FUND BALANCE AT BEGINNING OF YEAR	\$ 10,018,296	\$ 7,413,724	\$ 5,973,310	\$ 5,788,810	\$ 1,913,566	\$ 3,723,758
REVENUES						
Taxes	\$ 23,057,622	\$ 20,509,929	\$ 18,179,537	\$ 16,398,504	\$ 14,913,658	\$ 13,979,492
Centrally assessed taxes	423,340	387,537	441,272	407,322	408,513	369,405
Insurance premiums	144,000	144,000	143,824	148,575	131,410	129,648
County aid	400,000	400,000	400,000	400,000	400,000	400,000
Charges for service	-	457,863	472,009	489,154	560,255	933,811
Grants	-	480,699	1,048,867	271,771	347,611	524,097
Interest revenues	180,936	328,200	244,194	123,933	23,734	13,286
Other income	259,500	49,678	42,253	900	825	2,318
TOTAL REVENUES	\$ 24,465,398	\$ 22,757,906	\$ 20,971,956	\$ 18,240,159	\$ 16,786,006	\$ 16,352,057
OTHER FINANCING SOURCES & USES						
Transfers in	\$ -	\$ 530,000	\$ 65,062	\$ -	\$ -	\$ -
Transfers out	-	(1,547,413)	(1,000,000)	(1,145,598)	-	(1,859,558)
Certificates of participation issued	-	-	-	-	29,360,000	-
TOTAL FUNDS AVAILABLE FOR EXPENDITURES	\$ 34,483,694	\$ 29,154,217	\$ 26,010,328	\$ 22,883,371	\$ 48,059,572	\$ 18,216,257
EXPENDITURES						
Current						
Administration	\$ 1,786,463	\$ 4,684,531	\$ 5,084,650	\$ 2,524,879	\$ 2,303,007	\$ 2,343,034
Technical services	-	844,692	850,757	843,417	866,331	605,753
Communication services	-	241,176	321,940	253,688	270,978	245,171
Emergency services	-	12,527,616	10,941,478	12,140,609	37,371,563	12,995,769
Community services	-	115,871	90,801	98,413	108,674	112,964
Personnel	23,444,298	-	-	-	-	-
Operating	2,707,544	-	-	-	-	-
Capital	15,427,752	-	-	-	-	-
Debt Service						
Principal	-	825,000	530,000	270,000	-	-
Interest	-	772,518	776,978	779,055	713,797	-
Bond issuance costs	-	-	-	-	636,412	-
TOTAL EXPENDITURES	\$ 43,366,057	\$ 20,011,404	\$ 18,596,604	\$ 16,910,061	\$ 42,270,762	\$ 16,302,691
FUND BALANCE AT END OF YEAR		<b>\$ 9,142,813</b>	<b>\$ 7,413,724</b>	<b>\$ 5,973,310</b>	<b>\$ 5,788,810</b>	<b>\$ 1,913,566</b>

(a) Reflects the District's budgeted figures for fiscal year 2025/26 which are unaudited and subject to change upon audit. These amounts are "forward looking" statements and should be considered with an abundance of caution.

## APPENDIX C

### AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The following audited financial statements are for the fiscal year ended June 30, 2025. These are the most recent audited financial statements available to the District. THESE FINANCIAL STATEMENTS ARE NOT CURRENT AND MAY NOT REPRESENT THE CURRENT FINANCIAL CONDITION OF THE DISTRICT. See “REVENUES AND EXPENDITURES” in APPENDIX B.

Such audited financial statements are the most recent available for the District, are not current and therefore must be considered with an abundance of caution. **The District has not requested the consent of Baker Tilly US, LLP to include its report and Baker Tilly US, LLP has performed no procedures subsequent to rendering its report on the financial statements.**

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## **Independent Auditors' Report**

To the Board of Directors of  
Superstition Fire & Medical District

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

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Superstition Fire & Medical District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

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

## **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 GAAS 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 GAAS 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 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.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary 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.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical section 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 February 13, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 the District's internal control over financial reporting and compliance.



Tempe, Arizona  
February 13, 2026

# Superstition Fire & Medical District

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Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2025

## INTRODUCTION

The Management of the Superstition Fire and Medical District (the District) presents these financial statements with a narrative overview and analysis of financial activities for the fiscal year 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

- The total assets and deferred outflows of the Superstition Fire and Medical District were \$35,707,657 at the close of the fiscal year. The total liabilities and deferred inflows exceeded assets and deferred outflows by \$9,848,307. Of this amount \$21,343,903 represents a deficit balance of unrestricted net position. This negative unrestricted net position balance is attributed to the \$9,091,304 unfunded pension/OPEB liability and the \$27,735,000 of debt associated with the pension/OPEB liability and not reflective of the District's operational financial position.
- The District realized a \$1,795,426 increase in governmental fund balances during the fiscal year and a \$517,640 increase in proprietary fund net position.
- At the end of the current fiscal year, unassigned fund balances for the General Fund was \$5,476,942. The change in fund balance for the general fund was \$1,729,089 for the fiscal year. This is driven by continuing to find opportunities to increase revenue through grants and other means, while monitoring expenditures.
- Cash and investments increased by \$2,407,718 in the governmental funds, driven by an increase in property tax revenue of approximately \$2.3 million year over year.
- The district purchased \$1.9M of new capital assets in the current fiscal year. These assets included purchases of facility improvements, machinery and equipment, and vehicle-related assets, including a new pumper engine and radio equipment.
- During the fiscal year the district retired \$1,464,000 in governmental long-term debt principal. This reduction of debt was offset by the issuance of a new finance purchase arrangement for 1,147,381 and an increase in net pension liabilities of 1,369,417, that led to an overall increase in governmental long-term liabilities of 1,359,114.

## 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.

# Superstition Fire & Medical District

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Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2025

## 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 regard to interfund activity, payables and receivables.

**Statement of Net Position** - The *Statement of Net Position* (page 25) presents information of all the assets/deferred outflows and liabilities/deferred inflows of the District, with the difference between the two being reported as Net Position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**Statement of Activities** - The *Statement of Activities* (page 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 adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

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

# Superstition Fire & Medical District

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Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2025

## 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 Superstition Fire and Medical District, liabilities and deferred inflows exceeded assets and deferred outflows by \$9,848,307 at the close of the 2025 fiscal year. This included \$9,682,580 from governmental activities and \$165,727 from business-type activities.

The largest portion of net position in the District is \$7,444,280 which reflects its investment in capital assets (e.g. land, buildings and improvements, machinery and equipment, and vehicles), less any debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to residents; consequently, the assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of net position of \$4,051,316 reflects amounts restricted for future pension contributions. This is split between OPEB and debt service.

The remaining balance of unrestricted net position \$(21,343,903), reflects its cash and current accounts 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 2015, the District adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires the District to report a net liability for pensions of \$6,036,665 in the governmental funds and \$3,054,639 in the enterprise funds. In fiscal year 2018, the District adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which requires the District to report a net liability for OPEB of \$579 in the governmental funds. The District pays for pensions and OPEB on a pay as you go basis with current financial resources each year. However, the net pension/OPEB liability required to be reported is an actuarially determined amount for resources that are required sometime in the future.

# Superstition Fire & Medical District

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2025

The following table reflects the condensed Statement of Net Position:

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

	Primary Government Activities		Increase (Decrease)
	2025	2024	
Cash and other assets	\$ 17,442,882	\$ 14,909,076	\$ 2,533,806
Capital assets	10,648,334	10,193,783	454,551
Total assets	28,091,216	25,102,859	2,988,357
Total deferred outflows	7,616,441	7,993,510	(377,069)
Other liabilities	1,439,843	1,285,577	154,266
Long-term liabilities	42,495,368	41,860,354	635,014
Total liabilities	43,935,211	43,145,931	789,280
Total deferred inflows	1,620,753	1,042,777	577,976
Net investment in capital assets	7,444,280	7,073,297	370,983
Restricted	4,051,316	3,786,331	264,985
Unrestricted	(21,343,903)	(21,951,967)	608,064
Total net position	\$ (9,848,307)	\$ (11,092,339)	\$ 1,244,032

## Government-Wide Activities

The Net Position of the District from governmental activities increased from \$(11,092,339) to \$(9,887,360) a change of 11%. Key elements of these activities are as follows:

- Unrestricted net position decreased by \$608,084 or 3%.
- The increase in net position is attributed to the increase in cash and other assets of \$2,533,806 in the governmental funds, which was attributed to increased property tax revenues. In addition, the district experienced increase in service needs to the area while continuing to manage operational costs. The district also saw a decrease in long term liabilities of \$674,067 in the governmental funds which was attributed to the district retiring and managing debt in excess of new debt issued.
- Property taxes increased by \$2,366,401 as a result of a 12.5% increase in assessed valuation 1,8 and an increase in the tax rate to 3.6901, up 0.22 from prior year.
- Grants and contributions decreased by \$680,152 primarily due decreased federal funding.
- Charges for services income increased by \$448,126 due to an increase in ambulance call volume.
- Expenses for transport services decreased by \$230,821 due to a decrease ambulance call volume.

# Superstition Fire & Medical District

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2025

The following table reflects the Condensed Statement of Activities:

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

	<u>Primary Government Activities</u>		<u>Increase (Decrease)</u>
	<u>2025</u>	<u>2024</u>	
Program revenues:			
Charges for services	\$ 5,677,944	\$ 5,229,818	\$ 448,126
Capital/operating grants and contributions	480,699	1,572,136	(1,091,437)
General revenues:			-
Taxes	21,247,039	18,880,638	2,366,401
Centrally assessed taxes	399,614	456,186	(56,572)
Insurance premiums	144,000	143,824	176
County aid	400,000	400,000	-
Investment and other income	433,630	353,061	80,569
Net loss on sale of capital asset	-	-	-
Miscellaneous	84,843	64,905	19,938
Total revenues	<u>28,867,769</u>	<u>27,100,568</u>	<u>1,767,201</u>
Expenses:			
Administration	5,123,354	3,866,308	1,257,046
Technical services	1,828,702	858,355	970,347
Communication services	241,176	321,940	(80,764)
Emergency services	14,765,749	15,277,810	(512,061)
Community services	116,414	132,078	(15,664)
Interest on debt, debt issuance	840,909	865,373	(24,464)
Transport services	4,707,433	4,977,307	(269,874)
Total expenses	<u>27,623,737</u>	<u>26,299,171</u>	<u>1,324,566</u>
Change in net position	1,244,032	801,397	442,635
Beginning net position	<u>(11,092,339)</u>	<u>(11,893,736)</u>	<u>801,397</u>
Ending net position	<u>\$ (9,848,307)</u>	<u>\$ (11,092,339)</u>	<u>\$ 1,244,032</u>

# Superstition Fire & Medical District

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2025

## DISTRICT FUNDS FINANCIAL ANALYSIS

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

As of June 30, 2025, the governmental funds of the District reported combined fund balances of \$12,858,509 which is an increase of \$1,1,795,426 compared to the prior period.

**General Fund** - The General Fund accounts for all the resources retained by the District not accounted for in any other fund. At June 30, 2025, total General Fund balance was \$9,142,813, of which \$74,206 was nonspendable because of prepaid items, \$3,591,665 is restricted used for debt retirement and \$3,591,665 was unassigned for financial reporting purposes. Total General Fund balance increased by \$1,729,089 due to an increase in revenues while controlling spend.

**Capital Fund** - The Capital Fund accounts for all values associated with capital assets and financing obligations for the payment for those assets. The Capital Fund remained consistent, with an increase in fund balance of \$136,872.

**Transport Fund** - The Transport Fund accounts for all values associated with the ambulance services. The increase in the Transport Fund of \$517,640 is primarily due to the increase in call volume while continuing to control spend.

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

### Superstition Fire and Medical District Fund Statements—Fund Balances As of June 30, 2025 and 2024

	2025		2024	
	Amount	Percent	Amount	Percent
General	\$ 9,967,813	79 %	\$ 7,413,724	71 %
Capital	2,883,327	23	3,571,455	34
Transport	(165,727)	(2)	(683,367)	(7)
Other nonmajor	7,369	0	77,904	1
Total fund balance	<u>\$ 12,692,782</u>	<u>100.0 %</u>	<u>\$ 10,379,716</u>	<u>100.0 %</u>

## BUDGETARY HIGHLIGHTS

There were some variances of note for the fiscal year.

- Revenues were over budget by \$285,198 mainly due to an increase in property tax revenue of approximately \$2.3 million year over year.
- Expenditures were over budget by \$961,585 driven by an increase wages and associated benefits to support emergency services.

# Superstition Fire & Medical District

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2025

For more detailed information, see budget to actual comparisons on page 55.

## Condensed Budget to Actual—General Fund As of June 30, 2025

	2025		Variance with Budget
	Budget	Actual	
Total revenues	\$ 22,472,708	\$ 22,757,906	\$ 285,198
Total expenditures	20,147,989	20,011,404	(136,585)
Revenue over expenditures	2,324,719	2,746,502	421,783
Total other financing sources (uses)	(1,279,161)	(1,017,413)	261,748
Net change in fund balance	\$ 1,045,558	\$ 1,729,089	\$ 683,531

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

As of June 30, 2025, the investment in capital assets for governmental activities amounts to \$9,867,432 (net of accumulated depreciation). This investment in capital assets includes land, and improvements, buildings and improvements, vehicles, furniture and equipment. The total increase in capital assets for the current fiscal year was \$447,179 or 5 %.

Additional information regarding the capital assets of the District can be found in the notes to the financial statements on page 36 of this report.

### Capital Assets (net of depreciation) As of June 30, 2025 and 2024

	Governmental Activities		Increase (Decrease)
	2025	2024	
Land	\$ 1,241,806	\$ 1,241,806	\$ -
Buildings and improvements	13,189,969	13,116,437	73,532
Construction in progress	-	894,969	(894,969)
Machinery and equipment	4,847,481	4,381,989	465,492
Vehicles	11,745,877	9,660,997	2,084,880
Accumulated depreciation	(21,157,701)	(19,875,945)	(1,281,756)
Net change in fund balance	\$ 9,867,432	\$ 9,420,253	\$ 447,179

# Superstition Fire & Medical District

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2025

## Long-Term Liabilities

At the end of the current fiscal year, the District had \$38 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 total long term debt (certificates of participation, GO bonds and financed purchases) outstanding of \$29,073,000 in the governmental funds. This debt currently requires annual debt service payments that consist of principal and interest of approximately \$2,740,000. All debt is backed by the full faith and credit of the District.

In accordance with GASB 68 and GASB 75, the District is required to include the net pension/OPEB liability on the financial statements. The net pension/OPEB liability is measured as the total pension/OPEB liability, less the pension/OPEB plans' fiduciary net position. A net pension/OPEB liability is recorded at June 30, 2025 relating to the District's participation in the Public Safety Personnel Retirement System (PSPRS) of \$6,037,244 and \$3,054,639 in the governmental and enterprise funds, respectively.

Additional information regarding the long-term debt of the District can be found in the notes to the financial statements on page 38 of this report.

The following table shows the District's Outstanding Debt:

	Primary Government Activities		Increase (Decrease)
	2025	2024	
Compensated absences	\$ 2,501,038	\$ 2,566,609	\$ (65,571)
Certificate of participation	27,735,000	28,560,000	(825,000)
Refunding 2018 GO Bonds	1,338,000	1,977,000	(639,000)
Deferred gain on refunding	54,910	54,910	-
Deferred inflow related to Pension/OPEB	1,620,753	1,042,777	577,976
Finance purchase	1,829,447	1,088,576	740,871
Net pension/OPEB liability	9,091,883	7,490,173	1,601,710
Total noncurrent liabilities	<u>\$ 44,171,031</u>	<u>\$ 42,780,045</u>	<u>\$ 1,390,986</u>

## ECONOMIC FACTORS AND FY 2025 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 District realized a 7.98% increase in property values for fiscal year 2025. The increases in both tax and nontax revenues have allowed the District to maintain the level of service provided. With continued rising costs and a focus on future needs of the area residents, the District increased their tax rate for the fiscal year ending June 30, 2025 to 3.6900. This continues to allow the District to build its unrestricted reserve balance to meet future financial needs and ensure long term financial stability.

## **Superstition Fire & Medical District**

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Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2025

### **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 565 N. Idaho Road, Apache Junction, Arizona 85119 or 480-982-4440.

**Basic Financial Statements**  
**Government-Wide Financial Statements**



# Superstition Fire & Medical District

Statement of Net Position

June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 11,245,106	\$ 345,383	\$ 11,590,489
Receivables, net of allowance for uncollectible accounts	765,335	710,469	1,475,804
Prepays	74,206	36,344	110,550
Restricted cash and cash equivalents	3,655,530	-	3,655,530
Internal balances	(1,210,864)	1,210,864	-
Investment in joint venture	158,227	-	158,227
Net OPEB asset	363,433	88,849	452,282
Capital assets:			
Capital assets, not being depreciated/amortized	1,241,806	-	1,241,806
Capital assets, being depreciated/amortized, net	8,625,626	780,902	9,406,528
Total assets	<u>24,918,405</u>	<u>3,172,811</u>	<u>28,091,216</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources related to pensions/OPEB	7,014,347	602,094	7,616,441
Total deferred outflows of resources	<u>7,014,347</u>	<u>602,094</u>	<u>7,616,441</u>
<b>Liabilities</b>			
Accounts payable	352,620	150,603	503,223
Accrued payroll and employee benefits	619,354	98,234	717,588
Accrued interest	14,279	2,067	16,346
Unearned revenue	-	202,686	202,686
Current portion of:			
Finance purchase agreement	387,966	-	387,966
Compensated absences	1,040,000	123,000	1,163,000
Bonds payable	659,000	-	659,000
Certificates of participation payable	1,085,000	-	1,085,000
Long-term portion of:			
Finance purchase agreement	1,441,481	-	1,441,481
Compensated absences	1,305,682	32,356	1,338,038
Bonds payable	679,000	-	679,000
Certificate of participation payable	26,650,000	-	26,650,000
Net pension liability	6,036,665	3,054,639	9,091,304
Net OPEB liability	579	-	579
Total liabilities	<u>40,271,626</u>	<u>3,663,585</u>	<u>43,935,211</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources for deferred gain on refunding	36,607	-	36,607
Deferred inflows of resources related to pensions/OPEB	1,307,099	277,047	1,584,146
Total deferred inflows of resources	<u>1,343,706</u>	<u>277,047</u>	<u>1,620,753</u>
<b>Net Position</b>			
Net investment in capital assets	6,663,378	780,902	7,444,280
Restricted for:			
Post employment benefits	363,433	88,849	452,282
Debt service	3,599,034	-	3,599,034
Unrestricted	(20,308,425)	(1,035,478)	(21,343,903)
Total net position	<u>\$ (9,682,580)</u>	<u>\$ (165,727)</u>	<u>\$ (9,848,307)</u>

See notes to financial statements

# Superstition Fire & Medical District

## Statement of Activities

Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary Government</b>							
Governmental activities:							
Administration	\$ 5,123,354	\$ -	\$ 480,699	\$ -	\$ (4,642,655)	\$ -	\$ (4,642,655)
Technical services	1,828,702	-	-	-	(1,828,702)	-	(1,828,702)
Communication services	241,176	-	-	-	(241,176)	-	(241,176)
Emergency services	14,765,749	457,863	-	-	(14,307,886)	-	(14,307,886)
Community services	116,414	-	-	-	(116,414)	-	(116,414)
Interest on debt	840,909	-	-	-	(840,909)	-	(840,909)
Total governmental activities	22,916,304	457,863	480,699	-	(21,977,742)	-	(21,977,742)
Business-type activities:							
Transport services	4,707,433	5,220,081	-	-	-	512,648	512,648
Total primary government	\$ 27,623,737	\$ 5,677,944	\$ 480,699	\$ -	(21,977,742)	512,648	(21,465,094)
General revenues:							
Property taxes					21,247,039	-	21,247,039
Centrally assessed taxes					399,614	-	399,614
Insurance premiums					144,000	-	144,000
County aid					400,000	-	400,000
Investment earnings					428,638	4,992	433,630
Miscellaneous					84,843	-	84,843
Total general revenues					22,704,134	4,992	22,709,126
Change in net position					726,392	517,640	1,244,032
<b>Net Position, Beginning</b>					(10,408,972)	(683,367)	(11,092,339)
<b>Net Position, Ending</b>					\$ (9,682,580)	\$ (165,727)	\$ (9,848,307)

See notes to financial statements

# Basic Financial Statements

**Governmental Funds Financial Statements** - include the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance for the major governmental funds that use the modified accrual basis of reporting. Also includes the reconciliations to the government-wide financial statements.

**Proprietary Funds Financial Statements** - include the Statement of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows for the business-type activities that use the accrual basis of accounting for financial reporting.

**Notes to the Financial Statements**



# Superstition Fire & Medical District

Balance Sheet - Governmental Funds

June 30, 2025

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 7,569,890	\$ 3,675,216	\$ -	\$ 11,245,106
Receivables:				
Accounts receivable	741,717	-	23,618	765,335
Due from other funds	-	84,144	-	84,144
Prepays	74,206	-	-	74,206
Restricted cash and cash equivalents	<u>3,591,665</u>	<u>58,824</u>	<u>5,041</u>	<u>3,655,530</u>
 Total assets	 <u>\$ 11,977,478</u>	 <u>\$ 3,818,184</u>	 <u>\$ 28,659</u>	 <u>\$ 15,824,321</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 257,042	\$ 95,578	\$ -	\$ 352,620
Accrued wages and benefits	619,354	-	-	619,354
Other liabilities	-	14,279	-	14,279
Due to other funds	<u>1,295,008</u>	<u>-</u>	<u>-</u>	<u>1,295,008</u>
 Total liabilities	 <u>2,171,404</u>	 <u>109,857</u>	 <u>-</u>	 <u>2,281,261</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue, property taxes	<u>663,261</u>	<u>-</u>	<u>21,290</u>	<u>684,551</u>
 Total deferred inflows of resources	 <u>663,261</u>	 <u>-</u>	 <u>21,290</u>	 <u>684,551</u>
<b>Fund Balances</b>				
Nonspendable	74,206	-	-	74,206
Restricted for:				
Debt service	3,591,665	-	7,369	3,599,034
Assigned, capital projects	-	3,708,327	-	3,708,327
Unassigned	<u>5,476,942</u>	<u>-</u>	<u>-</u>	<u>5,476,942</u>
 Total fund balances	 <u>9,142,813</u>	 <u>3,708,327</u>	 <u>7,369</u>	 <u>12,858,509</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 11,977,478</u>	 <u>\$ 3,818,184</u>	 <u>\$ 28,659</u>	 <u>\$ 15,824,321</u>

See notes to financial statements

## Superstition Fire & Medical District

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

June 30, 2025

**Fund Balance, Total Governmental Funds Balance Sheet** \$ 12,858,509

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

Investment in joint venture 158,227

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

Governmental capital assets	\$ 31,025,133	
Less accumulated depreciation/amortization	<u>(21,157,701)</u>	9,867,432

Deferred revenue is shown on the governmental funds, but is not deferred on the statement of net position 684,551

Some liabilities (assets), including net pension liabilities (assets), leases, loans payable and bonds payable, are not assets / not due and payable in the current period, and therefore, are not reported in the funds.

Finance purchase agreement	(1,829,447)	
Net OPEB asset	363,433	
Net pension liability	(6,036,665)	
Net OPEB liability	(579)	
Compensated absences	(2,345,682)	
Deferred gain on bond refunding	(36,607)	
Bonds payable	(1,338,000)	
Certificates of participation payable	<u>(27,735,000)</u>	(38,958,547)

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	7,014,347	
Deferred inflows of resources related to pensions/OPEB	<u>(1,307,099)</u>	<u>5,707,248</u>

**Net Position of Governmental Activities, Statement of Net Position** \$ (9,682,580)

## Superstition Fire & Medical District

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
Year Ended June 30, 2025

	General	Capital Projects Fund	Nonmajor Debt Service Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 20,509,929	\$ -	\$ 658,220	\$ 21,168,149
Centrally assessed taxes	387,537	-	12,077	399,614
Insurance premiums	144,000	-	-	144,000
County aid	400,000	-	-	400,000
Charges for services	457,863	-	-	457,863
Intergovernmental	480,699	-	-	480,699
Interest earnings	328,200	87,497	12,941	428,638
Miscellaneous	49,678	35,165	-	84,843
	<u>22,757,906</u>	<u>122,662</u>	<u>683,238</u>	<u>23,563,806</u>
Total revenues				
<b>Expenditures</b>				
Current:				
Administration	4,684,531	-	-	4,684,531
Technical services	844,692	-	-	844,692
Communication services	241,176	-	-	241,176
Emergency services	12,527,616	174,912	-	12,702,528
Community services	115,871	-	-	115,871
Capital outlay	-	1,763,981	-	1,763,981
Debt service:				
Principal	825,000	236,530	639,000	1,700,530
Interest and fiscal charges	772,518	33,985	55,949	862,452
	<u>20,011,404</u>	<u>2,209,408</u>	<u>694,949</u>	<u>22,915,761</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>2,746,502</u>	<u>(2,086,746)</u>	<u>(11,711)</u>	<u>648,045</u>
<b>Other Financing Sources and (Uses)</b>				
Transfers in	530,000	2,245,237	686,413	3,461,650
Transfers out	(1,547,413)	(1,169,000)	(745,237)	(3,461,650)
Finance purchase arrangement issued	-	1,147,381	-	1,147,381
	<u>(1,017,413)</u>	<u>2,223,618</u>	<u>(58,824)</u>	<u>1,147,381</u>
Total other financing sources and uses				
Net change in fund balances	1,729,089	136,872	(70,535)	1,795,426
<b>Fund Balances, Beginning</b>	<u>7,413,724</u>	<u>3,571,455</u>	<u>77,904</u>	<u>11,063,083</u>
<b>Fund Balances, Ending</b>	<u>\$ 9,142,813</u>	<u>\$ 3,708,327</u>	<u>\$ 7,369</u>	<u>\$ 12,858,509</u>

See notes to financial statements

## Superstition Fire & Medical District

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2025

**Net Change in Fund Balances, Total Governmental Funds** \$ 1,795,426

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense:

Expenditures for capital assets	\$ 1,763,981	
Less current year depreciation/amortization	<u>(1,281,756)</u>	482,225

In the statement of activities, only the gain/loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources.

Thus, the change in net position differs from the change in fund balance by the book value of the capital assets sold. (35,046)

Pension and 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 position liability is measured a year before the District's report date. Pension expense, which is the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the statement of activities:

Pension and OPEB contributions	1,207,297	
Pension and OPEB expense	<u>(3,348,230)</u>	(2,140,933)

Revenues received in the current year that were accrued in the statement of activities in prior years:

Property taxes		78,890
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Debt proceeds provide current financial resources and capital outlay to the governmental funds, but issuing debt increases long-term liabilities in the Statement of Activities

Finance purchase agreement issued		(1,147,381)
-----------------------------------	--	-------------

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:

Amortization of deferred gain on refunding	18,303	
Finance purchase agreement	236,530	
Interest paid	3,240	
Notes payable	639,000	
Bonds payable	<u>825,000</u>	1,722,073

Compensated absences 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

(28,862)

**Change in Net Position of Governmental Activities** \$ 726,392

# Basic Financial Statements

## Proprietary Fund

**Transport Services** - This fund is used to account for funds received and expended for ambulance services as well as for the acquisition of major equipment.



# Superstition Fire & Medical District

Statement of Net Position - Proprietary Fund

June 30, 2025

	<b>Transport Services</b>
<b>Current Assets</b>	
Cash and cash equivalents	\$ 345,383
Receivables, net of allowance for uncollectible accounts	710,469
Prepaid expenses	36,344
Due from other funds	1,210,864
Total current assets	<u>2,303,060</u>
<b>Noncurrent Assets</b>	
Net OPEB asset	88,849
Capital assets:	
Capital assets, being depreciated/amortized, net	780,902
Total noncurrent assets	<u>869,751</u>
Total assets	<u>3,172,811</u>
<b>Deferred Outflows of Resources</b>	
Deferred outflows of resources related to pensions/OPEB	602,094
Total deferred outflows of resources	<u>602,094</u>
<b>Current Liabilities</b>	
Accounts payable	150,603
Accrued wages and benefits	98,234
Accrued interest	2,067
Unearned revenue	202,686
Compensated absences	123,000
Total current liabilities	<u>576,590</u>
<b>Noncurrent Liabilities</b>	
Compensated absences	32,356
Net pension liability	3,054,639
Total noncurrent liabilities	<u>3,086,995</u>
Total liabilities	<u>3,663,585</u>
<b>Deferred Inflows of Resources</b>	
Deferred inflows of resources related to pensions/OPEB	277,047
Total deferred inflows of resources	<u>277,047</u>
<b>Net Position</b>	
Net investment in capital assets	780,902
Restricted for post employment benefits	88,849
Unrestricted	(1,035,478)
Total net position	<u>\$ (165,727)</u>

See notes to financial statements

## Superstition Fire & Medical District

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund  
Year ended June 30, 2025

	<u>Transport Services</u>
<b>Operating Revenues</b>	
Charges for services	\$ 5,220,081
Total operating revenues	<u>5,220,081</u>
<b>Operating Expenses</b>	
Transport	3,073,634
General and administrative	1,518,167
Depreciation/amortization	<u>115,632</u>
Total operating expenses	<u>4,707,433</u>
Operating income (loss)	<u>512,648</u>
<b>Nonoperating Revenues (Expenses)</b>	
Investment earnings	<u>4,992</u>
Total nonoperating revenues (expenses)	<u>4,992</u>
Change in net position	517,640
<b>Net Position, Beginning</b>	<u>(683,367)</u>
<b>Net Position, Ending</b>	<u><u>\$ (165,727)</u></u>

See notes to financial statements

## Superstition Fire & Medical District

Statement of Cash Flows - Proprietary Fund  
Year Ended June 30, 2025

	<u>Transport Services</u>
<b>Cash Flows From Operating Activities</b>	
Receipts from customers	\$ 5,315,099
Payments to vendors	(1,837,705)
Payments for employees	(2,839,569)
Payments to other funds	<u>(403,242)</u>
Net cash provided by operating activities	<u>234,583</u>
<b>Cash Flows From Capital and Related Financial Activities</b>	
Payments for finance purchase agreements	<u>(169,980)</u>
Net cash (used in) capital and related financing activities	<u>(292,983)</u>
<b>Cash Flows From Investing Activities</b>	
Interest on investments	<u>4,992</u>
Net change in cash and cash equivalents	(53,408)
<b>Cash and Cash Equivalents, Beginning</b>	<u>398,791</u>
<b>Cash and Cash Equivalents, Ending</b>	<u><u>\$ 345,383</u></u>

See notes to financial statements

## Superstition Fire & Medical District

Statement of Cash Flows - Proprietary Fund

Year Ended June 30, 2025

	<u>Transport Services</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ 512,648
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation/amortization expense	115,632
(Increase) decrease in:	
Accounts receivable	95,018
Prepaid expenses	1,826
Net OPEB asset	(9,495)
Deferred outflows of resources related to pensions and OPEB	(58,219)
Increase (decrease) in:	
Accounts payable	(25,940)
Accrued wages	2,029
Compensated absences	(39,053)
Due to other funds	(403,242)
Net OPEB liability	(977)
Net pension liability	1,202
Deferred inflows of resources related to pensions and OPEB	43,154
Total adjustments	<u>(278,065)</u>
Net cash provided by operating activities	<u>\$ 234,583</u>

See notes to financial statements

**Basic Financial Statements**  
**Notes to Financial Statements**



# Superstition Fire & Medical District

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Notes to Financial Statements

June 30, 2025

## 1. Summary of Significant Accounting Policies

The accounting policies and procedures of the Superstition Fire & Medical District (the District) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

### Reporting Entity

The Superstition Fire & Medical District was organized in 1955 pursuant to Title 48 of the Arizona Revised State Statutes (ARS) and is operated as a special purpose local government that is governed by an elected governing body.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The basic, but not only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The District does not currently have any potential component units.

### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these financial statements. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, state shared revenues, investment income and other items not included among program revenues are reported as general revenues.

### Measurement Focus, Basis of Accounting and Basis of Presentation

#### Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Special assessments are recognized as revenues in the year for which the related capital projects are substantially complete. Grants and similar items are recognized as revenues as soon as eligibility requirements imposed by the grantor or provider have been met.

#### Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

# Superstition Fire & Medical District

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Notes to Financial Statements

June 30, 2025

User fees, licenses and permits, charges for services, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The District has one nonmajor fund for June 30, 2025.

The District reports the following major governmental funds:

## **General Fund**

This fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in other funds.

## **Capital Project Fund**

This fund is used to account for funds received and expended for the construction of buildings and improvements as well as for the acquisition of apparatus and major equipment for use by the District.

The District reports the following major proprietary fund:

## **Transport Services Fund**

This fund is used to account for funds received and expended for ambulance services as well as for the acquisition of major equipment.

## **Budgeting and Budgetary Control**

The District Board formally adopts an annual budget for all operating funds which is submitted to the county treasurer and county board of supervisors. The budgets are adopted by the District on a basis consistent with ARS 48-807. This basis allows the District Board or Fire Chief to alter the budget within the total expenditure allocation as needed during the year. The District management generally cannot exceed the total expenditure budget.

## **Cash and Cash Equivalents**

Cash represents amounts in demand deposits and amounts held in trust by financial institutions. The funds held in trust are available to the District upon demand. Cash equivalents are defined as short-term (original maturities of three months or less), highly liquid investments that are 1) readily convertible to known amounts of cash and 2) so near maturity that they present insignificant risk of changes in value because of changes in interest rates.

## **Investments**

The District reports all investments at fair value in the statement of net position.

## **Restricted Cash**

Certain proceeds of the District's long-term debt, as well as certain resources set aside for repayment of debt are classified as restricted assets on the balance sheet because they are maintained in separate deposit accounts and their use is limited by applicable debt covenants.

# Superstition Fire & Medical District

Notes to Financial Statements  
June 30, 2025

## Inventory

Purchases of inventory items are recorded at the time of purchase (purchases method) as expenditures in the funds from which the purchases were made.

## Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of the interfund loans).

Property taxes are levied by the District and collected by the Pinal County and Maricopa County Treasurers. Property taxes are levied no later than the third Monday in August and are payable in two installments due October 1 of the current year and March 1 of the subsequent year. Taxes become delinquent after the first business day of November and May, respectively. Interest attaches on installments after the delinquent date. Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however, according to case law, an enforceable legal claim to the asset does not arise.

The District also levies various personal property taxes during the year which are due at the same time as real property taxes.

The business-type receivables are shown net of an allowance for uncollectibles. The amount of the estimated uncollectible business-type receivables at June 30, 2025 was \$974,965, which represents 57.8% of the current business-type receivables balance.

## Capital Assets

Capital assets, which include land, buildings and related improvements, equipment, vehicles, furniture, right-to-use lease assets, subscription based assets, and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of \$5,000 or more and an estimated useful life equal to or exceeding two years. Major outlays for capital assets and improvements are capitalized as projects are completed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Estimated useful lives for capital assets were determined based upon lives commonly used by other Arizona governmental agencies and various industry standards. Capital assets of the District are depreciated/amortized using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	27.5 - 40
Equipment	7
Fire trucks	10
Automobiles	5
Office equipment	5

Intangible right-to-use lease assets and subscription based assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

# Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2025

## Fund Balances - Governmental Funds

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The following classifications describe the relative strength of the spending constraints:

- a. **Nonspendable** - Amounts that cannot be spent either because they are in Nonspendable form or because they are legally or contractually required to be maintained intact.
- b. **Restricted** - Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. **Committed** - Amounts that can be used only for specific purposes determined by a formal action of the District Board. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the District Board.
- d. **Assigned** - Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the Board or any official or body to which the District Board delegates authority may assign amounts for specific purposes.
- e. **Unassigned** - All other spendable amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

## Compensated Absences

The District's employee vacation and sick leave policies provide for granting vacation and sick leave with pay. Sick leave and vacation benefits accrue at the employee's current rate of pay. The current and long-term liabilities for accumulated vacation and sick leave are reported on the government-wide financial statements as what is more likely than not to be used, paid or converted after year end.. Hours earned in excess of the annual allowable accumulations are paid out on the final paycheck of the fiscal year when approved by the Board. Any sick leave accrued amounts are paid at the maximum rate of 60% upon retirement and no payment upon resignation or termination. Accrued vacation is paid at 100%, regardless of the nature of departure. A liability for these amounts is reported in government funds only if they have matured, for example, as a result of employee resignation or retirement. Resources from the General Fund and the Transport Fund are generally used to liquidate the governmental funds, and business type liabilities, respectively, for compensated absences and are liquidated using the last in first out method.

## Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds.

## Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

# Superstition Fire & Medical District

Notes to Financial Statements  
June 30, 2025

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## Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

## Pensions and OPEB

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

## Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## 2. Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, an entity will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At June 30, 2025, the carrying amount of the District's deposits totaled \$15,246,019 and the amount on deposit with the Pinal County Treasurer's Office was \$13,639,725. At June 30, 2025, none of the District's bank balance was exposed to custodial credit risk as uninsured and is collateralized with securities held by the pledging financial institution's trust department.

The District has \$3,655,530 in restricted cash and cash equivalents. Of that restricted cash, \$3,591,665 is contingency reserve funds and the remaining portion is restricted for debt retirement.

## Superstition Fire & Medical District

Notes to Financial Statements  
June 30, 2025

### 3. Capital Assets

A summary of changes in capital assets for governmental activities is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Construction in progress	\$ 894,969	\$ -	\$ (894,969)	\$ -
Land	1,241,806	-	-	1,241,806
Total capital assets, not being depreciated/ amortized	<u>2,136,775</u>	<u>-</u>	<u>(894,969)</u>	<u>1,241,806</u>
Capital assets, being depreciated/amortized:				
Buildings, infrastructure and improvements	13,116,437	73,532	-	13,189,969
Vehicles and apparatus	9,660,997	1,224,957	859,923	11,745,877
Machinery and equipment	4,381,989	465,492	-	4,847,481
Total capital assets being depreciated/ amortized	<u>27,159,423</u>	<u>1,763,981</u>	<u>859,923</u>	<u>29,783,327</u>
Less accumulated depreciation/amortization for:				
Buildings, infrastructure and improvements	(9,908,708)	(374,805)	-	(10,283,513)
Vehicles and apparatus	(6,629,115)	(661,812)	-	(7,290,927)
Machinery and equipment	(3,338,122)	(245,139)	-	(3,583,261)
Total accumulated depreciation/ amortization	<u>(19,875,945)</u>	<u>(1,281,756)</u>	<u>-</u>	<u>(21,157,701)</u>
Total capital assets, being depreciated/ amortized, net	<u>7,283,478</u>	<u>482,225</u>	<u>859,923</u>	<u>8,625,626</u>
Governmental activities capital assets, net	<u>\$ 9,420,253</u>	<u>\$ 482,225</u>	<u>\$ (35,046)</u>	<u>\$ 9,867,432</u>

## Superstition Fire & Medical District

Notes to Financial Statements  
June 30, 2025

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, being depreciated:				
Buildings, infrastructure and improvements	\$ -	\$ 40,303	\$ -	\$ 40,303
Vehicles and apparatus	1,635,940	-	-	1,635,940
Machinery and equipment	120,312	82,700	-	203,012
	<u>1,756,252</u>	<u>123,003</u>	<u>-</u>	<u>1,879,255</u>
Total capital assets being depreciated				
Less accumulated depreciation/amortization for:				
Vehicles and apparatus	(895,505)	(109,063)	-	(1,004,568)
Machinery and equipment	(87,216)	(6,569)	-	(93,785)
	<u>(982,721)</u>	<u>(115,632)</u>	<u>-</u>	<u>(1,098,353)</u>
Total accumulated depreciation/amortization				
Total capital assets, being depreciated, net	<u>773,531</u>	<u>7,371</u>	<u>-</u>	<u>780,902</u>
Business-type activities capital assets, net	<u>\$ 773,531</u>	<u>\$ 7,371</u>	<u>\$ -</u>	<u>\$ 780,902</u>

Depreciation/amortization expense was charged to the various departments in the governmental activities as follows:

Governmental activities:	
Administrative	\$ 89,723
Technical services	1,179,215
Emergency services	12,818
	<u>1,281,756</u>
Total depreciation/amortization expense, governmental activities	<u>\$ 1,281,756</u>

The depreciation/amortization expense for business-type activities in the Transport Services Fund was \$115,632.

# Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2025

## 4. Long-Term Debt

### General Obligation Bonds

In July 2018, the district issued general obligation refunding bonds, Series 2018 with an interest rate of 2.83% to refund the higher rate 2006 Greater Arizona Development Authority (GADA) notes. Interest at the rate of 2.83% is payable semiannually on January 1 and July 1. The bonds are being repaid by means of a secondary tax levied on all taxable property within the Superstition Fire & Medical District sufficient to pay principal, interest and administration costs. The funds are held in a separate County Treasurer account to be used for principal and interest payments. The original GADA notes were used to provide funds for construction and furnishings of new fire stations and training facilities, to expand and renovate existing fire stations and facilities, acquire interest in land for construction and expansion of facilities, to acquire firefighting, rescue and other life preserving equipment, and to pay all legal, engineering, architectural, accounting, financial consulting and other necessary costs in connection with these activities. The GADA notes are considered defeased and related liabilities are not included in the District's financial statements.

The annual debt service requirements for this debt are as follows:

	<u>Principal</u>	<u>Interest</u>
Fiscal years ending June 30:		
2026	\$ 659,000	\$ 37,865
2027	679,000	19,216
Total	<u>\$ 1,338,000</u>	<u>\$ 57,081</u>

### Finance Purchase Agreements

The District entered into agreements for capital purchases of vehicles in the governmental and business-type activities. Such agreements are, in substance, finance purchase agreements. The agreements related to the governmental activities are payable in annual installments of \$142,162 to \$270,515, including interest at 3.50%. This includes payments of \$195,140 for new debt issued by the District in August of 2025 for the finance purchase of a new Pumper Vehicle. The finance purchases related to the business-type activity are payable in annual installments of \$175,148, including interest at 3.04%, and were paid off in 2025.

The following schedule presents future minimum payments as of June 30, 2025:

	<u>Governmental Activities</u>
Years ending June 30:	
2026	\$ 465,655
2027	379,557
2028	337,302
2029	337,302
2030	195,140
2031-2035	<u>390,280</u>
Total requirements	2,105,236
Less interest	<u>275,787</u>
Present value of remaining payments	<u>\$ 1,829,449</u>

## Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2025

Vehicles and related accumulated depreciation/amortization under finance purchase are as follows:

	<u>Governmental Activities</u>
Asset:	
Vehicles	\$ 1,148,359
Less accumulated depreciation/amortization	<u>(641,067)</u>
Net	<u>\$ 507,292</u>

### Certificates of Participation

Superstition Fire & Medical District issued taxable certificates of participation (COP) to provide funds to the Arizona Public Safety Pension Retirement System (PSPRS) to fully fund the pension liability with PSPRS on July 29, 2021. These taxable COPs have been issued for governmental activities. Taxable COPs are direct obligations and pledge the full faith and credit of the Superstition Fire & Medical District. The certificates of participation are secured by the District's fire stations S261, S263, S264, and S265. These COPs mature in 24 years and accrue interest at an annual rate of 2.89%.

	<u>Principal</u>	<u>Interest</u>
Fiscal years ending June 30:		
2026	\$ 1,085,000	\$ 763,118
2027	1,115,000	748,069
2028	1,135,000	730,185
2029	1,155,000	709,142
2030	1,180,000	685,649
2031-2035	6,320,000	2,995,121
2036-2040	7,265,000	2,055,208
2041-2045	<u>8,480,000</u>	<u>846,945</u>
Total	<u>\$ 27,735,000</u>	<u>\$ 9,533,437</u>

Changes in long-term debt as of June 30, 2025 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Refunding series 2018					
GO bonds	\$ 1,977,000	\$ -	\$ (639,000)	\$ 1,338,000	\$ 659,000
Certificate of participation	28,560,000	-	(825,000)	27,735,000	1,085,000
Deferred gain on refunding	54,910	-	(18,303)	36,607	-
Finance purchase	918,596	1,147,381	(236,530)	1,829,447	387,966
Compensated absences	2,316,820	28,862	-	2,345,682	1,040,000
Net pension liability	4,667,248	1,369,417	-	6,036,665	-
Net OPEB liability	1,887	-	(1,308)	579	-
Total	<u>\$ 38,496,461</u>	<u>\$ 2,545,660</u>	<u>\$ (1,720,141)</u>	<u>\$ 39,321,980</u>	<u>\$ 3,171,966</u>

# Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2025

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Finance purchases	\$ 169,980	\$ -	\$ (169,980)	\$ -	\$ -
Compensated absences	249,789	-	(94,433)	155,356	123,000
Net pension liability	3,053,437	1,202	-	3,054,639	-
Net OPEB liability	977	-	(977)	-	-
Business-like activities					
long-term liabilities	<u>\$ 3,474,183</u>	<u>\$ 1,202</u>	<u>\$ (265,390)</u>	<u>\$ 3,209,995</u>	<u>\$ 123,000</u>

## 5. Pensions and Other Postemployment Benefits

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

At June 30, 2025, the District reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-Type Activities	Total
Net pension liability	\$ 6,036,665	\$ 3,054,639	\$ 9,091,304
Net OPEB asset	363,433	88,849	452,282
Net OPEB liability	579	-	579
Deferred outflow of resources	7,014,347	602,094	7,616,441
Deferred inflow of resources	1,307,099	277,047	1,584,146
Pension and OPEB expense (income)	2,140,933	(15,698)	2,125,235

The District reported \$1,207,297 of pension and OPEB contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

### 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 Web site at [www.azasrs.gov](http://www.azasrs.gov).

# Superstition Fire & Medical District

Notes to Financial Statements  
June 30, 2025

## Benefits Provided

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

ASRS	Retirement Initial Membership Date	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefits	Sum of years and age equals 80 10 years age 62 5 years age 50* And 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

\*With actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment 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 survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Health insurance premium benefits are available to retired or disabled members with five 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.

# Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2025

## 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, active ASRS members were required by statute 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 the District was required by statute 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 to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2025 were \$355,478, \$2,065 and \$4,425, respectively.

During fiscal year 2025, the District paid 41% of ASRS contributions from the General Fund and 59% from the Transport Services Fund.

## Liability

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.

<u>ASRS</u>	<u>Net Pension/OPEB (Asset) Liability</u>
Pension	\$ 3,504,330
Health insurance premium benefit	(135,770)
Long-term disability	579

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

The District's proportion of the 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 from its proportion measured as of June 30, 2023, were:

<u>ASRS</u>	<u>Proportion June 30, 2024</u>	<u>Increase (Decrease) From June 30, 2023</u>
Pension	0.02190 %	0.00027 %
Health insurance	0.02248	0.00031
Long-term disability	0.02221	0.00036

# Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2025

## Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2025, the District recognized pension and OPEB expense (income) for ASRS of \$379,690 and \$(17,034), respectively. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	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	\$ 195,608	\$ -	\$ 3,929	\$ 32,783	\$ 2,129	\$ 1,542
Changes of assumptions or other inputs	-	-	-	1,408	419	3,466
Net difference between project and actual earnings on pension plan investments	-	223,790	-	9,333	-	632
Changes in proportion and differences between District contributions and proportionate share of contributions	42,441	-	-	1,808	685	-
District contributions subsequent to the measurement date	355,478	-	2,065	-	4,425	-
<b>Total</b>	<b>\$ 593,527</b>	<b>\$ 223,790</b>	<b>\$ 5,994</b>	<b>\$ 45,332</b>	<b>\$ 7,658</b>	<b>\$ 5,640</b>

The \$355,478, \$2,065 and \$4,425 reported as deferred outflows of resources related to ASRS pension and OPEB resulting from District contributions subsequent to the measurement date, respectively, will be recognized as a reduction of the net pension/OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized in expenses as follows:

	Pension	Health Insurance Premium Benefit	Long-Term Disability
Years ending June 30:			
2026	\$ (72,518)	\$ (25,715)	\$ (752)
2027	184,494	(6,285)	85
2028	(56,649)	(6,111)	(846)
2029	(41,068)	(2,755)	(834)
2030	-	(538)	(312)
Thereafter	-	-	252

# Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2025

## Actuarial Assumptions

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

### ASRS

Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 20, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9 - 8.4% for pensions
Inflation	2.3%
Permanent benefit increase	Included for pensions
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 five-year period ended June 30, 2020.

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

ASRS 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)
Total	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 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 liability.

# Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2025

## Sensitivity of District's Proportionate Share of the ASRS Net Liability (Asset) to Changes in the Discount Rate

The following table presents the District's proportionate share of the net liability calculated using the discount rate of 7.0%, as well as what the District's proportionate share of the net 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:

ASRS	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the:			
Net pension liability	\$ 5,365,845	\$ 3,504,330	\$ 1,952,919
Net insurance premium benefit liability (asset)	(98,704)	(135,770)	(167,284)
Net long-term disability liability	1,992	579	(811)

### Plan Fiduciary Net Position

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

## Public Safety Personnel Retirement System (PSPRS)

### Plan Description

Fire service 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 plan and an agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan (agent 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 include their financial statements and required supplementary information. The reports are available on the PSPRS web site at [www.psprs.com](http://www.psprs.com).

# Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2025

## Benefits Provided

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

PSPRS Retirement and Disability	Initial Membership Date	
	Before January 1, 2012	January 1, 2012 and Before 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
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	
<b>Survivor Benefits</b>		
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% of the member's compensation for up to 12 months.

Health insurance premium benefits are available to retired or disabled members with five 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.

# Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2025

## Employees Covered by Benefit Terms

At June 30, 2025, the following employees were covered by the agent plans' benefit terms:

	<u>PSPRS Pension Fire</u>	<u>PSPRS OPEB Fire</u>
Inactive employees or beneficiaries currently receiving benefits	41	41
Inactive employees entitled to but not yet receiving benefits	17	12
Active employees	<u>46</u>	<u>46</u>
Total	<u><u>104</u></u>	<u><u>99</u></u>

## Contributions and Annual OPEB Cost

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. Employer contribution rates for the year ended June 30, 2025, are indicated below. Rates are a percentage of active members' annual covered payroll.

	<u>PSPRS Fire</u>
Active members, pension	7.65-11.65 %
District:	
Pension	46.01
Health insurance premium benefit	0.24

In addition, statute required the District to contribute at the actuarially determined rate indicated below 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.

	<u>PSPRS Fire</u>
Pension	8.62 %
Health insurance premium benefit	0.21

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

	<u>PSPRS Fire</u>
Pension:	
Contributions made to PSPRS	\$ 1,051,102
Health Insurance Premium Benefit:	
Annual OPEB cost contributions made to PSPRS	7,267

During fiscal year 2025, the District paid 100% of the PSPRS pension and OPEB contributions from the General Fund.

# Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2025

## Liability

At June 30, 2025, the District reported a PSPRS net pension liability and OPEB asset of \$5,586,974 and \$316,512, respectively.

The net assets and 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 liability are as follows:

### PSPRS

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.20%
Wage inflation	3.0-6.25% for pensions/not applicable for OPEB
Price inflation	2.5% for pension/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, 2023 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS 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 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 Rate of Return
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	2	0.89
Total	100 %	

## Discount Rates

At June 30, 2024, the discount rate used to measure the PSPRS total pension/OPEB liability was 7.2%, which was no change from the discount rate used as of June 30, 2023. The projection of cash flows used to determine the PSPRS discount rates assumed that plan members 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.

# Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2025

## Changes in the Net Pension/OPEB Liability (Asset)

PSPRS - Firefighter	Pension Increase (Decrease)			Health Insurance Premium Benefit 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, 2024	\$ 78,019,241	\$ 73,800,221	\$ 4,219,020	\$ 1,171,269	\$ 1,278,765	\$ (\$107,496.00)
Changes for the year:						
Service cost	1,221,259	-	1,221,259	20,325	-	20,325
Interest on the total pension liability	5,558,169	-	5,558,169	84,405	-	84,405
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	3,424,041	-	3,424,041	(166,925)	-	(166,925)
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions, employer	-	1,045,902	(1,045,902)	-	19,853	(\$19,853)
Contributions, employee	-	426,956	(426,956)	-	-	-
Net investment income	-	7,393,530	(7,393,530)	-	127,445	(127,445)
Benefit payments, including refunds of employee contributions	(4,087,423)	(4,087,423)	-	(38,595)	(38,595)	-
Administrative expense	-	(30,873)	30,873	-	(477)	477
Other changes	-	-	-	-	-	-
Net changes	6,116,046	4,748,092	1,367,954	(100,790)	108,226	(\$209,016)
Balances at June 30, 2025	\$ 84,135,287	\$ 78,548,313	\$ 5,586,974	\$ 1,070,479	\$ 1,386,991	\$ (\$316,512)

## Sensitivity of the District's Net Pension/OPEB Liability to Changes in the Discount Rate

The following table presents the District's net pension/OPEB liabilities (assets) calculated using the discount rate of 7.20%, as well as what the District's net pension/OPEB liability (asset) 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:

PSPRS - Firefighter	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Net pension liability	\$ 17,574,921	\$ 5,586,974	\$ (4,167,682)
Net OPEB (asset) liability	(194,388)	(316,512)	(419,358)

## Plan Fiduciary Net Position

Detailed information about the pension/OPEB plans' fiduciary net position is available in the separately issued PSPRS financial reports.

## Expense

For the year ended June 30, 2025, the District recognized \$3,259,290 and \$(56,017) of PSPRS pension and OPEB expense (revenue), respectively.

# Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2025

## Deferred Outflows/Inflows of Resources

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

PSPRS - Firefighter	Pension		Health Insurance Premium Benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,931,207	\$ 398,672	\$ 56,558	\$ 269,457
Changes of assumptions or other inputs	944,818	-	17,781	3,213
Net difference between projected and actual earnings on pension plan investments	-	622,899	-	15,142
District contributions subsequent to the measurement date	1,051,102	-	7,794	-
<b>Total</b>	<b>\$ 6,927,127</b>	<b>\$ 1,021,571</b>	<b>\$ 82,133</b>	<b>\$ 287,812</b>

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

PSPRS - Firefighter	Pension	OPEB
Year ending June 30:		
2026	\$ 1,442,211	\$ (79,484)
2027	2,930,600	(32,174)
2028	916,673	(61,217)
2029	(435,030)	(40,598)
2030	-	-
Thereafter	-	-

## PSPDCRP Plan

District's firefighters who are not members of PSPRS participate in the PSPDCRP. The PSPDCRP is a defined contribution pension plan. The PSPRS Board of Trustees governs the PSPDCRP according to the provision 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% of the members' annual covered payroll, and the District was required by statute to contribute 9% or 5%, respectively, of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the earnings on those contributions. Employees vest in a portion of the District's contributions each year as set forth in statute. The plan retains nonvested District contributions when forfeited because of employment terminations. For the year ended June 30, 2025, the District recognized pension expense of \$3,348,230.

# Superstition Fire & Medical District

Notes to Financial Statements

June 30, 2025

## 6. Joint Venture

The District participates in a joint venture with five other governments for the operations and maintenance of a communications center. The City of Mesa operates the center which is funded by the participating members of the venture. Ownership of the center is distributed to the participants relative to their individual contributions. The District's equity interest in the venture for the fiscal year ended June 30, 2025 was \$158,227. The District retains equity ownership interest in the capital purchases. Upon resolution of the venture's governing board, members may be subject to a special assessment if the Board determines the special assessment is needed for disaster recovery or other reasons as stated in the governance agreement. Additional information on this joint venture may be obtained from the website at [www.topazrwc.org](http://www.topazrwc.org).

## 7. Credit Line

The District has an approved line of credit for \$1.5 million with Wells Fargo Bank to ensure the District has sufficient short-term cash flow to cover operating expenses between the two peak times of the fiscal year when the District receives the bulk of its revenues (November 1 and May 1). The line of credit must be renewed annually. There were no draws and payments during the year and no balance was outstanding at fiscal year-end.

## 8. Interfund Receivables, Payables and Transfers

As of June 30, 2025, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Receivable Amount</u>	<u>Payable Amount</u>
Fund:		
General	\$ -	\$ 1,295,008
Capital Project	84,144	
Transport services	<u>1,210,864</u>	<u>-</u>
Total	<u>\$ 1,295,008</u>	<u>\$ 1,295,008</u>

The interfund receivables outstanding balance in the Transport Services fund is for operating costs in other funds (primarily the general fund).

Transfers to the non-major fund were for debt service. There were transfers of \$1,547,413 from the General Fund to the Capital Projects and Nonmajor Funds for the year ended June 30, 2025. There were transfers of \$1,914,237 from the Capital Projects and Nonmajor funds to the General fund and Nonmajor funds for the year ended June 30, 2025. Transfers to and from the capital fund are to support major asset purchases, purchases are made from the general fund and then reimbursed from the capital projects fund. The receivable balance in the capital fund is generated because of a transfer between the capital fund and general fund where the district has set aside a dollar amount each budget year to fund the capital projects for future years.



**Required Supplementary Information**

**Budgetary Comparison Schedules**

**General Fund**

**Pension Schedules**



## Superstition Fire & Medical District

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 20,797,471	\$ 20,797,471	\$ 20,509,929	\$ (287,542)
Centrally assessed taxes	423,340	423,340	387,537	(35,803)
Insurance premiums	144,000	144,000	144,000	-
County aid	400,000	400,000	400,000	-
Charges for services	469,000	469,000	457,863	(11,137)
Grants	200,000	200,000	480,699	280,699
Interest revenues	29,397	29,397	328,200	298,803
Other income	9,500	9,500	49,678	40,178
<b>Total revenues</b>	<b>22,472,708</b>	<b>22,472,708</b>	<b>22,757,906</b>	<b>285,198</b>
<b>Expenditures</b>				
Current:				
Administration	5,045,830	5,045,830	4,684,531	361,299 *
Technical services	1,034,313	1,034,313	844,692	189,621
Communication services	357,406	357,406	241,176	116,230
Emergency services	12,820,105	12,820,105	12,527,616	292,489
Community services	114,924	114,924	114,821	103
Miscellaneous expense	2,500	2,500	1,050	1,450
Debt service:				
Principal	-	-	825,000	(825,000)
Interest and fiscal charges	772,911	772,911	772,518	393
<b>Total expenditures</b>	<b>20,147,989</b>	<b>20,147,989</b>	<b>20,011,404</b>	<b>136,585</b>
Excess (deficiency) of revenues over (under) expenditures	2,324,719	2,324,719	2,746,502	148,613
<b>Other Financing Sources</b>				
Transfers out	(1,364,175)	(1,364,175)	(1,547,413)	(183,238)
Transfers In	85,014	85,014	530,000	444,986
<b>Total other financing sources</b>	<b>(1,279,161)</b>	<b>(1,279,161)</b>	<b>(1,017,413)</b>	<b>261,748</b>
<b>Net change in fund balances</b>	<b>1,045,558</b>	<b>1,045,558</b>	<b>1,729,089</b>	<b>410,361</b>
<b>Fund Balances, Beginning</b>	<b>7,413,724</b>	<b>7,413,724</b>	<b>7,413,724</b>	<b>-</b>
<b>Fund Balances, Ending</b>	<b>\$ 8,459,282</b>	<b>\$ 8,459,282</b>	<b>\$ 9,142,813</b>	<b>\$ 410,361</b>

\* Budgeted amounts include amounts budgeted for financial reserves for which no actual related expenses exist

**Superstition Fire & Medical District**

Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net Pension/OPEB Liability (Asset)  
 Cost-Sharing Pension Plan  
 Year Ended June 30, 2025

	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
<b>Arizona Retirement System, Pension</b>										
District's proportion of the net pension liability	0.021903%	0.021638%	0.021307%	0.020590%	0.020535%	0.020047%	0.018847%	0.017672%	0.014244%	0.008618%
District's proportionate share of the net pension liability	\$ 3,504,330	\$ 3,501,665	\$ 3,478,265	\$ 2,705,435	\$ 3,557,135	\$ 2,917,508	\$ 2,628,912	\$ 2,752,642	\$ 2,298,479	\$ 1,342,452
District's covered payroll	\$ 2,838,820	\$ 2,840,000	\$ 2,536,361	\$ 2,314,558	\$ 2,263,467	\$ 2,114,281	\$ 1,873,367	\$ 1,883,073	\$ 1,320,736	\$ 708,897
District's proportionate share of the net pension liability as a percentage of its covered payroll	123.44%	123.30%	137.14%	116.89%	157.15%	137.99%	140.33%	146.18%	174.03%	189.37%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

	Reporting Fiscal Year (Measurement Date)								2017 Through 2016
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
<b>Arizona Retirement System, Health Insurance Premium Benefit</b>									
District's proportion of the net OPEB (asset)	0.022480%	0.022165%	0.021820%	0.021110%	0.021040%	0.020544%	0.019206%	0.017931%	Information
District's proportionate share of the net OPEB (asset)	\$ (135,770)	\$ (119,702)	\$ (121,777)	\$ (102,850)	\$ (14,896)	\$ (5,676)	\$ (6,917)	\$ (9,761)	not available
District's covered payroll	\$ 2,838,820	\$ 2,840,000	\$ 2,536,361	\$ 2,314,558	\$ 2,263,467	\$ 2,114,281	\$ 1,873,367	\$ 1,883,073	
District's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	-4.78%	-4.21%	-4.80%	-4.44%	-0.66%	-0.27%	-0.37%	-0.52%	
Plan fiduciary net position as a percentage of the total OPEB (asset)	137.51%	134.37%	137.79%	130.24%	104.33%	101.62%	102.20%	103.57%	

	Reporting Fiscal Year (Measurement Date)								2017 Through 2016
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
<b>Arizona Retirement System, Long-Term Disability</b>									
District's proportion of the net OPEB liability	0.022210%	0.021855%	0.021500%	0.020850%	0.020820%	0.020358%	0.018888%	0.015757%	Information
District's proportionate share of the net OPEB liability	\$ 579	\$ 2,864	\$ 1,986	\$ 4,304	\$ 15,794	\$ 13,263	\$ 9,870	\$ 6,430	not available
District's covered payroll	\$ 2,838,820	\$ 2,840,000	\$ 2,536,361	\$ 2,314,558	\$ 2,263,467	\$ 2,114,281	\$ 1,873,367	\$ 1,883,073	
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.02%	0.10%	0.08%	0.19%	0.70%	0.63%	0.53%	0.34%	
Plan fiduciary net position as a percentage of the total OPEB liability	98.77%	93.70%	95.40%	90.38%	68.01%	72.85%	77.83%	84.44%	

See notes to pension/OPEB plan schedules

**Superstition Fire & Medical District**

Required Supplementary Information  
 Schedule of Changes in the District's Net Pension/OPEB Liability and Related Ratios  
 Agent Pension Plan  
 Year Ended June 30, 2025

	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
<b>PSPRS, Pension</b>										
<b>Total Pension Liability</b>										
Service cost	\$ 1,221,259	\$ 1,318,950	\$ 1,509,133	\$ 1,502,363	\$ 1,498,040	\$ 1,516,252	\$ 1,442,576	\$ 1,504,412	\$ 1,309,752	\$ 1,093,722
Interest on the total pension liability	5,558,169	5,325,797	4,994,092	4,564,641	4,215,286	3,945,344	3,552,503	3,210,772	2,749,545	2,431,989
Changes on benefit terms	-	-	-	-	-	-	-	354,150	3,751,261	-
Differences between expected and actual experience in the measurement of the pension liability	3,424,041	269,301	1,602,275	2,905,493	755,557	(1,178,357)	561,965	(90,813)	(750,533)	1,088,291
Changes of assumptions or other inputs	-	-	1,133,264	-	-	1,178,345	-	1,524,131	1,655,851	-
Benefit payments, including refunds of employee contributions	(4,087,423)	(3,090,514)	(3,892,293)	(2,300,456)	(1,074,576)	(955,817)	(1,130,876)	(1,419,571)	(638,368)	(715,052)
Net change in total pension liability	6,116,046	3,823,534	5,346,471	6,672,041	5,394,307	4,505,767	4,426,168	5,083,081	8,077,508	3,898,950
<b>Total Pension Liability, Beginning</b>	<u>78,019,241</u>	<u>74,195,707</u>	<u>68,849,236</u>	<u>62,177,195</u>	<u>56,782,888</u>	<u>52,277,121</u>	<u>47,850,953</u>	<u>42,767,872</u>	<u>34,690,364</u>	<u>30,791,414</u>
<b>Total Pension Liability, Ending (a)</b>	<u>\$ 84,135,287</u>	<u>\$ 78,019,241</u>	<u>\$ 74,195,707</u>	<u>\$ 68,849,236</u>	<u>\$ 62,177,195</u>	<u>\$ 56,782,888</u>	<u>\$ 52,277,121</u>	<u>\$ 47,850,953</u>	<u>\$ 42,767,872</u>	<u>\$ 34,690,364</u>
<b>Plan Fiduciary Net Position</b>										
Contributions, employer	\$ 1,045,902	\$ 828,945	\$ 26,491,225	\$ 2,161,593	\$ 2,240,009	\$ 1,790,579	\$ 1,886,507	\$ 1,447,386	\$ 1,583,372	\$ 1,015,424
Contributions, employee	426,956	608,732	781,904	580,235	606,891	593,083	650,638	778,888	838,526	790,270
Net investment income	7,393,530	5,331,394	(2,857,785)	10,882,957	468,869	1,826,862	2,134,046	3,185,780	148,850	857,371
Benefit payments, including refunds of employee contributions	(4,087,423)	(3,090,514)	(3,892,293)	(2,300,456)	(1,074,576)	(955,817)	(1,130,876)	(1,419,571)	(638,368)	(715,052)
Hall/Parker Settlement	-	-	-	-	-	-	(1,014,363)	-	-	-
Administrative expense	(30,873)	(24,491)	(51,334)	(50,936)	(38,235)	(32,748)	(33,180)	(28,589)	(21,819)	(21,306)
Other changes	-	(39,630)	59,532	-	-	-	358	336	36,564	(17,818)
Net change in plan fiduciary net position	4,748,092	3,614,436	20,531,249	11,273,393	2,202,958	3,221,959	2,493,130	3,964,230	1,947,125	1,908,889
<b>Plan Fiduciary Net Position, Beginning</b>	<u>73,800,221</u>	<u>70,185,785</u>	<u>49,654,536</u>	<u>38,381,143</u>	<u>36,453,258</u>	<u>33,240,193</u>	<u>30,747,063</u>	<u>26,782,833</u>	<u>24,835,708</u>	<u>22,926,819</u>
Adjustment to beginning of year	-	-	-	-	(275,073)	(8,894)	-	-	-	-
<b>Plan Fiduciary Net Position, Ending (b)</b>	<u>\$ 78,548,313</u>	<u>\$ 73,800,221</u>	<u>\$ 70,185,785</u>	<u>\$ 49,654,536</u>	<u>\$ 38,381,143</u>	<u>\$ 36,453,258</u>	<u>\$ 33,240,193</u>	<u>\$ 30,747,063</u>	<u>\$ 26,782,833</u>	<u>\$ 24,835,708</u>
<b>District's Net Pension Liability, Ending (a) - (b)</b>	<u>\$ 5,586,974</u>	<u>\$ 4,219,020</u>	<u>\$ 4,009,922</u>	<u>\$ 19,194,700</u>	<u>\$ 23,796,052</u>	<u>\$ 20,329,630</u>	<u>\$ 19,036,928</u>	<u>\$ 17,103,890</u>	<u>\$ 15,985,039</u>	<u>\$ 9,854,656</u>
Plan fiduciary net position as a percentage of the total pension liability	93.36%	94.59%	94.60%	72.12%	61.73%	64.20%	63.58%	64.26%	62.62%	71.59%
Covered payroll	\$ 5,637,793	\$ 5,454,668	\$ 5,922,475	\$ 6,377,908	\$ 6,413,504	6,473,645	\$ 6,677,374	\$ 6,948,284	\$ 6,715,243	\$ 5,794,921
District's net pension liability as a percentage of covered payroll	99.10%	77.35%	67.71%	300.96%	371.03%	314.04%	285.10%	254.70%	275.85%	170.06%

See notes to pension/OPEB plan schedules

**Superstition Fire & Medical District**

Required Supplementary Information  
 Schedule of Changes in the District's Net Pension/OPEB Liability and Related Ratios  
 Agent Pension Plan  
 Year Ended June 30, 2025

	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
<b>PSPRS, Pension</b>										
<b>Total Pension Liability</b>										
Service cost	\$ 1,221,259	\$ 1,318,950	\$ 1,509,133	\$ 1,502,363	\$ 1,498,040	\$ 1,516,252	\$ 1,442,576	\$ 1,504,412	\$ 1,309,752	\$ 1,093,722
Interest on the total pension liability	5,558,169	5,325,797	4,994,092	4,564,641	4,215,286	3,945,344	3,552,503	3,210,772	2,749,545	2,431,989
Changes on benefit terms	-	-	-	-	-	-	-	354,150	3,751,261	-
Differences between expected and actual experience in the measurement of the pension liability	3,424,041	269,301	1,602,275	2,905,493	755,557	(1,178,357)	561,965	(90,813)	(750,533)	1,088,291
Changes of assumptions or other inputs	-	-	1,133,264	-	-	1,178,345	-	1,524,131	1,655,851	-
Benefit payments, including refunds of employee contributions	(4,087,423)	(3,090,514)	(3,892,293)	(2,300,456)	(1,074,576)	(955,817)	(1,130,876)	(1,419,571)	(638,368)	(715,052)
Net change in total pension liability	6,116,046	3,823,534	5,346,471	6,672,041	5,394,307	4,505,767	4,426,168	5,083,081	8,077,508	3,898,950
<b>Total Pension Liability, Beginning</b>	<u>78,019,241</u>	<u>74,195,707</u>	<u>68,849,236</u>	<u>62,177,195</u>	<u>56,782,888</u>	<u>52,277,121</u>	<u>47,850,953</u>	<u>42,767,872</u>	<u>34,690,364</u>	<u>30,791,414</u>
<b>Total Pension Liability, Ending (a)</b>	<u>\$ 84,135,287</u>	<u>\$ 78,019,241</u>	<u>\$ 74,195,707</u>	<u>\$ 68,849,236</u>	<u>\$ 62,177,195</u>	<u>\$ 56,782,888</u>	<u>\$ 52,277,121</u>	<u>\$ 47,850,953</u>	<u>\$ 42,767,872</u>	<u>\$ 34,690,364</u>
<b>Plan Fiduciary Net Position</b>										
Contributions, employer	\$ 1,045,902	\$ 828,945	\$ 26,491,225	\$ 2,161,593	\$ 2,240,009	\$ 1,790,579	\$ 1,886,507	\$ 1,447,386	\$ 1,583,372	\$ 1,015,424
Contributions, employee	426,956	608,732	781,904	580,235	606,891	593,083	650,638	778,888	838,526	790,270
Net investment income	7,393,530	5,331,394	(2,857,785)	10,882,957	468,869	1,826,862	2,134,046	3,185,780	148,850	857,371
Benefit payments, including refunds of employee contributions	(4,087,423)	(3,090,514)	(3,892,293)	(2,300,456)	(1,074,576)	(955,817)	(1,130,876)	(1,419,571)	(638,368)	(715,052)
Hall/Parker Settlement	-	-	-	-	-	-	(1,014,363)	-	-	-
Administrative expense	(30,873)	(24,491)	(51,334)	(50,936)	(38,235)	(32,748)	(33,180)	(28,589)	(21,819)	(21,306)
Other changes	-	(39,630)	59,532	-	-	-	358	336	36,564	(17,818)
Net change in plan fiduciary net position	4,748,092	3,614,436	20,531,249	11,273,393	2,202,958	3,221,959	2,493,130	3,964,230	1,947,125	1,908,889
<b>Plan Fiduciary Net Position, Beginning</b>	<u>73,800,221</u>	<u>70,185,785</u>	<u>49,654,536</u>	<u>38,381,143</u>	<u>36,453,258</u>	<u>33,240,193</u>	<u>30,747,063</u>	<u>26,782,833</u>	<u>24,835,708</u>	<u>22,926,819</u>
Adjustment to beginning of year	-	-	-	-	(275,073)	(8,894)	-	-	-	-
<b>Plan Fiduciary Net Position, Ending (b)</b>	<u>\$ 78,548,313</u>	<u>\$ 73,800,221</u>	<u>\$ 70,185,785</u>	<u>\$ 49,654,536</u>	<u>\$ 38,381,143</u>	<u>\$ 36,453,258</u>	<u>\$ 33,240,193</u>	<u>\$ 30,747,063</u>	<u>\$ 26,782,833</u>	<u>\$ 24,835,708</u>
<b>District's Net Pension Liability, Ending (a) - (b)</b>	<u>\$ 5,586,974</u>	<u>\$ 4,219,020</u>	<u>\$ 4,009,922</u>	<u>\$ 19,194,700</u>	<u>\$ 23,796,052</u>	<u>\$ 20,329,630</u>	<u>\$ 19,036,928</u>	<u>\$ 17,103,890</u>	<u>\$ 15,985,039</u>	<u>\$ 9,854,656</u>
Plan fiduciary net position as a percentage of the total pension liability	93.36%	94.59%	94.60%	72.12%	61.73%	64.20%	63.58%	64.26%	62.62%	71.59%
Covered payroll	\$ 5,637,793	\$ 5,454,668	\$ 5,922,475	\$ 6,377,908	\$ 6,413,504	6,473,645	\$ 6,677,374	\$ 6,948,284	\$ 6,715,243	\$ 5,794,921
District's net pension liability as a percentage of covered payroll	99.10%	77.35%	67.71%	300.96%	371.03%	314.04%	285.10%	254.70%	275.85%	170.06%

See notes to pension/OPEB plan schedules

**Superstition Fire & Medical District**

Schedule of the District Pension/OPEB Contributions  
Year Ended June 30, 2025

	Reporting Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>ASRS, Pension</b>										
Statutorily required contribution	\$ 355,478	\$ 341,510	\$ 338,494	\$ 304,617	\$ 269,646	\$ 259,167	\$ 236,377	\$ 204,197	\$ 202,995	\$ 143,300
District's contributions in relation to the statutorily required contribution	355,478	341,510	338,494	304,617	269,646	259,167	236,377	204,197	202,995	143,300
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,950,025	\$ 2,838,820	\$ 2,840,000	\$ 2,536,361	\$ 2,314,558	\$ 2,263,467	\$ 2,114,281	\$ 1,873,367	\$ 1,883,073	\$ 1,320,736
District's contributions as a percentage of covered payroll	12.05%	12.03%	11.92%	12.01%	11.65%	11.45%	11.18%	10.90%	10.78%	10.85%
<b>ASRS, Health Insurance Premium Benefit</b>										
Statutorily required contribution	\$ 2,065	\$ 3,123	\$ 3,124	\$ 5,357	\$ 9,027	\$ 11,091	\$ 9,726	\$ 8,294	\$ 10,545	Information not available
District's contributions in relation to the statutorily required contribution	2,065	3,123	3,124	5,357	9,027	11,091	9,726	8,294	10,545	
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
District's covered payroll	\$ 2,950,025	\$ 2,838,820	\$ 2,840,000	\$ 2,536,361	\$ 2,314,558	\$ 2,263,467	\$ 2,114,281	\$ 2,114,281	\$ 1,873,367	
District's contributions as a percentage of covered payroll	0.07%	0.11%	0.11%	0.21%	0.39%	0.49%	0.46%	0.39%	0.56%	
<b>ASRS, Long-Term Disability</b>										
Statutorily required contribution	\$ 4,425	\$ 4,258	\$ 3,976	\$ 4,847	\$ 4,165	\$ 3,848	\$ 3,383	\$ 3,016	\$ 2,636	
District's contributions in relation to the statutorily required contribution	4,425	4,258	3,976	4,847	4,165	3,848	3,383	3,016	2,636	
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
District's covered payroll	\$ 2,950,025	\$ 2,838,820	\$ 2,840,000	\$ 2,536,361	\$ 2,314,558	\$ 2,263,467	\$ 2,114,281	\$ 2,114,281	\$ 1,873,367	
District's contributions as a percentage of covered payroll	0.15%	0.15%	0.14%	0.19%	0.18%	0.17%	0.16%	0.14%	0.14%	

See notes to pension/OPEB plan schedules

**Superstition Fire & Medical District**

Schedule of the District Pension/OPEB Contributions  
Year Ended June 30, 2025

	Reporting Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>PSPRS, Pension</b>										
Actuarially determined contribution	\$ 1,051,102	\$ 1,043,442	\$ 1,310,101	\$ 1,172,351	\$ 2,161,593	\$ 2,240,009	\$ 1,790,579	\$ 1,886,507	\$ 1,447,386	\$ 1,583,372
District's contributions in relation to the actuarially determined contribution	1,051,102	1,043,442	1,310,101	26,586,995	2,161,593	2,240,009	1,790,579	1,886,507	1,447,386	1,583,372
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (25,414,644)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 5,637,793	\$ 5,454,668	\$ 5,922,475	\$ 6,377,908	\$ 6,413,504	\$ 6,473,645	\$ 6,684,780	\$ 6,677,374	\$ 6,948,284	\$ 6,715,243
District's contributions as a percentage of covered payroll	18.64%	19.13%	22.12%	416.86%	33.70%	34.60%	26.79%	28.25%	20.83%	23.58%
<b>PSPRS, Health Insurance Premium Benefit</b>										
Actuarially determined contribution	\$ 7,267	\$ 21,288	\$ 6,950	\$ 12,111	\$ 20,776	\$ 20,021	\$ 22,710	\$ 11,386	\$ 20,209	Information not available
District's contributions in relation to the actuarially determined contribution	7,267	21,288	6,950	12,111	20,776	20,021	22,710	11,386	20,209	
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
District's covered payroll	\$ 5,637,793	\$ 5,454,668	\$ 5,922,475	\$ 6,377,908	\$ 6,413,504	\$ 6,473,645	\$ 6,684,780	\$ 6,677,374	\$ 6,948,284	
District's contributions as a percentage of covered payroll	0.13%	0.39%	0.12%	0.19%	0.32%	0.31%	0.34%	0.17%	0.29%	

See notes to pension/OPEB plan schedules

# Superstition Fire & Medical District

Notes to Pension/OPEB Plan Schedules

Year Ended June 30, 2025

## 1. 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	PSPRS members with initial membership date before July 1, 2017; Level percent-of-pay, closed PSPRS members with initial membership on or after July 1, 2017; Level dollar closed
Remaining amortization period as of the 2023 actuarial valuation	PSPRS members with initial membership date before July 1, 2017; 19 years for underfunded; 20 years for overfunded. PSPRS members with initial membership on or after July 1, 2017; 10 years
Asset valuation method	PSPRS members with initial membership date before July 1, 2017; 7-year smoothed market value; 80%/120% market corridor PSPRS members with initial membership on or after July 1, 2017; 5-year smoothed market value; 80%/120% market corridor
Actuarial assumptions: Investment rate of return	PSPRS members with initial membership date before July 1, 2017; In the 2022 actuarial valuation, the investment rate of return was decreased from 7.3% to 7.2%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8% to 7.85%. PSPRS member with initial membership on or after July 1, 2017; 7%
Projected salary increases	In the 2017 actuarial valuation, projected salary increase were decreased from 4.0%-8.0% to 3.5%-7.5% for PSPRS. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0% for PSPRS. In the 2013 actuarial valuation, projected salary increase were decreased from 5.0%-9.0% to 4.5%-8.5% for PSPRS.
Wage growth	In the 2022 actuarial valuation, wage growth was decrease from 4% to 3.5% for PSPRS. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS.
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-2020 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).

## Superstition Fire & Medical District

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Notes to Pension/OPEB Plan Schedules

Year Ended June 30, 2025

### 2. Factors That Affect Trends

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee 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 and 2019.

# **Supplementary Information**

## **Combining Nonmajor Fund Statements**

**Debt Service Fund** - accounts for the accumulation of resources for, and the payment of current and future debt service requirements for governmental debt principal and interest.

## **Budgetary Comparison Schedules**

### **Capital Projects Fund**

### **Nonmajor Funds**



# Superstition Fire & Medical District

Combining Balance Sheet Nonmajor Governmental Funds  
June 30, 2025

	<b>Debt Service Fund</b>	<b>Total Nonmajor Funds</b>
<b>Assets</b>		
Receivables:		
Accounts receivable	\$ 23,618	\$ 23,618
Restricted cash and cash equivalents	5,041	5,041
	<u>5,041</u>	<u>5,041</u>
Total assets	<u>\$ 28,659</u>	<u>\$ 28,659</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>		
<b>Liabilities</b>		
<b>Deferred Inflows of Resources</b>		
Deferred revenue	\$ 21,290	\$ 21,290
	<u>21,290</u>	<u>21,290</u>
Total deferred inflows of resources	<u>21,290</u>	<u>21,290</u>
<b>Fund Balances</b>		
Restricted for debt retirement:		
Debt retirement	7,369	7,369
	<u>7,369</u>	<u>7,369</u>
Total fund balances	<u>7,369</u>	<u>7,369</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 28,659</u>	<u>\$ 28,659</u>

## Superstition Fire & Medical District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2025

	<b>Debt Service Fund</b>	<b>Total Nonmajor Funds</b>
<b>Revenues</b>		
Taxes	\$ 658,220	\$ 658,220
Centrally assessed taxes	12,077	12,077
Interest revenues	12,941	12,941
Other income	-	-
	<u>683,238</u>	<u>683,238</u>
Total revenues		
<b>Expenditures</b>		
Debt service:		
Principal	639,000	639,000
Interest and fiscal charges	55,949	55,949
	<u>694,949</u>	<u>694,949</u>
Total expenditures		
Excess (deficiency) of revenues over (under) expenditures	(11,711)	(11,711)
<b>Other Financing Sources</b>		
Transfers in	686,413	686,413
Transfers out	(745,237)	(745,237)
Sales of assets	-	-
Total other financing sources and uses	(58,824)	(58,824)
Net change in fund balances	(70,535)	(70,535)
<b>Fund Balances, Beginning</b>	<u>77,904</u>	<u>77,904</u>
<b>Fund Balances, Ending</b>	<u><u>\$ 7,369</u></u>	<u><u>\$ 7,369</u></u>

## Superstition Fire & Medical District

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -

Capital Projects - Major Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Investment earnings	\$ 45,000	\$ 45,000	\$ 87,497	\$ 42,497
Miscellaneous	-	-	35,165	35,165
Total revenues	45,000	45,000	122,662	77,662
<b>Expenditures</b>				
Current:				
Emergency services	-	-	174,912	(174,912)
Capital outlay	-	-	1,763,981	(1,763,981)
Debt service:				
Principal	236,530	236,530	236,530	-
Interest and fiscal charges	-	-	33,985	(33,985)
Total expenditures	236,530	236,530	2,209,408	(1,972,878)
Excess (deficiency) of revenues over (under) expenditures	(191,530)	(191,530)	(2,086,746)	2,050,540
<b>Other Financing Sources</b>				
Finance purchase arrangement issued	-	-	1,147,381	1,147,381
Transfers in	1,500,000	1,500,000	2,245,237	745,237
Transfers out	-	-	(1,169,000)	(1,169,000)
Total other financing sources and uses	1,500,000	1,500,000	2,223,618	723,618
Net change in fund balances	1,308,470	1,308,470	136,872	2,774,158
<b>Fund Balances, Beginning</b>	3,571,455	3,571,455	3,571,455	-
<b>Fund Balances, Ending</b>	\$ 4,879,925	\$ 4,879,925	\$ 3,708,327	\$ 2,774,158

## Superstition Fire & Medical District

Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Nonmajor Funds  
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 647,537	\$ 647,537	\$ 658,220	\$ 10,683
Centrally assessed taxes	14,640	14,640	12,077	(2,563)
Investment income	8,000	8,000	12,941	4,941
Other income	-	-	-	-
Total revenues	<u>670,177</u>	<u>670,177</u>	<u>683,238</u>	<u>13,061</u>
<b>Expenditures</b>				
Debt service:				
Principal	639,000	639,000	639,000	-
Interest and other charges	<u>55,949</u>	<u>55,949</u>	<u>55,949</u>	<u>-</u>
Total expenditures	<u>694,949</u>	<u>694,949</u>	<u>694,949</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,772)</u>	<u>(24,772)</u>	<u>(11,711)</u>	<u>13,061</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	686,413	686,413
Transfers out	<u>-</u>	<u>-</u>	<u>(745,237)</u>	<u>(745,237)</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>(58,824)</u>	<u>(58,824)</u>
Net change in fund balances	(24,772)	(24,772)	(70,535)	(45,763)
<b>Fund Balances, Beginning</b>	<u>77,904</u>	<u>77,904</u>	<u>77,904</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ 53,132</u>	<u>\$ 53,132</u>	<u>\$ 7,369</u>	<u>\$ (45,763)</u>

**PINAL COUNTY AND MARICOPA COUNTY, ARIZONA**

*The following information regarding the Counties is provided for background information only. No attempt has been made to determine what part, if any, of the data presented is applicable to the District; consequently no representation is made as to the relevance of the data to the District or the Bonds. THE BONDS WILL NOT BE OBLIGATIONS OF THE COUNTIES. The Bonds will be direct obligations of the District, payable solely from ad valorem taxes levied against all taxable property in the District as described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS."*

**Pinal County, Arizona**

**General**

Pinal County was formed in 1875 from portions of Maricopa County, Arizona ("Maricopa County"), and Pima County, Arizona. The principal geographic and economic features of Pinal County consist of mountains with elevations of 6,000 feet and copper mining in the eastern portion of Pinal County and primarily low desert valleys and irrigated agriculture in the western portion of Pinal County.

Pinal County encompasses approximately 5,374 square miles of which 4.5 square miles is water.

**LAND OWNERSHIP  
Pinal County, Arizona**

<u>Control/Ownership</u>	<u>Percent of Land in Pinal County</u>
State Trust Land	35.0%
Indian Reservation	23.0
Individuals or Corporations	22.0
U.S. Forest Service and Bureau of Land Management	14.0
Other Public Lands	6.0
Total	<u>100.0%</u>

Source: *Arizona County Profiles*, Arizona Commerce Authority.

**Municipal Government and Organization**

The governmental and administrative affairs of Pinal County are carried out by a Board of Supervisors (the "Pinal Board") comprised of five members who each serve four-year terms. The Pinal Board appoints a County Administrator, responsible for the day to day operation of Pinal County. The Pinal County Administrator supervises the work of appointed department directors and is responsible for the appointment of non-elected department directors, with concurrence of the Pinal Board. In addition, the Pinal Board appoints all members of the many boards and commissions that assist these programs.

Located within Pinal County are the cities of Eloy, Casa Grande, Maricopa and Coolidge, Arizona, a portion of the City of Apache Junction, Arizona, the towns of Florence, Kearney, Mammoth and Superior, Arizona and a portion of the Town of Queen Creek, Arizona. The following table illustrates respective population statistics for the principal communities located within Pinal County, Pinal County and the State.

### POPULATION STATISTICS

Year	City of Apache Junction	City of Casa Grande	City of Coolidge	City of Eloy	Town of Florence	Town of Kearney
2025 Estimate (a)	44,934(b)	69,405	20,027	19,531	25,065	1,756
2020 Census	38,499	53,658	13,218	15,635	26,785	1,741
2010 Census	35,546	48,571	11,825	16,631	25,536	1,950
2000 Census	31,814	25,224	7,786	10,375	14,466	2,249
1990 Census	18,092	19,076	6,934	7,211	7,321	2,262
1980 Census	9,935	14,971	6,851	6,240	3,391	2,646

  

Year	Town of Mammoth	City of Maricopa	Town of Queen Creek	Town of Superior	Pinal County	State of Arizona
2025 Estimate (a)	1,078	78,194	16,357 (c)	2,470	502,071	7,718,747
2020 Census	1,076	58,125	59,519	2,407	425,264	7,151,502
2010 Census	1,426	43,482	449	2,837	375,770	6,392,017
2000 Census	1,762	N/A	N/A	3,254	179,727	5,130,632
1990 Census	1,845	N/A	N/A	3,468	116,397	3,665,339
1980 Census	1,906	N/A	N/A	4,600	90,918	2,716,546

N/A = Not applicable.

- (a) Estimate as of July 1, 2025 (data released December 2025).
- (b) Represents the portion of the City of Apache Junction, Arizona, located in Pinal County only. Does not include the people located in Maricopa County, Arizona. For the 2025 estimate, this amount approximated 405 people.
- (c) Represents the portion of the Town of Queen Creek, Arizona, located in Pinal County only. Does not include the people located in Maricopa County, Arizona. For the 2025 estimate, this amount approximated 71,693 people.

Source: Arizona Office of Economic Opportunity, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

### Economy

Communities within the eastern portion of Pinal County have traditionally been active in copper mining, smelting, milling and refining, whereas communities in the western portion of Pinal County have traditionally focused on agricultural industries. The communities adjacent to the Phoenix metropolitan area have diversified their economic base to include manufacturing, trade and services – facilitated by their location in the major growth corridor between Phoenix, Arizona, and Tucson, Arizona, near the junction of Interstate 10 and Interstate 8.

**NON-AGRICULTURAL EMPLOYMENT STRUCTURE**  
**Pinal County, Arizona**

	2025 Percent of Total (a)
Mining and construction	7.9%
Manufacturing	9.0
Trade, transportation and utilities	18.5
Information	0.9
Financial activities	2.6
Professional and business services	10.0
Educational and health services	9.3
Leisure and hospitality	12.2
Other services	3.1
Government	26.5
Total	100.0%

(a) Data through December 2025.

Source: Arizona Office of Economic Opportunity, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

**LABOR FORCE AND NONFARM EMPLOYMENT**  
**Pinal County, Arizona**

	2025 (a)	2024	2023	2022	2021
Mining and construction	6,300	5,800	4,100	4,100	3,800
Manufacturing	7,200	6,600	8,300	6,700	4,700
Trade, transportation, and utilities	14,800	14,600	14,000	13,500	13,200
Information	700	600	500	500	400
Financial activities	2,100	2,000	2,000	2,000	1,800
Professional and business services	8,000	7,600	6,500	6,100	6,100
Educational and health services	7,400	7,000	6,600	6,500	6,300
Leisure and hospitality	9,700	9,000	7,900	7,700	7,200
Other Services	2,500	2,400	1,900	1,900	1,700
Government	21,200	20,800	20,000	19,300	19,000
	79,900	76,400	71,800	68,300	64,200

(a) Data through December 2025.

Source: Arizona Office of Economic Opportunity, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

The following table illustrates the unemployment averages for Pinal County, the State and the United States.

**UNEMPLOYMENT AVERAGES**

Calendar Year	Pinal County (a)	State of Arizona (a)	United States of America
2025 (b)	4.3%	4.2%	4.3%
2024	3.9	3.6	4.0
2023	4.1	3.9	3.6
2022	3.8	3.8	3.6
2021	4.9	5.1	5.3

(a) Each year, historical estimates from the Local Area Unemployment Statistics (“LAUS”) program are revised to reflect new population controls from the Census Bureau, updated input data, and re-estimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Substate area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.

(b) Data through December 2025.

Source: Arizona Office of Economic Opportunity, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

**Retail Sales**

The following table illustrates retail sales for Pinal County.

**TAXABLE RETAIL SALES  
Pinal County, Arizona  
(\$000s omitted)**

Calendar Year	Taxable Retail Sales (a)
2026 (b)	\$ 359,451
2025	3,283,417
2024	3,016,368
2023	2,935,711
2022	2,684,012
2021	2,393,897

(a) The statutory definition of “Retail Sales” is the business of selling tangible personal property at retail. Therefore, this class does not include services or hotels, restaurants or food sales.

(b) Data through January 2026.

Source: Arizona Department of Revenue, Office of Economic Research and Analysis.

## Bank Deposits

The following table illustrates bank deposits in Pinal County.

### BANK DEPOSITS Pinal County, Arizona (\$ in millions)

<u>Fiscal Year</u>	<u>Amount</u>
2025	\$3,312
2024	3,390
2023	3,344
2022	3,505
2021	3,122

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Source: Federal Deposit Insurance Corporation.

## Maricopa County, Arizona

### General

Maricopa County was named after the Maricopa Indian tribe and was formed as the fifth county of Arizona in 1871. The principal geographic features of Maricopa County consist of the expansive river valleys of the Salt and Gila Rivers and a number of rugged mountain ranges scattered throughout Maricopa County.

Maricopa County encompasses approximately 9,222 square miles, 98 square miles of which is water.

### LAND OWNERSHIP Maricopa County, Arizona

<u>Control/Ownership</u>	<u>Percent of Land in Maricopa County</u>
U.S. Forest Service and Bureau of Land Management	39%
State of Arizona	11
Indian Reservation	5
Individual or Corporation	29
Other Public Lands	16
Total	<u>100%</u>

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Source: *Arizona County Profiles*, Arizona Commerce Authority.

## Municipal Government and Organization

The governmental and administrative affairs of Maricopa County are carried out by a Board of Supervisors (the “Maricopa Board”) comprised of five members who each serve four-year terms. The Maricopa Board appoints a Chief Administrative Officer who is responsible for carrying out Maricopa Board policies and administering County operations.

Located within Maricopa County are the cities of Avondale, Buckeye, Chandler, Glendale, Goodyear, Litchfield Park, Mesa, Peoria, Phoenix, Scottsdale, Surprise, Tempe and Tolleson; the towns of Carefree, Cave Creek, Fountain Hills, Guadalupe, Gilbert, Paradise Valley, Wickenburg and Youngtown and the unincorporated retirement communities of Sun City and Sun City West, along with several smaller communities.

The following table illustrates respective population statistics for the principal communities of Maricopa County, Maricopa County and the State.

**POPULATION STATISTICS**

Year	City of Phoenix	City of Mesa	City of Chandler	City of Glendale	City of Scottsdale	City of Tempe	Maricopa County	State of Arizona
2025 Estimate (a)	1,709,489	529,391	288,299	265,599	251,000	196,001	4,787,790	7,718,747
2020 Census	1,608,139	504,258	275,987	248,325	241,361	180,587	4,420,568	7,151,502
2010 Census	1,445,632	439,041	236,123	226,721	217,385	161,719	3,817,117	6,392,017
2000 Census	1,321,045	396,375	176,581	218,812	202,705	158,625	3,072,149	5,130,632
1990 Census	983,392	288,104	89,862	147,864	130,075	141,993	2,122,101	3,665,339
1980 Census	789,704	152,404	29,673	97,172	88,622	106,920	1,509,175	2,716,546

(a) Estimate as of July 2025 (data released in December 2025).

Source: Arizona Office of Economic Opportunity, prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

**Economy**

Maricopa County’s economy is based on high technology manufacturing, light manufacturing and commercial activities (including construction and trade), tourism, government and agriculture. The table below illustrates the employment structure of Maricopa County.

**NON-AGRICULTURAL EMPLOYMENT STRUCTURE  
Maricopa County, Arizona**

	2025 Percent of Total (a)
Mining and construction	7.5%
Manufacturing	5.9
Trade, transportation and utilities	19.0
Information	1.6
Financial activities	8.8
Professional and Business Services	15.9
Educational and Health Services	17.5
Leisure and Hospitality	10.8
Services and miscellaneous	3.2
Government	9.8
Total	<u>100.0%</u>

(a) Data through December 2025.

Source: Arizona Office of Economic Opportunity, prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

**LABOR FORCE AND NONFARM EMPLOYMENT**  
**Maricopa County, Arizona**

	<u>2025 (a)</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Mining and construction	177,500	177,800	168,200	152,400	139,100
Manufacturing	140,700	142,600	142,300	140,400	133,700
Trade, transportation, and utilities	453,100	456,800	454,700	447,400	427,100
Information	37,900	39,500	42,200	42,800	39,700
Financial activities	208,000	206,700	209,200	214,600	214,300
Professional and business services	378,800	379,000	385,200	383,500	367,400
Educational and health services	415,000	398,800	379,600	359,100	339,100
Leisure and hospitality	255,500	254,300	245,800	229,900	206,200
Other services	77,100	75,400	74,900	71,400	66,800
Government	233,000	231,300	225,900	218,500	216,500
	<u>2,376,600</u>	<u>2,362,200</u>	<u>2,328,000</u>	<u>2,260,000</u>	<u>2,149,900</u>

(a) Data through December 2025.

Source: Arizona Office of Economic Opportunity, prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

The following table illustrates the unemployment rate averages for Maricopa County, the State and the United States of America.

**UNEMPLOYMENT RATE AVERAGES**

<u>Calendar Year</u>	<u>Maricopa County (a)</u>	<u>State of Arizona (a)</u>	<u>United States of America</u>
2025 (b)	3.7%	4.2%	4.3%
2024	3.1	3.6	4.0
2023	3.4	3.9	3.6
2022	3.3	3.8	3.6
2021	4.6	5.1	5.4

(a) Each year, historical estimates from the LAUS program are revised to reflect new population controls from the Census Bureau, updated input data, and reestimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Sub-state area data subsequently are revised to incorporate updated inputs, reestimation, and controlling to new statewide totals.

(b) Data through December 2025.

Source: Arizona Office of Economic Opportunity, prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics and the U.S. Bureau of Labor Statistics.

## Retail Sales

The following table illustrates retail sales for Maricopa County.

### TAXABLE RETAIL SALES Maricopa County, Arizona (\$000s omitted)

Calendar Year	Taxable Retail Sales (a)
2026 (b)	\$ 8,063,990
2025	74,794,453
2024	72,535,228
2023	73,072,528
2022	71,219,545
2021	66,043,105

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(a) The statutory definition of "Retail Sales" is the business of selling tangible personal property at retail. Therefore, this class does not include services or hotels, restaurants or food sales.

(b) Data through January 2026.

Source: Arizona Department of Revenue, Office of Economic Research and Analysis.

## Bank Deposits

The following table illustrates bank deposits for Maricopa County.

### BANK DEPOSITS Maricopa County, Arizona (\$ in millions)

Fiscal Year	Amount
2025	\$177,478
2024	168,514
2023	163,826
2022	178,327
2021	158,003

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Source: Federal Deposit Insurance Corporation.

**FORM OF OPINION OF BOND COUNSEL**

[LETTERHEAD OF GREENBERG TRAURIG, LLP]

[Closing Date]

District Board  
Superstition Fire and Medical District  
of Pinal and Maricopa Counties, Arizona

Re: Superstition Fire and Medical District of Pinal and Maricopa Counties, Arizona General  
Obligation Bonds, Series 2026

We have examined copies of the proceedings of the District Board of Superstition Fire and Medical District of Pinal and Maricopa Counties, Arizona (the “District”), and other proofs submitted to us relative to the sale and issuance of the captioned Bonds (the “Bonds”). In addition, we have examined such other proceedings, proofs, instruments, certificates and other documents as well as such other materials and such matters of law as we have deemed necessary or appropriate for the purposes of the opinion rendered herein below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid proceedings and proofs.

We are of the opinion that such proceedings and proofs show lawful authority for the sale and issuance of the Bonds pursuant to the Constitution and laws of the State of Arizona now in force, and particularly the provisions of Title 48, Chapter 5, Article 1, Arizona Revised Statutes, as amended, and that the Bonds are valid and legally binding obligations of the District, all of the taxable property within which is subject to the levy of a tax, without limitation as to rate or amount, to pay the principal of and interest on the Bonds.

Under existing statutes, regulations, rulings and court decisions, subject to the reliance and assumption stated in the last sentence of this paragraph, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and interest on the Bonds is exempt from income taxation under the laws of the State of Arizona. Furthermore, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the “Code”) on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income. (We express no opinion regarding other federal or state tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Bonds.) The Code includes requirements which the District must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The failure of the District to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The District Board of the District has resolved in the resolution authorizing the issuance of the Bonds adopted by the District Board of the District on February 18, 2026, to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. (Subject to the same limitations in the penultimate paragraph hereof, the District has full legal power and authority to comply with such covenants.) In rendering the opinion expressed above, we have assumed continuing compliance with the tax covenants referred to above that must be met after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal tax purposes.

The rights of the holders of the Bonds and the enforceability of those rights may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights. The enforcement of such rights may also be subject to the exercise of judicial discretion in accordance with general principles of equity.

This opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

\$15,935,000\*

SUPERSTITION FIRE AND MEDICAL DISTRICT  
OF PINAL AND MARICOPA COUNTIES, ARIZONA  
GENERAL OBLIGATION BONDS, SERIES 2026

(BASE CUSIP IDENTIFICATION NO. \_\_\_\_\_)

This Continuing Disclosure Undertaking (this “Disclosure Undertaking”) is executed and delivered by Superstition Fire and Medical District of Pinal and Maricopa Counties, Arizona (the “District”), in connection with the \$15,935,000\* aggregate principal amount of General Obligation Bonds, Series 2026 (the “Series 2026 Bonds”). The Series 2026 Bonds are being issued pursuant to a resolution adopted by the District Board of the District on February 18, 2026 (the “Bond Resolution”). The District covenants and agrees as follows:

SECTION 1. Definitions. In addition to the definitions set forth hereinabove, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2026 Bonds (including persons holding Series 2026 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2026 Bonds for federal income tax purposes.

“Dissemination Agent” shall mean the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system of the MSRB. As of the date of this Disclosure Undertaking, information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Undertaking.

“MSRB” shall mean Municipal Securities Rulemaking Board.

“Official Statement” shall mean the final Official Statement, dated [\_\_\_\_], 2026, for the Series 2026 Bonds.

“Participating Underwriters” shall mean the original underwriters of the Series 2026 Bonds required to comply with the Rule in connection with the offering of the Series 2026 Bonds.

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\* *Subject to change.*

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Arizona.

SECTION 2. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the District for the benefit of the Beneficial Owners and in order to assist the Participating Underwriters in complying with the Rule.

SECTION 3. Provision of Annual Reports.

(a) Subject to annual appropriation to cover the costs of preparation and mailing thereof, the District shall, or shall cause the Dissemination Agent to, not later than February 1 following the end of the District’s fiscal year (presently June 30), commencing with the Annual Report for the 2025-2026 Fiscal Year, provide through EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) Not later than fifteen (15) business days prior to the date on which the Annual Report shall be provided through EMMA pursuant to subsection (a), the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide through EMMA an Annual Report by the date required in subsection (a), the District shall send a notice on the form provided through EMMA for such purpose not more than ten (10) business days after the date on which the Annual Report is due.

(c) The Dissemination Agent shall, if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided.

SECTION 4. Content of Annual Reports. The District’s Annual Report shall contain or include by reference the following:

(a) If available at the time of such filing, the audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted auditing standards. If the District’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report within 30 days of the date they become available.

(b) Additional financial information and operating data of the type included with respect to the District in the following tables in APPENDIX A – “THE DISTRICT – DISTRICT INFORMATION” and APPENDIX B – “THE DISTRICT – FINANCIAL INFORMATION” to the Official Statement:

- TABLE 4 – Property Taxes Levied and Collected;
- TABLE 6 – Net Limited Assessed Property Value by Property Classification; and
- TABLE 7 – Net Limited Assessed Property Value of Major Taxpayers.

SECTION 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, but subject to annual appropriation to cover the costs of preparation and mailing thereof, the District shall give, or cause to be given in a timely manner, but

not more than ten (10) business days thereafter, through EMMA notice of the occurrence of any of the following events with respect to the Series 2026 Bonds:

1. Principal and interest payment delinquencies,
2. Nonpayment related defaults, if material,
3. Unscheduled draws on debt service reserves, if any, reflecting financial difficulties,
4. Unscheduled draws on credit enhancements reflecting financial difficulties,
5. Substitution of the credit or liquidity providers or their failure to perform,
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations, in each case, with respect to the tax status of the Series 2026 Bonds or other material events affecting the tax status of the Series 2026 Bonds,
7. Modifications to rights of holders of the Series 2026 Bonds, if material,
8. Bond calls, if material, or tender offers,
9. Defeasances,
10. Release, substitution or sale of property securing repayment of the Series 2026 Bonds, if material,
11. Rating changes,
12. Bankruptcy, insolvency, receivership or similar events of the District, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District,
13. The consummation of a merger, consolidation or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material,
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material,
15. Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material,

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties, and

17. Notice of a failure of the District to provide required annual financial information on or before the date specified in Section 3 above, including any non-appropriation to cover applicable costs.

(b) Whether events subject to the standard “material” would be material shall be determined under applicable federal securities laws.

SECTION 6. Termination of Reporting Obligation. The District’s obligations under this Disclosure Undertaking shall terminate (A) upon the legal defeasance, prior redemption or payment in full of all of the Series 2026 Bonds, or (B) upon the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action. If termination pursuant to (A) occurs prior to the final maturity of the Series 2026 Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Undertaking.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the District may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2026 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized securities law counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2026 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized securities law counsel, materially impair the interests of the Beneficial Owners.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in

addition to that which is specifically required by this Disclosure Undertaking, the District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Undertaking, any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under the Bond Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the District to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 11. Non-Appropriation. The performance by the District of its obligations in this Disclosure Undertaking shall be subject to the annual appropriation of any funds that may be necessary to permit such performance. In the event of a failure by the District to comply with its covenants under this Disclosure Undertaking due to a failure to appropriate the necessary funds, the District covenants to provide prompt notice of such fact to the MSRB through EMMA.

SECTION 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and the Beneficial Owners from time to time of the Series 2026 Bonds, and shall create no rights in any other person or entity.

Dated: [Closing Date]

SUPERSTITION FIRE AND MEDICAL DISTRICT OF  
PINAL AND MARICOPA COUNTIES, ARIZONA

By \_\_\_\_\_  
Chairperson, District Board

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## BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants” and together with the Direct Participants, the “Participants”). DTC has Standard & Poor’s rating of: “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial

Owners may wish to provide their names and addresses to the Bond Registrar and Paying Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of and interest on the Bonds and the redemption price of any Bond will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Bond Registrar and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar and Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Bonds and the redemption price of any Bonds will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Bond Registrar and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Bond Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.