

NEW ISSUE – BOOK-ENTRY-ONLY

RATING: See “RATING” 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.



\$9,870,000*
PINETOP FIRE DISTRICT
OF NAVAJO COUNTY, ARIZONA
GENERAL OBLIGATION BONDS, SERIES 2025

Dated: Date of Initial Authentication and Delivery

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

The General Obligation Bonds, Series 2025 (the “Bonds”) of Pinetop Fire District of Navajo County, 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 July 1 and January 1 of each year commencing on January 1, 2026*, until maturity or prior redemption. Proceeds of the Bonds will be used to (i) provide funds to construct, renovate, improve, equip and furnish fire stations and other District facilities, (ii) acquire apparatus, vehicles and equipment, liquidate indebtedness with respect to the foregoing 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 Zions Bancorporation, 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 scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY INC. See “BOND INSURANCE” and “BOND INSURANCE RISK FACTORS” 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 27, 2025*.

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.

RAYMOND JAMES®

** Preliminary, subject to change*

\$9,870,000*
PINETOP FIRE DISTRICT
OF NAVAJO COUNTY, ARIZONA
GENERAL OBLIGATION BONDS, SERIES 2025

MATURITY SCHEDULE*

Year (July 1)	Principal Amount	Interest Rate	Yield	CUSIP^{®(1)} No. (Base _____)
2026	\$105,000	%		
2027	235,000			
2028	250,000			
2029	260,000			
2030	275,000			
2031	285,000			
2032	300,000			
2033	315,000			
2034	335,000			
2035	350,000			
2036	365,000			
2037	385,000			
2038	405,000			
2039	425,000			
2040	445,000			
2041	470,000			
2042	490,000			
2043	515,000			
2044	540,000			
2045	570,000			
2046	595,000			
2047	625,000			
2048	650,000			
2049	680,000			

\$ _____ Term Bond @ _____% Due July 1, 20__ - Yield _____% - CUSIP^{®(1)} No. _____

\$ _____ Term Bond @ _____% Due July 1, 20__ - Yield _____% - CUSIP^{®(1)} No. _____

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* Preliminary, subject to change

REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by Pinetop Fire District of Navajo County, Arizona (the “District”) or Raymond James & Associates, Inc. (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 2025 (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 Navajo 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, AND THE UNDERWRITER MAY OVERALLOT OR ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET IN ORDER TO FACILITATE THEIR DISTRIBUTION. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Assured Guaranty Inc. (“AG”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading “BOND IINSURANCE” and “Appendix H - Specimen Municipal Bond Insurance Policy”.

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OFFICIAL STATEMENT

\$9,870,000*

PINETOP FIRE DISTRICT OF NAVAJO COUNTY, ARIZONA GENERAL OBLIGATION BONDS, SERIES 2025

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, the inside front cover page and appendices hereto, has been prepared on behalf of Pinetop Fire District of Navajo County, Arizona (the “District”), in connection with the issuance of \$9,870,000* aggregate principal amount of bonds designated General Obligation Bonds, Series 2025 (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 DATA” 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 5, 2024 (the “Election”), and a resolution adopted by the district board of the District (the “District Board”) on February 24, 2025 (the “Bond Resolution”).

The Bonds represent the first installment of an aggregate voted principal amount of \$11,600,000 of general obligation bonds approved at the Election. Proceeds from the sale of the Bonds are expected to be used to (i) provide funds to construct, renovate, improve, equip and furnish fire stations and other District facilities, (ii) acquire apparatus, vehicles and equipment, liquidate indebtedness with respect to the foregoing and (iii) pay costs incurred in connection with the issuance of the Bonds. After the issuance of the Bonds, the District will have \$1,400,000* in remaining voter authorization for general obligation bonds from the Election (when taking into account bond premium generated on the sale of the Bonds). Additional bonds payable from the same source as the Bonds may be issued in the future pursuant to authority approved at the Election and subsequent elections in and for the District.

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 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, 2026* (each an “Interest Payment Date”) until maturity or prior

* Preliminary, subject to change

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

Zions Bancorporation, 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 July 1, 20__, and July 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 July 1, 20__	
<u>Redemption Date</u>	<u>Principal Amount</u>
20__	\$ _____
20__	_____
20__ (maturity)	_____

Term Bond due July 1, 20__	
<u>Redemption Date</u>	<u>Principal Amount</u>
20__	\$ _____
20__	_____
20__ (maturity)	_____

** Preliminary, subject to change*

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 July 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.

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 Navajo 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 DATA – 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.

SOURCES AND USES OF FUNDS

Sources of Funds

Principal Amount	\$9,870,000*
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/>

(a) *Net original issue premium consists of original issue premium on the Bonds, less original issue discount on the Bonds.*

(b) *Includes compensation and costs of the Underwriter (as defined herein) with respect to the Bonds.*

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* *Preliminary, subject to change*

ESTIMATED DEBT SERVICE REQUIREMENTS*

The following table illustrates the estimated annual debt service on the Bonds.

TABLE 1

**Schedule of Estimated Annual Debt Service Requirements (a)
Pinetop Fire District**

Fiscal Year	The Bonds		Total Annual Debt Service Requirements
	Principal	Interest (b)	
2025/26	\$105,000	\$	\$
2026/27	235,000		
2027/28	250,000		
2028/29	260,000		
2029/30	275,000		
2030/31	285,000		
2031/32	300,000		
2032/33	315,000		
2033/34	335,000		
2034/35	350,000		
2035/36	365,000		
2036/37	385,000		
2037/38	405,000		
2038/39	425,000		
2039/40	445,000		
2040/41	470,000		
2041/42	490,000		
2042/43	515,000		
2043/44	540,000		
2044/45	570,000		
2045/46	595,000		
2046/47	625,000		
2047/48	650,000		
2048/49	680,000		
	<u>\$ 9,870,000</u>		

(a) *Prepared by Raymond James & Associates, Inc. (the "Underwriter").*

(b) *The first interest payment on the Bonds will be due on January 1, 2026*. Thereafter, interest payments will be made semiannually on each July 1 and January 1 until maturity or prior redemption.*

* *Preliminary, subject to change*

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Inc. (“AG”) will issue its Municipal Bond Insurance Policy (the “Policy”) for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL” and together with its subsidiaries, “Assured Guaranty”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO.” AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A1” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG (“AGM”), merged with and into AG, with AG as the surviving company (such transaction, the “Merger”). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

Current Financial Strength Ratings

On October 18, 2024, KBRA announced it had affirmed AG’s insurance financial strength rating of “AA+” (stable outlook).

On July 10, 2024, Moody’s, following Assured Guaranty’s announcement of the Merger, announced that it had affirmed AG’s insurance financial strength rating of “A1” (stable outlook).

On May 28, 2024, S&P announced it had affirmed AG’s financial strength rating of “AA” (stable outlook). On August 1, 2024, S&P stated that following the Merger, there is no change in AG’s financial strength rating of “AA” (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody’s and/or KBRA may take. For more information regarding AG’s financial strength ratings and the risks relating thereto, see AGL’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Capitalization of AG

At September 30, 2024:

- The policyholders' surplus of AG was approximately \$3,644 million.
- The contingency reserve of AG was approximately \$1,374 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately \$2,438 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG, and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (filed by AGL with the SEC on February 28, 2024);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024 (filed by AGL with the SEC on May 8, 2024);
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 (filed by AGL with the SEC on August 8, 2024); and
- (iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024 (filed by AGL with the SEC on November 12, 2024).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "BOND INSURANCE – Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading

“BOND INSURANCE”.

BOND INSURANCE RISK FACTORS

The following are risk factors relating to bond insurance generally. In the event of default of the payment of principal or interest with respect to any of the Bonds when all or some becomes 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. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory redemption payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional redemption of the Bonds by the District which is recovered by the District from the bond owner as a voidable preference under applicable bankruptcy law is covered by the Policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the District unless the Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Insurer without appropriate consent. The Insurer may direct and must consent to any remedies and the Insurer’s consent may be required in connection with amendments to any applicable bond documents.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from ad valorem taxes as described under “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS.” In the event the Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

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

The obligations of the Insurer are contractual obligations and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or state law 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 Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is 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 Insurer, particularly over the life of the investment. See “BOND INSURANCE” herein for further information provided by the Insurer and concerning the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

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 an underlying rating of "A+" to the Bonds. S&P is also expected to assign a rating of "AA" to the Bonds with the understanding that the Policy will be delivered by Assured Guaranty simultaneously with the issuance of the Bonds. Such ratings reflect 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" and APPENDIX F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" herein.

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 APPROVING LEGAL OPINION." The legal opinion to be delivered may vary from the text of APPENDIX E – "FORM OF APPROVING LEGAL OPINION" 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 APPROVING LEGAL OPINION" 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 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.

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (H.R. 5376) into law. For tax years beginning after 2022, this legislation will impose a minimum tax of 15 percent on the adjusted financial statement income of applicable corporations as defined in Section 59(k) of the Code (which is primarily designed to impose a minimum tax on certain large corporations). For this purpose, adjusted financial statement income is not reduced for interest earned on tax-exempt obligations. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Bonds.

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 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 yields lower than the public offering yields stated on the inside front cover page hereof. The initial offering 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.

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 the 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, 2026 (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 MSRB’s Electronic Municipal Market Access system (“EMMA”), each as 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 through EMMA. Absence of continuing disclosure, due to non-appropriation or otherwise, could adversely affect the Bonds, specifically their market price and transferability.

The District has implemented procedures to facilitate compliance with the continuing disclosure undertaking related to the Bonds and future similar continuing disclosure undertakings in all material respects.

GENERAL PURPOSE FINANCIAL STATEMENTS

The annual comprehensive financial report of the District for the fiscal year ended June 30, 2024, a copy of which is included in APPENDIX C – “THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024” of this Official Statement, includes the District’s financial statements for the fiscal year ended June 30, 2024 that were audited by Beach Fleischman PC, to the extent indicated in its report thereon. 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 or received the consent of Beach Fleischman PC to include its report and Beach Fleischman PC has performed no procedures subsequent to rendering its report on the financial statements.**

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.

PINETOP FIRE DISTRICT
OF NAVAJO COUNTY, ARIZONA

By: _____
Chairperson of the District Board

**THE DISTRICT –
DISTRICT INFORMATION**

General Information

The District was originally established in 1958. The area encompasses approximately 12 square miles of District response area and 211 square miles of ambulance service area, which supports a population of 9,000 full time residents and a seasonal population of 12,000. The District provides services to the Town of Pinetop-Lakeside and the surrounding area of Navajo County, Arizona (the “County”) including the Pinetop and White Mountain Country Clubs.

The District provides a range of dedicated emergency services to residential and commercial property owners. In addition to fire protection on land and on certain areas of the County, the District provides emergency medical services and dive rescue.

The District responds to approximately 1,384 requests for emergency and non-emergency service annually. The facilities of the District currently include two fire stations strategically placed throughout the District.

Administration and Governance

The District has 40 full-time employees, of which 34 are full-time emergency personnel; 14 are State certified paramedics, 10 to 12 are fuels crew members, 4 are fire prevention personnel and 2 are reserve fire fighters; there are 6 administrative and support personnel.

The District operates under the supervision of the District Board. The members of the District Board are elected in even numbered years during the November general election and serve four-year terms on a staggered basis. The present members of the District Board and Administrative Officials are:

TABLE 2

Pinetop Fire District of Navajo County, Arizona

DISTRICT BOARD

John Rowlinson, *Board Chairman*
Edie Webber, *Board Clerk*
Benjamin Borrego, *Board Member*
Carla Bowen, *Board Member*
Vacant, *Board Member**

ADMINISTRATIVE OFFICIALS

Jim Morgan, *Fire Chief*
Richard Wallace, *Assistant Fire Chief*
Karen Robbins, *Finance Administration Specialist*

**Vacancy to be filled by the District in the ordinary course of business*

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**THE DISTRICT –
FINANCIAL DATA**

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 Assessor of the County or the Arizona Department of Revenue (the “Department of Revenue”). Property valued by the Assessor of the County 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 Assessor of the County generally uses 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)	2021	2022	2023	2024	2025
Mining, utilities, commercial and industrial (b)	18%	17.5%	17%	16.5%	16.0%
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	15	14	14	14

(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 15.5% for tax year 2026 and 15.0% for 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, 2024 Final Property Class Summary, 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, including the District, 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 will decrease to 15.5% for tax year 2026 and 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 County prepares the tax roll setting forth certain valuations by taxing district of all property in the County subject to taxation. The tax roll is then forwarded to the Treasurer of the County. (The Assessor of the County is required to have completed 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 the County for the tax 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)
Pinetop Fire District [District to Update]**

Fiscal Year	District Tax Rate	Adopted District Tax Levy	Collected to June 30th of Initial Fiscal Year		Cumulative Collections to June 30, 2024	
			Amount	% of Adj. Levy	Amount	% of Adj. Levy
2024/25	\$3.3500	\$5,695,775	(b)	(b)	\$ (b)	(b) %
2023/24	3.3500	5,398,175	\$5,267,480	97.58%	\$5,267,480	97.58%
2022/23	3.3500	4,868,073	4,782,940	98.25	4,867,906	99.98
2021/22	3.1755	4,668,375	4,580,045	98.10	4,666,360	99.98
2020/21	3.1755	4,549,284	4,451,554	97.86	4,547,606	99.98
2019/20	3.1755	4,320,280	4,218,254	97.44	4,337,321	100.00

(a) Taxes are collected by the Treasurer of the County. Taxes in support of debt service are levied by the Board of Supervisors of the County 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 the County’s General Fund.

(b) 2024/25 taxes in course of collection:
 First installment due 10-01-24; delinquent 11-01-24;
 Second installment due 03-01-25; delinquent 05-01-25.

Source: Office of the Treasurer of the County.

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 at a monthly rate of 1.33% as of the first day of the 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 Treasurer of the County 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 and interest thereon. 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 Treasurer of the County 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 County is 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.

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ASSESSED VALUATIONS AND TAX RATES

TABLE 5

Direct and Overlapping Net Limited Assessed Property Values and Tax Rates(a) Per \$100 Net Limited Assessed Property Valuation

<u>Overlapping Jurisdiction</u>	<u>2024/25 Net Limited Assessed Property Value</u>	<u>2024/25 Combined Tax Rates Per \$100 Net Limited Assessed Property Value</u>
State of Arizona	\$ 88,425,625,840	None
Navajo County	1,035,790,918	\$ 0.8114
Navajo County Community College District	1,035,790,918	1.7707
Navajo County Fire District Assistance Tax	1,035,790,918	0.1000
Navajo County Library District	1,035,790,918	0.9020
Navajo County Flood Control District (a)	857,235,739	0.2465
Navajo County Public Health Services	1,035,790,918	0.2257
Town of Pinetop-Lakeside	95,956,793	0.0000
Blue Ridge Unified School District No. 32	330,267,851	4.410
Northern Arizona Vocations Industry & Technology	1,028,670,451	0.0500
Pinetop Fire District (b)	170,023,122	3.3500

(a) *The assessed value of the Navajo County Flood Control District does not include the personal property assessed valuation of the County.*

(b) *The preliminary valuation for the District was released by the County Assessor on February 7, 2025 for the upcoming 2025-26 tax year. The preliminary valuation is \$179,253,776. This number is preliminary and subject to change until approved by the County Board of Supervisors in August of 2025.*

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

TABLE 6

**Net Limited Assessed Property Value by Property Classification
Pinetop Fire District**

Class	2024/25	2023/24	2022/23	2021/22	2020/21
Commercial, industrial, utilities and mines	\$14,094,482	\$13,784,095	\$13,687,495	\$13,657,084	\$12,988,476
Agricultural and vacant	6,527,818	6506,915	6,398,248	6,875,435	7,204,795
Residential (owner occupied)	31,019,109	29,693,147	28,692,126	27,335,250	26,957,526
Residential (rental)	118,381,714	111,193,484	104,576,732	99,147,766	96,400,083
Totals (a)	\$170,023,123	\$161,177,641	\$153,354,601	\$147,015,535	\$143,550,880

(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
Pinetop Fire District**

Major Taxpayer (a)	2024/25 Net Limited Assessed Property Value	As % of 2024/25 Net Limited Assessed Property Value
Unisource Energy Corporation	\$1,098,553	0.65%
Navopache Electric Co-op Inc. (T&D)	724,328	0.43
Pinetop WMV LLC	659,240	0.39
Pro Hospitality Four Pinetop LLC	612,199	0.36
Pinetop Entertainment Investments LLC	502,590	0.30
Darcam LLC	391,547	0.23
Roundhouse Resort Vacation Plan	329,962	0.19
Cheyco LLC	324,662	0.19
Citizens Telecomm of White Mtns	313,843	0.18
Pinetop Country Club	309,473	0.18
Martinez Investments LLC	291,953	0.17
	<u>\$5,558,351</u>	<u>3.27%</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.

TABLE 8

**Comparative Net Limited Assessed Property Values
Pinetop Fire District**

<u>Fiscal Year</u>	<u>Pinetop Fire District (a)</u>	<u>Town of Pinetop-Lakeside</u>	<u>Navajo County</u>	<u>State of Arizona</u>
2024/25	\$170,023,122	\$95,956,793	\$1,035,790,918	\$88,425,625,840
2023/24	161,177,640	90,823,749	969,413,101	83,026,514,349
2022/23	153,354,601	86,032,932	918,845,940	78,415,651,030
2021/22	147,015,535	81,482,327	911,478,089	74,200,360,570
2020/21	143,550,880	77,746,313	882,158,116	69,914,763,468

(a) *The preliminary valuation for the District was released by the County Assessor on February 7, 2025 for the upcoming 2025-26 tax year. The preliminary valuation is \$179,253,776. This number is preliminary and subject to change until approved by the County Board of Supervisors in August of 2025.*

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

TABLE 9

**Estimated Net Full Cash Value History
Pinetop Fire District**

<u>Fiscal Year</u>	<u>Estimated Net Full Cash Value (a)</u>
2024/25	\$2,727,393,586
2023/24	2,152,737,981
2022/23	1,611,080,291
2021/22	1,447,135,950
2020/21	1,438,317,317

(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 2024/25)
Pinetop Fire District**

Total General Obligation Bonds Outstanding and to be Outstanding	\$10,200,000* (a)
Net Limited Assessed Property Value	170,023,122
Net Full Cash Assessed Value	286,003,407
Estimated Net Full Cash Value	2,727,393,586

(a) *Includes the Bonds. See footnote (b) to TABLE 12 for a description of the treatment of certain proceeds of the Bonds for State voter authorization and debt limit purposes. Does not include certain leases of the District that are outstanding, see TABLE 15.*

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*
Pinetop Fire District**

<u>Issue Series</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity Date (July 1)</u>	<u>Balance Outstanding and to be Outstanding</u>
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No General Obligation Bonded Debt Currently Outstanding

Total General Obligation Bonded Debt Outstanding	\$ -
Plus: The Bonds	<u>9,870,000*</u>
Total General Obligation Bonded Debt Outstanding and to be Outstanding	<u>\$ 9,870,000*</u>

**Statutory Debt Limit / Unused Borrowing Capacity after Bond Issuance
Pinetop Fire District**

TABLE 12

2024/25 Debt Limitation (6% of Net Limited Assessed Property Value)	\$10,201,387
Less: General Obligation Bonds Outstanding and to be Outstanding (a)	<u>(10,200,000*)</u>
Less: Net Original Issue Premium on the Bonds (b)	<u>(0)</u>
Unused Borrowing Capacity	<u>\$1,387</u>

(a) *Includes the Bonds and premium associated with the Bonds that will count towards voter authorization.*

(b) *This amount represents premium on the Bonds, which has been or will be deposited into the Capital Fund for project cost use, and the District has determined 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.*

* Preliminary, subject to change

TABLE 13

**Direct and Overlapping General Obligation Bonded Debt
Pinetop Fire District**

<u>Overlapping Jurisdiction</u>	General Obligation Bonded Debt (b)	Proportion Applicable to the District (a)	
		Approximate Percent	Net Debt Amount
State of Arizona	None	0.19%	None
Navajo County	None	16.41	None
Navajo County Community College District	None	16.41	None
Navajo County Fire District Assistance Tax	None	16.41	None
Navajo County Library District	None	16.41	None
Navajo County Flood Control District	None	19.83	None
Navajo County Public Health Services	None	16.41	None
Town of Pinetop-Lakeside	None	56.44	None
Blue Ridge Unified School District No. 32	\$11,725,000	51.48	\$6,036,030
Northern Arizona Vocations Industry & Technology	None	16.41	None
Pinetop Fire District (c)	10,200,000	100.00	9,870,000
Net Direct and Overlapping General Obligation Bonded Debt			<u>\$ 15,906,030</u>

(a) Proportion applicable to the District is computed on the ratio of Net Limited Assessed Property Value for 2024/25.

(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>
Pinetop Fire District (d)	\$1,400,000

(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 Assessor of the County.

TABLE 14

**Direct and Overlapping General Obligation Bonded Debt Ratios
Pinetop Fire District**

	Per Capita Bonded Debt Population Estimated @ 9,500	As % of District's 2024/25 Net Limited Assessed Property Value	As % of District's 2024/25 Estimated Net Full Cash Value
Net Direct General Obligation Bonded Debt (a)	\$1,038.94	5.80%	0.36%
Net Direct and Overlapping General Obligation Debt (a)	1,674.32	9.35	0.58

(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 15

**Other Obligations
Pinetop Fire District**

The District currently has the following capital lease payment obligations and Certificates of Participation outstanding:

Item	Annual Payment Amount	Periods Due
<i>Fire Station and Land Lease</i>	<i>\$98,331</i>	<i>Annually through November 30, 2033</i>

**Certificates of Participation Outstanding
Pinetop Fire District**

Issue Series	Original Amount	Purpose	Final Maturity Date (June 15)	Balance Outstanding
Series 2022	\$7,785,000	Pension Obligation Funding	2048	\$7,475,000

DISTRICT EMPLOYEE RETIREMENT SYSTEM

Pension and Retirement Plans

The District contributes to 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.

In APPENDIX C – “THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024” 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 650,000 Arizona public employees including qualified employees of the State, municipal governments, counties and K-12 education agencies. As of June 30, 2024, the unfunded liability for ASRS was \$18.45 billion with a funding ratio of 73.1% and an assumed earning rate of 7.0%. As of June 30, 2023, the District reported a liability of \$1,511,438 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 2024/25, the District's and its employees' contribution has been calculated by the actuary to be 12.27% (12.12% Retirement Pension and Health Insurance Benefit, 0.15% Long Term Disability Income Plan) of payroll amounts. For fiscal year 2023/24, the District's and its employees' contribution is 12.29% (12.14% Retirement Pension and Health Insurance Benefit, 0.15% Long Term Disability Income Plan) of payroll amounts. For fiscal year 2022/23, the District's and its employees' contribution was 12.17% (12.03% Retirement Pension and Health Insurance Benefit, 0.14% Long Term Disability Income Plan) of payroll amounts.

The following table 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.

Fiscal Year Ended	Retirement and Health Insurance Premiums	Long-term Disability	Total Contribution Rate	Funded Status	Pension Contributions
June 30, 2026	11.86%	0.14%	12.00%	unavailable	unavailable
June 30, 2025	12.12	0.15	12.27	unavailable	unavailable
June 30, 2024	12.14	0.15	12.29	74.0%	\$
June 30, 2023	12.03	0.14	12.17	73.1	508,587
June 30, 2022	12.22	0.19	12.41	72.7	8,395,415

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 define 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, 2024, the unfunded liability for Tiers 1 and 2 of PSPRS was \$7.32 billion with a funding ratio of 68.8% (using an assumed earning rate of 7.3%).

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The following tables show the actuarially determined annual contribution rates, funded status and total audited contribution amounts for PSPRS.

	Fiscal Year Ended				
	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021
Contribution Rates					
Tier 1 Defined Benefit Employer	14.04%	13.09%	31.92%	33.23%	30.16%
Tier 1 Defined Benefit Employee	7.65%	7.65%	7.65%	7.65%	7.65%
Tier 2 Defined Benefit Employee (a)(b)	7.65%	7.65%	7.65%	11.65%	11.65%
Tier 3 Defined Benefit Employer (a)(c)	8.97%	9.56%	27.61%	28.20%	24.27%
Tier 3 Defined Benefit Employee (a)	8.97%	9.56%	9.94%	9.94%	9.94%
Tier 3 Defined Contribution Employer (c)	10.73%	10.60%	28.52%	28.14%	27.74%
Tier 3 Defined Contribution Employee	10.73%	10.60%	10.85%	10.41%	10.51%
Pension Funded Status	N/A	N/A	N/A	104.3%	61.2%
Health Funded Status	N/A	N/A	N/A	125.8%	135.5%
Total District (Employer) Pension and Health Contribution	N/A	N/A	\$277,737	\$7,601,980	\$601,195

- (a) Does not include additional contribution percentage of 3% associated with Tier 2 defined benefit (“DB”) members additionally participating in the defined contribution (“DC”) 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.

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.

The District does not offer OPEBs. The District employees, their spouses and survivors may, however, be eligible for certain retiree health care benefits under health care programs provided by the State. Employees on long-term disability and their spouses may also qualify for retiree health care benefits through the State. It is expected that substantially all the District employees that reach normal or early retirement age while working for the District will become eligible for such benefits. Currently, such retirees may obtain the health care benefits offered by the State by paying the applicable health care insurance premium; such plan is available to all participants, whether retired or not, in the State’s health care program. It is not the responsibility of the District to fund such costs.

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 annual budget of the District for fiscal year 2024/25 and the audited financial statements of the District for fiscal years 2019/20 through and including 2023/24. Budgeted figures for fiscal year 2024/25 are on a cash basis and are presented in the format required by State law. Budgeted figures for fiscal year 2024/25 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 2019/20 through and including 2023/24 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, 2024.** 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 Beach Fleischman, PC to include its report and Beach Fleischman, PC has performed no procedures subsequent to rendering its report on the financial statements.**

TABLE 16

**General Fund
Pinetop Fire District**

	Budget	Unaudited	Actual			
		Estimated	2022/23	2021/22	2020/21	2019/20
	2024/25 (a)	2023/24 (b)				
FUND BALANCE AT BEGINNING OF THE YEAR	\$2,587,478	\$2,713,102	\$3,106,645	\$3,580,121	\$3,085,503	\$2,354,644
REVENUES						
Property taxes	\$5,695,775	\$5,708,967	\$4,862,438	\$4,694,669	\$4,546,269	\$4,338,955
Fire district assistance tax	353,927	-	278,933	274,386	267,457	255,365
Charges for services	1,815,222	2,405,302	1,904,387	3,256,367	3,574,167	1,601,165
Grants and contributions	2,150,254	263,278	525,255	1,493,652	297,778	486,966
Interest earnings	0	85,201	45,549	14,279	23,691	38,642
Other revenues	242,000	160,296	226,887	117,295	36,344	26,139
TOTAL REVENUES	\$10,257,178	\$8,623,044	\$7,843,449	\$9,850,648	\$8,745,706	\$6,747,232
ADJUSTMENTS						
Transfers in/(out)	-	-	(634,060)	(976,325)	(404,923)	(15,134)
Proceeds from sale of capital assets	-	-	-	28,100	-	11,200
Claims and judgment expenditure	-	-	-	-	-	-
Certificates of participation issued (c)	-	-	-	7,785,000	-	-
Discount on certificates of participation	-	-	-	(67,266)	-	-
TOTAL FUNDS AVAILABLE FOR EXPENDITURES	\$10,257,178	\$8,623,044	\$7,209,389	\$16,620,157	\$8,340,783	\$6,743,298
EXPENDITURES						
Current						
Public safety, fire protection:						
Emergency services	\$5,988,901	\$6,292,684	\$5,539,547	\$13,103,685	\$6,190,376	\$4,483,337
Administrative and support services	-	-	1,119,683	2,269,387	1,002,039	878,610
Personnel Costs	-	-	-	-	-	-
Buildings & Land	218,653	225,808	-	-	-	-
Vehicles and Equipment	409,400	488,645	-	-	-	-
Communications and IT Services	241,451	204,990	-	-	-	-
Travel & Training	206,950	269,684	-	-	-	-
Prevention	29,000	9,469	-	-	-	-
Managerial Expenses	516,281	502,372	-	-	-	-
Grant Expense	92,860	37,361	-	-	-	-
Capital outlay:	1,926,000	717,656	-	-	-	-
Debt service:						
Principal	-	-	580,000	1,240,596	559,129	542,275
Interest	351,770	-	363,702	155,787	94,621	108,217
Debt Issuance Costs	-	-	-	324,178	-	-
Reserve funding	275,912	-	-	-	-	-
TOTAL EXPENDITURES	\$10,257,178	\$8,748,668	\$7,602,932	\$17,093,633	\$7,846,165	\$6,012,439
FUND BALANCE AT END OF YEAR	\$2,587,478	\$2,587,478	\$2,713,102	\$3,106,645	\$3,580,121	\$3,085,503

(a) Reflects the District's budgeted figures for fiscal year 2024/25 which are unaudited and subject to change upon audit. These amounts are "forward looking" statements and should be considered with an abundance of caution.

(b) Reflects the District's estimates for fiscal year 2023/24 which are unaudited and subject to change upon audit. These amounts are "forward looking" statements and should be considered with an abundance of caution.

(c) Includes a portion of the proceeds of the District's Certificates of Participation, Taxable Series 2022, which financed a payment to the Arizona Public Safety Personnel Retirement System for a portion of the District's unfunded accrued (pension) liability.

APPENDIX C

THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

The following audited financial statements are for the fiscal year ended June 30, 2024. 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.

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 or received the consent of Beach Fleischman, PC to include its report and Beach Fleischman, PC has performed no procedures subsequent to rendering its report herein, on the financial statements.

NAVAJO COUNTY, ARIZONA

The following information regarding the County 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 COUNTY. 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."

General

The County was formed in 1895 from a portion of Apache County, Arizona. The County is located in northeastern Arizona, bordered on the north by the state of Utah, on the east by Apache County, Arizona, on the west by Coconino County, Arizona and on the south with Gila County, Arizona and Graham County, Arizona. Geographically the County is broken into two distinct geographic regions; the northern section of the County is comprised of plateaus and mesas while the southern section of the County is mountainous and heavily wooded with juniper, pinion and ponderosa pine forests.

The County encompasses approximately 9,949 square miles. Approximately 81% of the land is under government control, with the Navajo, Hopi and Apache Indian Reservations occupying 66% of the land. The following table illustrates land ownership in the County.

**LAND OWNERSHIP
Navajo County, Arizona**

<u>Control/Ownership</u>	<u>Percent of Land in Count</u>
Indian Reservation	66.00%
Individual or Corporation	19.00
U.S. Forest Service and Bureau of Land Management	9.00
State of Arizona	6.00
Total	<u>100.00%</u>

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

Located within the County is the City of Holbrook, Arizona, the County seat and the following principal communities: the cities of Show Low and Winslow and the towns of Pinetop-Lakeside, Snowflake and Taylor, Arizona. The following table illustrates respective population statistics for the principal communities of the County, the County and the State.

POPULATION STATISTICS

<u>Year</u>	<u>City of Holbrook</u>	<u>Town of Pinetop- Lakeside</u>	<u>City of Show Low</u>	<u>Town of Snowflake</u>	<u>Town of Taylor</u>	<u>City of Winslow</u>	<u>Navajo County</u>	<u>State of Arizona</u>
2024 Estimate (a)	4,901	4,182	12,535	6,848	4,443	8,673	110,846	7,621,703
2020 Census	4,858	4,030	11,732	6,104	3,995	9,005	106,717	7,151,502
2010 Census	5,053	4,282	10,660	5,590	4,112	9,655	107,449	6,392,017
2000 Census	4,917	3,582	7,695	4,460	3,176	9,520	97,470	5,130,632
1990 Census	4,686	2,422	5,020	3,679	2,418	9,279	77,674	3,665,339
1980 Census	5,785	2,315	4,298	3,510	1,915	7,921	67,629	2,716,546

(a) Provisional estimate as of July 2024 (data released in December 2024).

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

County Government and Organization

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

Economy

The economy of the County is based largely on government, construction, education and health services and professional and business services. The following table illustrates the employment structure in the County.

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

	<u>2024 Percent of Total</u>
Mining and construction	5.9%
Manufacturing	1.0
Trade, transportation and utilities	18.9
Information	0.9
Financial activities	2.0
Professional and Business Services	4.0
Educational and Health Services	17.2
Leisure and Hospitality	18.5
Services and miscellaneous	2.5
Government	<u>33.1</u>
Total	<u><u>100.0%</u></u>

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
Navajo County, Arizona

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Mining and construction	1,700	2,000	1,600	1,175	1,325
Manufacturing	275	800	275	300	275
Trade, transportation, and utilities	5,425	6,500	5,125	4,850	4,450
Information	250	400	250	150	225
Financial activities	575	1,000	550	550	500
Professional and business services	1,150	3,800	1,300	1,275	1,075
Educational and health services	4,925	4,800	4,500	4,400	4,525
Leisure and hospitality	4,150	4,000	3,925	3,075	3,325
Other Services	725	700	600	425	500
Government	9,500	10,700	9,625	9,475	9,750
	<u>28,765</u>	<u>34,700</u>	<u>27,750</u>	<u>25,675</u>	<u>25,950</u>

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

The table below illustrates the unemployment rate averages for the County, the State and the United States.

UNEMPLOYMENT RATE AVERAGES

<u>Calendar Year</u>	<u>Navajo County (a)</u>	<u>State of Arizona (a)</u>	<u>United States of America</u>
2024 (b)	5.2%	3.6%	4.2%
2023	5.7	3.9	3.6
2022	5.2	3.8	3.6
2021	7.9	5.8	5.5
2020	10.1	7.9	8.1

(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 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. Substate area data subsequently are revised to incorporate updated inputs, reestimation, and controlling to new statewide totals.

(b) 2024 Data is through November 8, 2024

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 the County.

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

<u>Calendar Year</u>	<u>Taxable Retail Sales (a)</u>
2025 (b)	\$104,849
2024	1,099,005
2023	951,584
2022	1,079,769
2021	1,026,391
2020	974,845

(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) *Represent only partial year data through January 2025.*

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

Bank Deposits

The following table illustrates bank deposits in the County.

BANK DEPOSITS
Navajo County, Arizona
(\$ in millions)

<u>Fiscal Year</u>	<u>Amount</u>
2024	\$1,223,865
2023	1,211,026
2022	1,274,954
2021	1,226,012
2020	983,556

Source: Federal Deposit Insurance Corporation.

FORM OF APPROVING LEGAL OPINION

[Closing Date]

District Board
Pinetop Fire District
of Navajo County, Arizona

Re: Pinetop Fire District of Navajo County, Arizona General Obligation Bonds, Series 2025

We have examined copies of the proceedings of the District Board of Pinetop Fire District of Navajo County, 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 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 24, 2025, 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

\$9,870,000*

PINETOP FIRE DISTRICT
OF NAVAJO COUNTY, ARIZONA
GENERAL OBLIGATION BONDS, SERIES 2025

(BASE CUSIP IDENTIFICATION NO. _____)

This Continuing Disclosure Undertaking (this “Disclosure Undertaking”) is executed and delivered by Pinetop Fire District of Navajo County, Arizona (the “District”), in connection with the \$9,870,000* aggregate principal amount of General Obligation Bonds, Series 2025 (the “Series 2025 Bonds”). The Series 2025 Bonds are being issued pursuant to a resolution adopted by the District Board of the District on February 24, 2025 (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 2025 Bonds (including persons holding Series 2025 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2025 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 March ___, 2025, for the Series 2025 Bonds.

“Participating Underwriters” shall mean the original underwriters of the Series 2025 Bonds required to comply with the Rule in connection with the offering of the Series 2025 Bonds.

“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 2024-2025 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 2025 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 2025 Bonds or other material events affecting the tax status of the Series 2025 Bonds,
7. Modifications to rights of holders of the Series 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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. 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 2025 Bonds, and shall create no rights in any other person or entity.

Dated: [Closing Date]

PINETOP FIRE DISTRICT OF NAVAJO COUNTY,
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.

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.

APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY