

# GOLDER RANCH FIRE DISTRICT

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the fiscal year ended June 30, 2015





# **GOLDER RANCH FIRE DISTRICT**

*Proudly serving the communities of Oro Valley, Catalina and SaddleBrooke*



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

*For the fiscal year ended June 30, 2015*

**Golder Ranch Fire District**  
3885 E. Golder Ranch Dr.  
Tucson, AZ 85739  
Phone 520-825-9001  
Fax 520-825-8043  
[www.golderranchfire.org](http://www.golderranchfire.org)

**Prepared by the Finance Department of Golder Ranch Fire District**

Randy Karrer, Fire Chief  
David Christian CPA, Finance Manager  
Christina Babuca, Accounting Specialist  
Mary Bequette, EMS Billing Supervisor  
Susan Hileman, EMS Billing Specialist

# **GOLDER RANCH FIRE DISTRICT**

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## **INTRODUCTORY SECTION**

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## **GOLDER RANCH FIRE DISTRICT**

*Meeting the emerging needs of the community through teamwork, dedication, and professionalism*

December 1, 2015

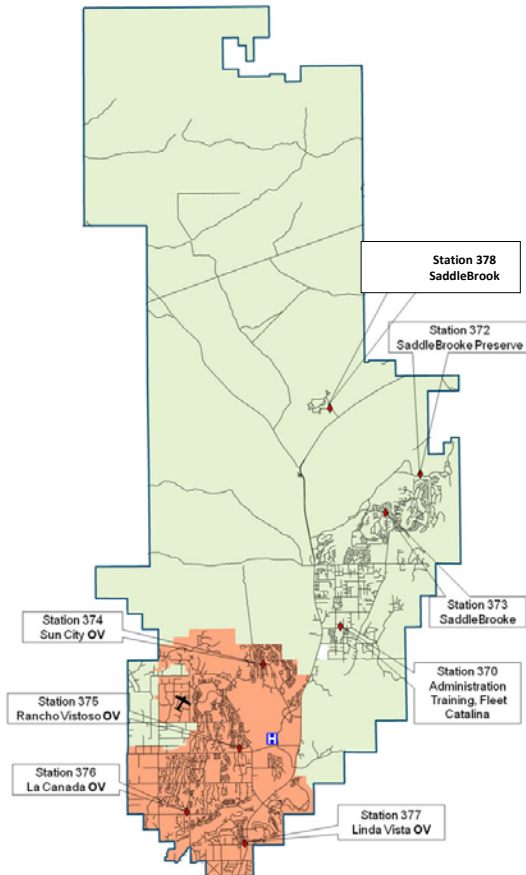
To: Golder Ranch Fire District Board of Directors and Citizens:

The following is the Comprehensive Annual Financial Report (CAFR) of the Golder Ranch Fire District for the fiscal year ending June 30, 2015. This CAFR report is intended to meet and exceed all legal reporting requirements that are borne by this jurisdiction. Furthermore, the responsibility for the completeness, fairness and accuracy of the data presented and all accompanying disclosures rests with the District. To provide a reasonable basis for making these representations, the District's management has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse; and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Arizona Revised Statutes (ARS) 48-253 and 48-805(9) require an annual audit to be performed in accordance to the statutory requirements and in conformance to generally accepted government auditing standards. As such, this fiscal year audit has been performed by independent Certified Public Accountants (CPA) with the Heinfeld, Meech & Co., PC firm.

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

## *District Profile*



Golder Ranch Fire District was created in 1977 under the provisions set forth in Arizona Revised Statute (ARS) 48-261 and maintained in accordance to ARS 48-805. Additionally, the Fire District possesses a Certificate of Necessity (CON) #56 from the Arizona Department of Health Services and subsequently operates an ambulance transport service under the provisions set forth in Title 36, Chapter 21.1 of the Arizona Revised Statutes. The District is governed by a five member Board of Directors that serves staggered four-year terms. The Fire Chief manages the daily operations of the District and is appointed by the Governing Board.

Since its inception, the geographical boundaries of the District have expanded through annexations and a joint merger with the Catalina Fire District and Oracle Junction Fire District.

The current district fire boundaries are approximately 221 square miles and the ambulance transport boundaries are approximately 374 square miles. These boundaries are geographically located in Northern Pima and Southern Pinal County. The District is predominantly comprised of residential properties and a limited urban/commercial corridor. The 2010 Census data estimates 60,000 residents within the District and this is supported by a land-ownership report that estimates nearly 82% of the 31,000 parcels are for residential use.

The District currently own and / or operates eight (8) fire stations, one (1) fleet services facility, one (1) training facility and one (1) administration building. Services are rendered by a full-time staff of approximately one-hundred sixty-six (166) employees and a Fire Corp group comprised of approximately nineteen (19) volunteers.

Medical emergencies account for the majority of reported incidents within the District. Accordingly, all first-line fire and medical response vehicles are staffed with firefighters that are trained as paramedics and/or emergency medical technicians. This staffing model affords a daily paramedic to resident staffing ratio of approximately 1 : 500 residents. The population of the District is primarily spread out between the three communities of Oro Valley, Catalina and Saddlebrooke. This area is very disparate, having only an average population density of 268 per square mile.

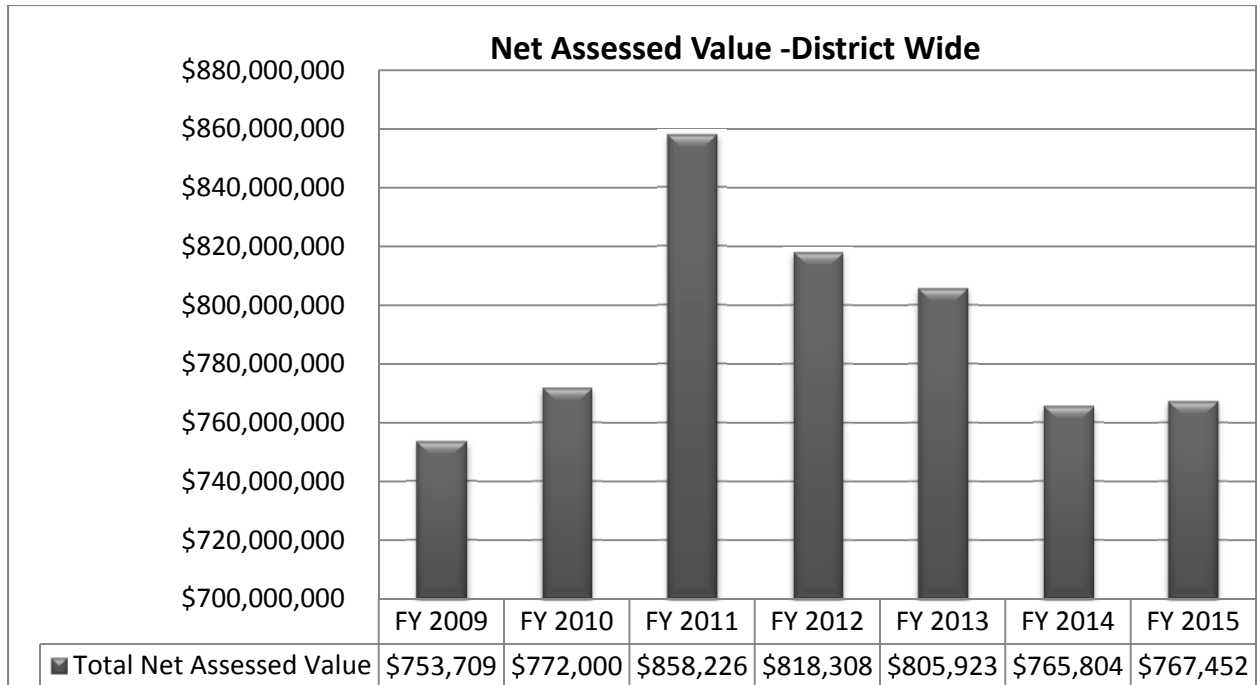
The District is focused on providing the taxpayers with the highest level of services through an efficient and effective all-hazards response model. Services include fire, medical, technical rescue, wildfire suppression, hazardous material, fire inspection, fire investigation, code enforcement, public education, life-safety classes, desert creature removal, smoke alarm assistance, lockout assistance and much more. The District continues to implement operational improvements in order to accomplish strategic goals and exceed community expectations.

### ***District Budget***

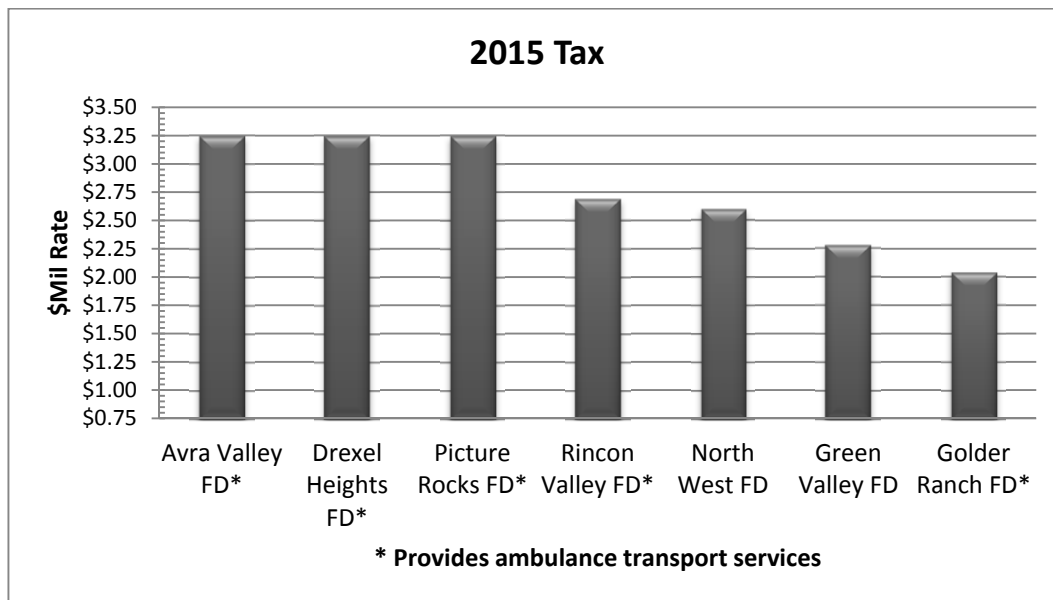
Golder Ranch Fire District is considered a political subdivision of the State and is authorized to charge a secondary assessed property tax for fire protection services. This tax is assessed on all non-exempt properties that are located within the geographical boundaries of the District and serves as its primary funding source.

For the fiscal year ended June 30, 2015 the District O&M tax rate was \$2.04 per \$100 of assessed value and is lower than all other comparable southern Arizona fire districts and well below the State imposed ceiling limit of \$3.25. The District also set 14¢ per \$100 of assessed value to service its general obligation bonds.

For the 2015 fiscal year the District finally saw an end the year over year declines in assessed valuations with a slight increase from \$766 million to \$767 million. This net assessed value coupled with the \$2.18 aggregate mil rate provided a levy of \$16,733,530.



Even with a slight increase in the mil rate, the District's levy is still a remarkably good value for the level of services provided. The District has historically been at or near the lowest for the Tucson Metropolitan area. For the 2015 fiscal year, GRFD had the lowest tax rate of the region's largest full service fire districts and by far the lowest tax rate among districts offering ambulance transports.



<b><u>DISTRICT</u></b>	<b><u>2015 FY Mill Rate</u></b>
Avra Valley FD*	3.25
Drexel Heights FD*	3.25
Picture Rocks FD*	3.25
Rincon Valley FD*	2.69
Northwest FD	2.60
Green Valley FD	2.28
Golder Ranch FD*	2.04

### ***Local Economy and Outlook***

One factor holding back employment gains during 2014 was federal fiscal drag. This is related to the impact of the federal sequester on government activity, which began in 2013. These cuts have impacted growth in federal employment, as well as private sector jobs through reduced federal procurement spending (government purchases of goods and services from the private sector).

The decline in federal procurement spending has likely had a bigger impact on Tucson than Phoenix or the state as a whole. This is because federal government activity (both civilian and military) is a much bigger part of the Tucson economy than it is for the state overall or Phoenix. Indeed, federal activity accounted for 7.7% of Tucson's GDP in 2012, compared to 1.9% for Phoenix, 3.9% for Arizona, and 3.8% for the U.S.

Arizona construction activity remains a concern, with slow employment, permit, and house price gains in 2014. Construction employment increased in 2014, but by just 1.4%, which followed a 6.6% increase in 2013. Likewise, housing permits rose in 2014 by 8.1%, after a 16.0% increase in 2013. All of the increase in permit activity was driven by gains in multi-family permits, which rose 46.2%. Single-family permits, in contrast, fell by 6.0% last year. Phoenix house prices, measured by the Case-Shiller index, rose by 6.6% in 2014, after a 19.6% increase in 2013. Overall, construction activity remains sluggish, held back by a variety of factors, including slow population and household growth. *Hammond, G. W. (2015, June). Cross Currents, Arizona's Economy Looks for Smooth Sailing: 2nd Qtr 2015 Forecast Update. Retrieved from azeconomy.org.*

## ***Long Term Financial Planning***

As part of the budget approval process, beginning in July 2014, the District adopted a five year capital improvement plan (CIP). The CIP is a comprehensive, plan for sustaining and enhancing emergency response infrastructure by refurbishing or replacing aging facility and apparatus assets. The CIP provides a forecast for the life expectancy of each of the District's long lived assets and the estimated cost of their replacement and or refurbishment. Finally, and most importantly, the CIP will define the funding levels needed year over year for the 5 year time horizon of the plan.

Financial Governance for the District is provided for by an internal financial policy that is referred to as the *Principles of Sound Financial Management* (PSOFM). This document establishes the fiscal framework associated with the establishment of funds, fund balances, reserve funds and capital outlays. The District has and continues to automate numerous processes associated with accounts receivable, payable, billing for ambulance transports and payroll.

A multi-year strategic plan was developed and adopted by the Fire Board. This plan establishes the vision and direction that is required for District growth and operation. This strategic plan will be updated in fiscal year 2016.

## ***Major Initiatives***

During the fiscal year ending June 30, 2015 the District purchased a refurbished engine, three Zoll heart monitors and completed a number of communications infrastructure upgrades. Additionally, the District sold real property that was held as a potential site for a future fire station.

After a year in development, GRFD was able to implement the concept of the community integrated paramedic program. The community paramedic program is a unique approach to helping patients manage their disease process after discharge from the hospital. Those patients who fit a specific criterion and opt into the program benefit from home visits from a GRFD paramedic. The paramedic will teach them how to manage their health challenges therein avoiding re-admittance to the hospital. This is all at no charge to the patient.

## ***Awards & Acknowledgment***

### ***Awards***

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2014. In order to be awarded this certificate, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

This certificate is valid for a period of one year only. We believe that this current comprehensive annual financial report continues to meet the programs' requirements and we will be submitting it to GFOA to determine its eligibility for the fiscal year 2014-15.

### ***Acknowledgements***

A sincere gratitude is extended to the personnel of the Finance Division and the members of the Golder Ranch Fire District who contributed to this report. We are also deeply appreciative of the support extended to us by the Board of Directors and the citizens of this District.

Respectfully Submitted,



**Randy Karrer**  
Fire Chief



**Dave Christian, CPA**  
Finance Manager





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

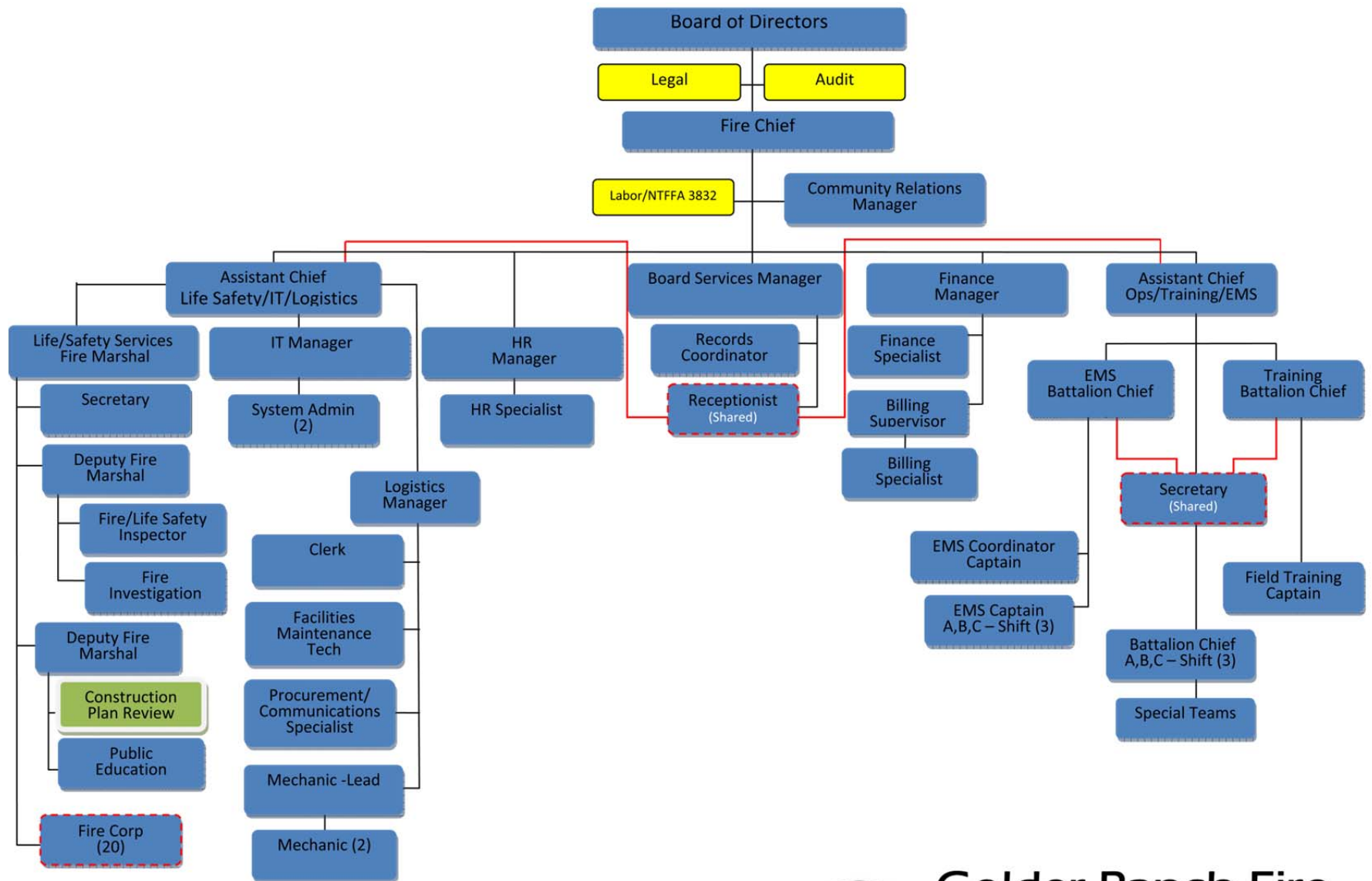
Presented to

**Golder Ranch Fire District  
Arizona**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO



XI



# Golder Ranch Fire District

Revised 9-15-2014



## **GOLDER RANCH FIRE DISTRICT**

*Meeting the emerging needs of the community through teamwork, dedication, and professionalism*

### **LIST OF ELECTED AND APPOINTED OFFICIALS**

#### **BOARD OF DIRECTORS:**

		<b><u>Term Expires</u></b>
Chairperson	Vicki Cox Golder	November 2018
Vice Chair	Steve Brady	November 2016
Clerk	David Dahl	November 2016
Board Member	Mark Clark	November 2018
Board Member	Richard Hudgins	November 2016

#### ***Administrative Offices:***

3885 E. Golder Ranch Dr.  
Tucson, AZ 85739

#### ***Registered Agent:***

Randy Karrer  
Fire Chief

#### ***Legal Counsel:***

Leonard & Felker, P.L.C.  
7440 N. Oracle Rd, Bldg 2  
Tucson, AZ 85704

## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Golder Ranch Fire District

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Golder Ranch Fire District (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Golder Ranch Fire District, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for the year ended June 30, 2015, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and net pension liability information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Introductory Section, Combining and Individual Fund Financial Statements and Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2015, on our consideration of Golder Ranch Fire District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Golder Ranch Fire District's internal control over financial reporting and compliance.

*Heinfeld, Meech & Co., P.C.*

HEINFELD, MEECH & CO., P.C.  
CPAs and Business Consultants

December 1, 2015



**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**(Required Supplementary Information)**

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## **MANAGEMENT DISCUSSION & ANALYSIS**

As management of the Golder Ranch Fire District (the District), we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2015. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. This discussion and analysis is intended to be an easily readable breakdown of the District's financial activities based on currently known facts, decisions and conditions. Readers are encouraged to consider the information presented here in conjunction with the financial statements as a whole, which will follow this narrative.

### ***Financial Highlights***

- The assets of the District exceeded its liabilities at the end of the current fiscal year by \$4,163,867. Of this amount, \$8,690,905 is cash and cash equivalents and may be used to meet the District's ongoing obligations to citizens and creditors.
- The net position of the District decreased by \$8,025,475 due to reporting requiring the accrual of the net pension liability (GASB 68).
- Cash increased by \$1,799,422 due to funding of the multi-year capital improvement plan, less than budgeted expenditures and increases in ambulance revenues.
- At the close of the fiscal year ended June 30, 2015, the District's had a combined ending fund balance of \$7,951,716 an increase of \$1,957,360 in comparison with the 2014 fiscal year end. The entire fund balance is legally restricted or committed by the District Board of Directors.
- The General Fund and Debt Service Fund budget for 2015 was based on the 2014 property tax, secondary net assessed value of approximately \$767 Million (District wide) at an aggregate rate of \$2.18/\$100 of assessed value.
- The District sold real property that was intended for a future fire station for \$349,900.
- Additions and changes to the fleet during the fiscal 2015 included a purchase of a refurbished engine and three American Heart Association compliant, biphasic heart monitors.

## ***Overview of the Financial Statements***

This annual report consists of two parts: management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include The *Statement of Net Position* and the *Statement of Activities* (on pages 18 and 19) these statements provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 22. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds individually.

### ***The Statement of Net Position and the Statement of Activities-Govt. Wide***

One of the most important questions asked about the District's finances is, "Is the District as a whole better or worse off as a result of the year's activities?" The *Statement of Net Position* and the *Statement of Activities* report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by the most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The *Statement of Net Position* and *Statement of Activities* report the District's net position and changes in them. You can think of the District's net position — the difference between assets and liabilities — as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base, access to non-property tax revenues, age of the District's existing infrastructure, etc., to assess the overall financial health of the District.

In the *Statement of Net Position* and the *Statement of Activities*, the District presents total Governmental activities. All of the District's basic services are reported in these two reports.

## ***Fund Financial Statements***

The fund financial statements (pages 22-27) provide detailed information about the General Fund, Capital Projects Fund, and Debt Service Fund specifically. All of the District's basic services are reported in the General Fund, which focuses on how money flows into and out of those funds and the balances left at year-end that are available. The fund is reported using an accounting method called modified accrual accounting. This method measures cash and all other financial assets that can be readily converted to cash. The General Fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds in a reconciliation included with the financial statements.

The District adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

## ***Notes to the financial statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the financial statements begin on page 30.

## ***Government Wide Financial Analysis***

The District's combined net position decreased from \$12,189,342 to \$4,163,867 from June 30, 2014 to June 30, 2015 due to the implementation of the new pension standards. As noted earlier, net position may serve over time as one useful indicator of the District's financial condition.

The largest portion of the District's net position is its net investment in capital assets (ie: land, buildings, equipment and fleet). The District has monies held by a paying agent (Pima County Treasurer) that is legally restricted to service the bond obligations owed by the District. The rest of the District's net position is available to meet the ongoing operational needs of the District.

The following table presents a summary of the District's net position at the years ended June 30, 2015 and 2014 respectively.

	Governmental Activities	
	2015	2014
<b>ASSETS</b>		
Current and Other Assets	9,481,362	7,552,256
Capital Assets	17,585,846	18,343,322
Deferred Outflows of Resources	2,998,458	
Total Assets	\$ 30,065,666	\$ 25,895,578
<b>LIABILITIES</b>		
Current Liabilities	1,765,323	1,507,416
Non-Current Liabilities	22,794,775	12,198,820
Deferred Inflows of Resources	1,341,701	
Total Liabilities	\$ 25,901,799	\$ 13,706,236
<b>NET POSITION</b>		
Net investment in capital assets	7,191,068 173%	6,640,717 54%
Restricted for debt service	372,161 9%	528,150 11%
Restricted for capital outlay	582,060 14%	- 0%
Unrestricted	(3,981,422) -96%	5,020,475 41%
Total Net Position	\$ 4,163,867 100%	\$ 12,189,342 106%

### ***Governmental Activities***

Governmental activities decreased the District's net position by \$8,025,475. The key elements in the change in fund balance were due to:

- Increase in the Mil rate from \$1.82 to \$2.04.
- The sale of real property
- Increase in ambulance transports, billing and collections
- Funding of a multi-year Capital Improvement Plan
- Recognition of net pension liability (GASB 68)

The costs of all governmental activities for the year ended June 30, 2015 was \$18,873,349. Property taxes and Fire District Assistance Taxes provided \$17,022,813 or 82% of total revenues. Additional revenues were realized from grants, interest and fees for services. Emergency medical transports amounted to \$3,295,320 or 16% of total revenues.

		Governmental Activities	
		2015	2014
<b>Changes in Net Position</b>			
<b>Revenues:</b>			
Program Revenues			
Charges for Services	\$	3,295,320 16%	\$ 2,538,435 14%
Operating grants and contributions		315,056 2%	131,249 1%
General Revenues:			
Property taxes		17,022,813 82%	15,371,055 85%
Interest Income		28,328 0%	30,977 0%
Miscellaneous		40,841 0%	22,124 0%
<b>TOTAL REVENUES</b>	<b>\$</b>	<b>20,702,358</b>	<b>\$ 18,093,840</b>
<b>Expenditures/expenses:</b>			
Public Safety	\$	18,460,962	\$ 17,274,232
Interest on long-term debt		412,387	506,040
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>18,873,349</b>	<b>\$ 17,780,272</b>
Change in Net Position	\$	1,829,009	\$ 313,568
Net Position - July 1		2,334,858	11,875,774
Net Position - June 30	\$	4,163,867	\$ 12,189,342

### ***Financial Analysis of the Districts Funds***

As the District completed the year, its General Fund (as presented in the balance sheet on pages 22 and 23) reported a combined fund balance of \$7,951,716 which is above last year's total of \$5,994,356.

The General Fund increased \$1,502,857 while the Debt Services fund decreased by \$127,557. The multiyear capital improvement plan was segregated into its own separate 'Capital Projects' fund and had a fund balance at year-end of \$582,060.

<u><b>Golder Ranch Fire District Governmental Funds - Fund</b></u>					
		2015		2014	
MAJOR FUNDS		Amount	%	Amount	%
General Fund		7,014,419	88%	5,511,562	92%
Debt Service Fund		355,237	4%	482,794	8%
Capital Projects Fund		582,060	7%	-	0%
Total Fund Balance		7,951,716	100%	5,994,356	100%



## ***General Fund***

The General Fund accounts for most all of the day to day operational and maintenance needs of the District, as well as funding necessary to service the District's one capital lease.

## ***Debt Service Fund***

This fund is used to account for the property tax collections and servicing of general obligation debt associated with the 2005 and 2007 GADA bonds. The debt service fund has its own source of revenue with a restricted property tax levy. The 2005 GADA bonds were retired at the end of FY 2015 and the District issued new 10 year, fully callable bonds.

## ***Capital Projects Fund (CIP)***

The Capital Projects Fund was used to account for the capital improvement projects that were funded by the 2005 and 2007 GADA bond issues. The Capital Projects Fund was completely exhausted by the beginning of fiscal 2012, the 2015 budget provides for new funding and a five year time horizon for the CIP.

## ***General Fund Budgetary Highlights***

Pursuant to ASRS 48-805 The District adopts an annual budget for the General Fund and sets a levy for the Debt Service Fund. This budget is used to determine the funding requirements for The District. The following chart shows results of the budget to actual comparison for fiscal 2015.

**Golder Ranch FD**  
**General Fund 2015 Budget to Actuals**

	<u><b>Actuals</b></u>	<u><b>Budget</b></u>	<u><b>Variance</b></u>
<b>REVENUES</b>			
Property Taxes	15,019,649	15,005,891	13,758
Charges for Services	3,295,320	3,280,000	15,320
Intergovernmental	329,620	350,000	(20,380)
Other Rev & Financing Sources	64,925	235,000	(170,075)
<b>Total Revenues &amp; Financing Sources</b>	<b>18,709,514</b>	<b>18,870,891</b>	<b>(161,377)</b>
<b>EXPENSES</b>			
Public Safety	17,261,181	18,271,897	1,010,716
Capital Outlay	-	-	-
Debt Service	295,376	298,994	3,618
Contingency	-	300,000	300,000
<b>Total expenses</b>	<b>17,556,557</b>	<b>18,870,891</b>	<b>1,314,334</b>
<b>Other financing sources (net)</b>			
Proceeds from sale of capital assets	349,900	-	(349,900)
Capital Lease	-	-	-
Transfer in	-	-	-
<b>Total other financing sources (uses)</b>	<b>349,900</b>	<b>-</b>	<b>(349,900)</b>
<b>CHANGES IN FUND BALANCE</b>			
Increase (Decrease) in Fund Balance	1,502,857	-	1,502,857
Beginning Fund Balance	5,511,562	5,511,562	-
<b>Ending Fund Balance</b>	<b>7,014,419</b>	<b>5,511,562</b>	<b>1,502,857</b>

The 2015 District Budget contained a contingency line item of \$300,000 to provide for unforeseeable expenditures. This contingency was left largely untouched. Additionally, revenues exceeded expectations and operational efficiencies were found to lower expenses. Consequently, the 2015 General Fund balance increased by \$1,502,857

### **Capital Assets**

At the end of 2015, the District had \$25,558,246 invested in land, buildings, apparatus, vehicles and equipment before consideration of accumulated depreciation. Land is held in the District's books at cost or in the case of donated land, at fair market value as determined by the donor. All buildings and rolling stock are held on the books at cost.

**Golder Ranch FD Capital  
Assets as of June 30,**

<b><u>Governmental Type Activities</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Land not depreciated	1,815,318	2,206,825
Buildings and improvements	15,754,398	15,667,794
Vehicles & Apparatus	7,988,530	7,529,557
Accumulated Depreciation	(7,972,400)	(7,060,854)
<b>Net Capital Assets</b>	<b>17,585,846</b>	<b>18,343,322</b>

Major capital projects for 2015 have already been mentioned in this analysis. The District's capitalization threshold is \$5,000. Through careful planning and monitoring of the District's capital asset replacement schedule, The District has determined an annual funding requirement that will provide for the timely replacement of major apparatus and equipment. The Capital Projects funding requirement for the upcoming fiscal year of 2016 will be \$1,693,360, of which \$582,060 was available from the CIP fund balance.

Additional information regarding capital assets can be found in the Notes to the Financial Statements on page 39.

### ***Long-Term Liabilities***

At the end of fiscal 2015, the District had total debt outstanding of \$10,854,778, a reduction of \$847,827 from the end of fiscal 2014.

<b><u>Governmental Type Activities</u></b>	<b>Outstanding Debt as of June 30,</b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>Change</u></b>
General Obligation Bonds	9,195,000	9,805,000	(610,000)
Capital Leases	1,659,778	1,897,605	(237,827)
<b>Total Obligations</b>	<b>10,854,778</b>	<b>11,702,605</b>	<b>(847,827)</b>

Additional information regarding the long and short term District obligations can be found in the notes to the Financials Statements on pages 40 through 42.

## ASSESSED VALUES

Fiscal 2015 saw a change from the full to the limited property tax valuation methodology. Passed by Arizona voters in November 2012, Prop 117 shifted the assessed valuation formula from full to limited and restrained increases in assessed values to no more than 5% per year. As such the District's assessed values increased by less than 1%. Consequently the Board of Directors authorized a mil rate increase of \$.02 for FY 2015 from \$2.04 to \$2.08 and lowered the debt service mill rate from \$.14 to \$.12. The Average levy per parcel rose \$1 on average to \$500/parcel.

<b><u>Governmental Type Activities</u></b>								
	<b><i>FY 2012</i></b>	<b><i>FY 2013</i></b>	<b><i>FY 2014</i></b>	<b><i>FY 2015</i></b>	<b><i>% Change</i></b>	<b><i>FY 2016</i></b>	<b><i>% Change</i></b>	
Total Parcel Count	30,706	31,319	31,421	31,536	0%	31,762	1%	
Total Net Assessed Value	\$ 818,308,662	\$809,112,989	\$765,804,716	\$767,452,572	0%	\$771,573,803	1%	
Average Assessed Value District Wide	26,650	25,835	24,372	24,336	0%	24,292	0%	
Average Levy / Parcel District Wide	\$ 424	\$ 416	\$ 444	\$ 496	11%	\$ 500	1%	

Like most governmental agencies across the region, state and nationally, the District has had to cope with declining tax based revenues. Fortunately, the rate of decline in tax revenue seems to be slowing and there is evidence that points to an economic recovery in the near term. Going forward, the challenge for the District will be to develop a user based fee structure that will diversify its revenue sources.

## MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, bond holders and creditors with a general overview of the District's finances and to comply with the District's fiduciary responsibility. If you have questions about this report or need additional financial information, contact the Finance Manager at (520) 825-9001 located at 3885 E. Golder Ranch Dr. Tucson, AZ 85739.

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## **BASIC FINANCIAL STATEMENTS**

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## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**GOLDER RANCH FIRE DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2015**

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 7,874,496
Cash held by paying agents	816,409
Accounts receivable	369,700
Property taxes receivable	366,022
Due from governmental entities	54,735
Total current assets	<u>9,481,362</u>
Noncurrent assets:	
Capital assets, non-depreciable	1,815,318
Capital assets, depreciable (net)	<u>15,770,528</u>
Total noncurrent assets	<u>17,585,846</u>
<b>Total assets</b>	<u><b>27,067,208</b></u>
 <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Deferred charge on refunding	132,754
Pension plan items	<u>2,865,704</u>
<b>Total deferred outflows of resources</b>	<u><b>2,998,458</b></u>
 <b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	138,969
Accrued payroll and employee benefits	245,112
Accrued interest payable	177,464
Claims payable	75,000
Compensated absences payable	190,000
Leases payable	263,778
Bonds payable	<u>675,000</u>
Total current liabilities	<u>1,765,323</u>
Noncurrent liabilities:	
Compensated absences payable	1,409,825
Leases payable	1,396,000
Bonds payable	8,520,000
Net pension liability	<u>11,468,950</u>
Total noncurrent liabilities	<u>22,794,775</u>
<b>Total liabilities</b>	<u><b>24,560,098</b></u>
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension plan items	<u>1,341,701</u>
 <b><u>NET POSITION</u></b>	
Net investment in capital assets	7,191,068
Restricted for:	
Debt service	372,161
Capital outlay	582,060
Unrestricted	<u>(3,981,422)</u>
<b>Total net position</b>	<u><b>\$ 4,163,867</b></u>

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

**GOLDER RANCH FIRE DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>				
Public safety - emergency services	\$ 15,714,479	\$ 3,295,320	\$ 315,056	\$ (12,104,103)
Public safety - administration	2,718,485			(2,718,485)
Public safety - community safety services	27,998			(27,998)
Interest on long-term debt	412,387			(412,387)
<b>Total governmental activities</b>	<u>\$ 18,873,349</u>	<u>\$ 3,295,320</u>	<u>\$ 315,056</u>	<u>(15,262,973)</u>

**General revenues:**

Taxes:

Property taxes	17,022,813
Investment income	28,328
Miscellaneous	40,841

**Total general revenues**

17,091,982

**Changes in net position**

1,829,009

**Net position, beginning of year, as restated**

2,334,858

**Net position, end of year**

\$ 4,163,867

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

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## **FUND FINANCIAL STATEMENTS**

**GOLDER RANCH FIRE DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 6,945,652	\$ 346,784	\$ 582,060
Cash held by paying agents		816,409	
Accounts receivable	369,700		
Property taxes receivable	320,645	45,377	
Due from governmental entities	54,735		
<b>Total assets</b>	<u><u>\$ 7,690,732</u></u>	<u><u>\$ 1,208,570</u></u>	<u><u>\$ 582,060</u></u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 138,969	\$	\$
Accrued payroll and employee benefits	245,112		
Claims payable	75,000		
Bonds payable		675,000	
Bond interest payable		141,409	
<b>Total liabilities</b>	<u>459,081</u>	<u>816,409</u>	
Deferred inflows of resources:			
Unavailable revenue - property taxes	197,598	36,924	
Unavailable revenue - intergovernmental	19,634		
<b>Total deferred inflows of resources</b>	<u>217,232</u>	<u>36,924</u>	
Fund balances:			
Restricted		355,237	582,060
Committed	6,553,262		
Assigned	461,157		
<b>Total fund balances</b>	<u>7,014,419</u>	<u>355,237</u>	<u>582,060</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><u>\$ 7,690,732</u></u>	<u><u>\$ 1,208,570</u></u>	<u><u>\$ 582,060</u></u>

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

Total  
Governmental  
Funds

---

\$ 7,874,496  
816,409  
369,700  
366,022  
54,735  

---

\$ 9,481,362  

---

\$ 138,969  
245,112  
75,000  
675,000  
141,409  

---

1,275,490  

---

234,522  
19,634  

---

254,156  

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937,297  
6,553,262  
461,157  

---

7,951,716  

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\$ 9,481,362  

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**GOLDER RANCH FIRE DISTRICT  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2015**

<b>Total governmental fund balances</b>	<b>\$</b>	<b>7,951,716</b>
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Amounts reported for *governmental activities* in the Statement of Net Position are different because:

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

Governmental capital assets	\$ 25,558,246	
Less accumulated depreciation	<u>(7,972,400)</u>	17,585,846

Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.

Property taxes	234,522	
Intergovernmental	<u>19,634</u>	254,156

Deferred charges related to the of issuance of refunding bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.		132,754
--	--	---------

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	2,865,704	
Deferred inflows of resources related to pensions	<u>(1,341,701)</u>	1,524,003

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued interest payable	(36,055)	
Compensated absences payable	(1,599,825)	
Obligations under capital leases	(1,659,778)	
Net pension liability	(11,468,950)	
Bonds payable	<u>(8,520,000)</u>	<u>(23,284,608)</u>

<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>4,163,867</u></b>
--	-----------	-------------------------

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

**GOLDER RANCH FIRE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b>Revenues:</b>			
Property taxes	\$ 15,019,649	\$ 1,083,287	\$ 1,054,038
Intergovernmental	329,620		
Charges for services	3,295,320		
Investment income	24,084	4,244	
Miscellaneous	40,841		
<b>Total revenues</b>	<u>18,709,514</u>	<u>1,087,531</u>	<u>1,054,038</u>
<b>Expenditures:</b>			
Current -			
Public safety - emergency services	14,645,363		
Public safety - administration	2,587,820		
Public safety - community safety services	27,998		
Capital outlay			471,978
Debt service -			
Principal retirement	237,827	675,000	
Interest and fiscal charges	57,549	340,088	
Payment to escrow agent		200,000	
Bond issuance costs		82,496	
<b>Total expenditures</b>	<u>17,556,557</u>	<u>1,297,584</u>	<u>471,978</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,152,957</u>	<u>(210,053)</u>	<u>582,060</u>
<b>Other financing sources (uses):</b>			
Issuance of refunding bonds		5,310,000	
Payment to escrow agent		(5,227,504)	
Proceeds from sale of capital assets	349,900		
<b>Total other financing sources (uses):</b>	<u>349,900</u>	<u>82,496</u>	
<b>Changes in fund balances</b>	<u>1,502,857</u>	<u>(127,557)</u>	<u>582,060</u>
<b>Fund balances, beginning of year</b>	5,511,562	482,794	
<b>Fund balances, end of year</b>	<u>\$ 7,014,419</u>	<u>\$ 355,237</u>	<u>\$ 582,060</u>

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

Total  
Governmental  
Funds

---

\$ 17,156,974  
329,620  
3,295,320  
28,328  
40,841  

---

20,851,083

14,645,363  
2,587,820  
27,998  
471,978

912,827  
397,637  
200,000  
82,496  

---

19,326,119

---

1,524,964

5,310,000  
(5,227,504)  
349,900  

---

432,396

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1,957,360

5,994,356

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\$ 7,951,716  

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**GOLDER RANCH FIRE DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2015**

**Net changes in fund balances - total governmental funds** **\$ 1,957,360**

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 545,577	
Less current year depreciation	<u>(911,546)</u>	(365,969)

In the Statement of Activities, only the gain on the sale of land is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net assets differs from the change in fund balance by the sale of the land. (349,900)

Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.

Issuance of refunding bonds	(5,310,000)	
Defeasance of refunded debt	<u>5,280,000</u>	(30,000)

Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(134,161)	
Intergovernmental	<u>(14,564)</u>	(148,725)

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Capital lease principal retirement	237,827	
Bond principal retirement	<u>675,000</u>	912,827

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred pension items, is reported as pension expense in the Statement of Activities.

Current year pension contributions	1,408,536	
Pension expense	<u>(1,498,999)</u>	(90,463)

Some revenues and expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures or revenues in governmental funds.

Deferred charges on issuance of debt	147,504	
Gain on disposal of assets	(41,607)	
Amortization of deferred bond items	(14,750)	
Compensated absences	<u>(147,268)</u>	(56,121)

**Changes in net position in governmental activities** **\$ 1,829,009**

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



## **GOLDER RANCH FIRE DISTRICT**

*Meeting the emerging needs of the community through teamwork, dedication, and professionalism*

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Reporting Entity***

Established in 1977 Golder Ranch Fire District (District) is an Arizona Special Taxing District operating under Arizona Revised Statutes Title 48, Chapter Five. The District provides a range of fire protection and emergency services, emergency medical services, ambulance transport and community assistance to the residents of unincorporated Pima and Pinal Counties, Town of Oro Valley and the communities of Catalina and SaddleBrooke.

The power and authority given to the District is vested in a Board of Directors, each member being elected for a four-year term. The Board of Directors has the statutory authority to adopt and modify the budget, levy taxes, control all assets, including facilities and properties, authorize borrowing or long-term debt issuances, sign contracts and develop the service programs to be provided. The responsibility and accountability for over all funds and fiscal matters are vested in the Board of Directors. The District is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit from nor imposes a financial burden on the District.

The Board of Directors appoints the Fire Chief of the District. The activities under the purview of the Fire Chief are within the scope of the reporting entity and the Fire Chief is accountable to the Board of Directors for the activities being managed. The District is the primary, special purpose government responsible for all fire protection within its service areas. As a result, all significant activities have been included in the government-wide financial statements. The District's financial statements represent those of a stand-alone government, as there are no discretely or blended component units.

During the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This Statement

requires governments providing defined benefit pensions to recognize the long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

### ***Government-wide and Fund Financial Statements***

The government-wide financial statements report information on all of the governmental activities of the District. Eliminating entries have been posted to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes and ambulance transport revenues.

The *Statement of Activities* presents a comparison between direct expenses of the public safety program of the District and program revenues. Direct expenses are those that are specifically associated with the public safety function and therefore, are clearly identifiable to that function. Program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Property taxes, investment earnings, insurance refunds, and other items that are not properly classified as program revenues, are presented as general revenues.

### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government-wide financial statements are reported using the economic resources measurement focus, whereby all assets and liabilities are included in the *Statement of Net Position*. The increases and decreases in the net position are presented in the government-wide *Statement of Activities*. These statements are reported on the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The governmental fund financial statements are accounted for using a current financial resources measurement focus, whereby only current assets and current liabilities generally are included in the *Balance Sheet*, and the *Statement of Revenues, Expenditures and Changes in Fund Balances* present increases and decreases in those net current assets. These funds use the modified accrual basis of accounting whereby revenues are recorded only when susceptible to accrual (both measurable and available). “Measurable” means that the amount of the transaction can be determined. “Available” is defined as being collectible within the current period or soon enough

thereafter (60 days) to be used to liquidate liabilities of the current period. Expenditures other than interest on non-current obligations, are recorded when the fund liability is incurred.

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

Intergovernmental revenues are recognized as revenues when all eligibility requirements are met. There are, however, essentially two types of intergovernmental revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the District; therefore, all eligibility requirements are determined to be met when the underlying expenditures are recorded. In the other, monies are virtually unrestricted as to the purpose of the expenditure and are usually revocable only for failing to comply with prescribed requirements; therefore, all eligibility requirements are determined to be met at the time of receipt or earlier if the susceptible to accrual criteria are met.

The District reports the following three major governmental funds:

- **The General Fund** is the primary operating fund of the District. It accounts for all financial resources of the District, except those required to be accounted for in another fund, either legally or by Board direction. The principal revenue source is property taxes. Primary expenditures are for public safety.
- **The Debt Service Fund** accounts for repayment of general obligation debt. The principal revenue source is property taxes, while primary expenditures are for principal and interest debt service payments.



- **The Capital Projects Fund** accounts for the capital improvement projects that were funded by the 2005 and 2007 GADA bond issues. The Capital Projects Fund was completely exhausted by the beginning of fiscal 2012, the 2015 budget provides for new funding and a five year time horizon for the CIP.

#### *Cash and Equivalent*

The District considers cash on hand, demand deposits and short-term highly liquid investments with a maturity of three months or less, when purchased, to be cash and cash equivalents. Investments maintained in the Pima County Investment Pool, are carried at cost, which approximates fair value, and are classified as a cash equivalent. Fair value of the investments in these pools is the same as the value of the pool shares.

#### *Receivables*

All accounts and property tax receivables are shown net of any allowance for uncollectible accounts. Real and personal property taxes are levied upon all taxable property within the District and become liens against the property on the first day of January preceding assessment and levy. Federal and state grants and contracts are recorded as intergovernmental receivables and revenues when the related expenditures are incurred.

#### *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District did not have any items that qualified for reporting in this category.

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

#### *Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

### *Capital Assets*

Capital assets are stated at cost or estimated historical cost. Donated items are recorded at fair market value at date of donation. Estimated fair market value of donated assets is determined based on information provided by the donor. Normal maintenance and repairs are charged to operations as incurred. Major additions, improvements and replacements are capitalized. Gains or losses from sales or retirements of capital assets are included in the results of operations.

Capital assets include land, buildings, improvements, equipment, and other tangible assets costing over \$5,000 and that have initial useful lives extending beyond a single reporting period.

Depreciation is computed on assets in service, using the straight-line method over their estimated useful lives:

- Land and construction in progress non-depreciable
- Vehicles, furniture and equipment: 5-18 years
- Buildings and facilities: 10-40 years

### *Compensated Absences*

It is the policy of the District to permit employees to accumulate earned but unused paid time off. A liability is reported for paid time off that the District will pay upon termination or retirement. None of the liability for compensated absences is expected to be liquidated with expendable available financial resources. Accordingly, compensated absences are accrued as a liability only in the government-wide financial statements. The General Fund has been used to liquidate the liability for compensated absences in prior years.

### *Pensions*

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

### *Long-Term Debt*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts, as well as the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line method over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### *Net Position Flow Assumption*

In the government-wide fund financial statements the District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

### *Estimates*

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### *Fund Balance*

The District's fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

**Non-spendable:** The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

**Restricted:** The Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the District to assess, levy, charge, or otherwise mandates payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the District can be compelled by an external party – such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

**Committed:** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of formal action it employed to previously commit those accounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process by resolution of the Board of Directors. Constraints imposed on the use of committed amounts are imposed by the Board of Directors through formal action, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned:** Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Directors or a District official delegated that authority by District Charter, formal board action.

**Unassigned:** Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

**Emergency Reserve:** By Board resolution, the District maintains an “Emergency Reserve” in the General Fund of ten percent (10%) of the average actual General Fund revenues for the preceding three fiscal years. The Emergency Reserve is for unexpected, large-scale events where damage in excess of \$250,000 is incurred and immediate, remedial action must be taken to protect the health and safety of residents (e.g. floods, fires, storm damage). Any usage of Emergency Reserves must be appropriated or ratified by the Board of Directors, through formal Board resolution.

**Operating Reserve:** By Board resolution, the District maintains an additional General Fund “Operating Reserve” with an upper goal of an additional twenty percent (20%) of the average actual General Fund revenues for the preceding three fiscal years. The Operating Reserve is intended to be a reserve for unexpected events whose impact exceeds \$500,000. Any use of the Operating Reserve funds must be approved by the Board of Directors and include a repayment plan that projects to restore the Operating Reserve to the twenty percent (20%) level within two fiscal years following the fiscal year in which the event occurred.

**Budget Stabilization Reserve:** By Board resolution, the District maintains an additional General Fund “Budget Stabilization Reserve” with an upper goal of an additional ten percent (10%) of the average actual General Fund revenues for the preceding three fiscal years. The Budget Stabilization Reserve may be used to provide funding to deal with fluctuations within the fiscal cycle(s) and operating requirements that exceed \$500,000. The reserve funds will provide time for the District to restructure its operations in a deliberate manner to ensure continuance of critical District activities. Any use of the Budget Stabilization Reserve funds must be approved by the Board of Directors and include a repayment plan, based on a multi-year financial projection, that plans to restore the Budget Stabilization Reserve to the ten percent (10%) level within the three fiscal years following the fiscal year in which the event occurred.

The Board authorized the Fire Chief to assign amounts for specific purposes pursuant to the fund balance policy adopted by resolution. When expenditures are incurred for purposes for which both restricted and unrestricted funds balances are available, the District considers restricted amounts to be used first, then unrestricted. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, they are considered to be spent in the following order: committed, assigned and then unassigned.

#### *Net position*

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

### **Budgetary Information**

The District budgets all funds in accordance with the requirements of state law. All funds are budgeted on the modified accrual basis of accounting. The Governing body adopts the original budget by resolution prior to the beginning of the fiscal year of the District. The Board resolution authorizing budgeted expenditures for each fund sets the level by which actual expenditures should not be exceeded. Total labor, goods, services and other expenditures for the funds are the levels of control established by the budget resolution. The detailed budget document is required to contain specific detailed information for the above mentioned expenditures. Budgeted expenditures lapse at year-end and may not be carried over to subsequent years.

### **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

At year end, the Debt Service Fund had expenditures that exceeded the budget, however, this does not constitute a violation of any legal provisions.

### **CASH AND INVESTMENTS**

The District maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the Statement of Net position as part of "cash and investments". Cash and investments are comprised of the following at June 30, 2015:

	<u>Average Maturities</u>	<u>Fair Value</u>
Petty Cash		\$ 250
Deposits with Local Financial Institutions		1,488,672
Cash Equivalent (Pima & Pinal Cty Treas)	222 days	6,385,574
Total		<u>\$ 7,874,496</u>

### **Deposits**

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned. Arizona Revised Statutes require collateral for demand deposits, certificates of deposit and repurchase agreements at 101 percent of all deposits not covered by federal depository insurance. At June 30, 2015, deposits with financial institutions have a bank value of \$849,066 and a book value of \$1,488,672. The difference of \$639,606 represents deposits in transit, outstanding checks, and other reconciling items at year-end. At June 30, 2015, \$599,066 of the District's deposits was insured or covered by collateral held by the pledging financial institution in the District's name.

### *Cash Equivalents*

The District invests money into a Pima County Local Government Investment Pool. No oversight is provided for the Pima County investment pool, nor does the structure of the pool provide for shares. The balance reported is fully liquid and available upon demand. Participation in the Pima County investment pool is involuntary.

**Custodial Credit Risk-Deposits:** Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial risk.

**Interest Rate Risk:** The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk:** The District has no investment policy that would further limit its investment choices. As of year-end, the District's investment in the County Treasurer's investment pool did not receive a credit rating from a national rating agency.

**Custodial Credit Risk-Investments:** The District's investment in the County Treasurer's investment pool represents a proportionate interest in the pool's portfolio; however, the District's portion is not identified with specific investments and is not subject to custodial credit risk.

### **CAPITAL ASSETS**

The changes in capital assets for the year ended June 30, 2015 were as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Land not depreciated	\$ 2,206,825	\$	\$ 391,507	\$ 1,815,318
Buildings and improvements	15,667,794	86,604		15,754,398
Vehicles and apparatus	7,529,557	458,973		7,988,530
Total capital assets	25,404,176	545,577	391,507	25,558,246
Less accumulated depreciation				
Buildings and improvements	(2,866,204)	(408,492)		(3,274,696)
Vehicles and apparatus	(4,194,650)	(503,054)		(4,697,704)
Total accumulated depreciation	(7,060,854)	(911,546)		(7,972,400)
Capital assets, net of depreciation	<u>\$18,343,322</u>	<u>\$ (365,969)</u>	<u>\$ 391,507</u>	<u>\$17,585,846</u>

## LONG-TERM DEBT

### General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District has outstanding general obligation bonds payable from an \$8,760,000 issuance of callable 20-year bonds dated February 23, 2005 with interest rates ranging from 2.75-5.00 percent, a \$4,550,000 issuance of callable 20-year bonds dated May 9, 2007 with interest rates ranging from 4.00-5.00 percent, and a \$5,310,000 refunded issuance of callable 10-year bonds dated January 22, 2015 with interest rates of 2.05 percent.

Principal and interest on all long-term debt is paid semi-annually. The bonds are repaid from General Fund secondary property taxes and used to fund construction projects, purchase capital equipment and fire apparatus.

During the year ended June 30, 2015, the District issued \$5,310,000 in refunding bonds, with an effective interest rate of 2.05 percent, to advance refund \$5,280,000 of outstanding general obligation bonds, with an average interest rate of 4.8 percent. The District also contributed cash of \$200,000 for the refunding. The net proceeds of \$5,227,504 (after payment of \$82,496) in underwriting fees, insurance, and other issuance costs) were used to defease the prior debt. As a result, the refunded general obligation bonds are considered to be defeased, and the liability for those bonds less the portion due August 1, 2015 and not defeased has been removed from the government-wide financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$147,504. This amount is reported as deferred charges and amortized over the new debt's life. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by \$668,129 and resulted in an economic gain of \$542,083.

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

Year ending June 30:		Governmental Activities		
		Principal	Interest	Total
	2016	\$ 675,000	\$ 471,534	\$ 1,361,534
	2017	767,000	499,460	1,266,460
	2018	789,000	454,244	1,243,244
	2019	810,000	406,186	1,216,186
	2020	830,000	354,979	1,184,979
	2021-25	4,574,000	958,345	5,532,345
	2026-27	750,000	38,000	788,000
Total		<u>\$ 9,195,000</u>	<u>\$ 3,182,748</u>	<u>\$ 12,377,748</u>



### Capital Leases

Amortization of assets recorded under capital leases is included with depreciation expense. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

Year Ending June 30:	Governmental Activities
2016	\$ 295,314
2017	295,314
2018	295,314
2019	295,314
2020	295,314
2021	295,314
Total minimum lease payments	<u>1,771,884</u>
Less: amount representing interest	<u>112,106</u>
Present value of minimum lease payments	<u>\$ 1,659,778</u>
Due within one year	<u>\$ 263,778</u>

The Assets acquired through capital lease are as follows:

Asset:	Governmental Activities
Vehicles, furniture and equipment	\$ 2,831,052
Less: Accumulated depreciation	<u>(1,838,347)</u>
Total	<u>\$ 992,705</u>

### Changes in Long-term Liabilities

Long term liability activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
Series 2005A GO Bonds	\$ 6,175,000	\$	\$ 5,715,000	\$ 460,000	\$ 460,000
Series 2007A GO Bonds	3,630,000		205,000	3,425,000	215,000
Series 2015A GO Bonds		5,310,000		5,310,000	
Total bonds payable	<u>9,805,000</u>	<u>5,310,000</u>	<u>5,920,000</u>	<u>9,195,000</u>	<u>675,000</u>
Capital Leases Payable	1,897,605		237,827	1,659,778	263,778
Net pension liability	9,854,484	1,614,466		11,468,950	
Compensated absences	1,452,557	1,021,809	874,541	1,599,825	190,000
Governmental activity long-term liabilities	<u>\$ 23,009,646</u>	<u>\$ 7,946,275</u>	<u>\$ 7,032,368</u>	<u>\$ 23,923,553</u>	<u>\$ 1,128,778</u>

## **RISK MANAGEMENT**

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

The District has established a self-insured health care program for employees, employees' spouses, and their dependents. Payments are made to Blue Cross and Blue Shield for 100 percent of services and have a maximum of \$1,000 per enrolled person on a contract year basis. During the year, the District General Fund paid claims in the amount of \$789,814 and administrative fees and premiums of \$268,635. All claims handling procedures are performed by a third-party claims administrator. The District purchased reinsurance that limits exposure of any single claim to \$80,000 and \$1.5 million in the aggregate.

The District limits its exposure through specific and aggregate stop-loss coverage. All claims handling procedures are performed by a third-party claims administrator. Reported unpaid claims, have been accrued as a liability based upon monthly claims summary reports. These claims are expected to be fully paid within one year of the financial statement date.

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable at End of Year
2014-15	\$	\$ 864,814	\$ 789,814	\$ 75,000

## PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The District contributes to the pension plans described below. The plans are component units of the State of Arizona. The District reported \$1.4 million of pension expenditures in the governmental funds related to all pension plans to which it contributes.

### A. Arizona State Retirement System

**Plan Description.** District employees not covered by the other pension plans described after this section participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at [www.azasrs.gov](http://www.azasrs.gov).

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

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* Any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* Any years age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%
	*With actuarially reduced benefits	

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

**Contributions.** In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.60 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.60 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the members' annual covered payroll.

The District's contributions for the current and two preceding years for the Arizona State Retirement System OPEB, all of which were equal to the required contributions, were as follows:

		Health Benefit Supplement Fund	Long-Term Disability Fund
Year ending June 30:			
	2015	\$ 9,161	\$ 1,863
	2014	8,762	3,505
	2013	8,526	3,148

## Pension Liability

At June 30, 2015, the District reported a liability of \$2.3 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the District's proportion was 0.015 percent, which was an increase of less than 0.005 from its proportion measured as of June 30, 2013.

**Pension Expense and Deferred Outflows/Inflows of Resources.** For the year ended June 30, 2015, the District recognized pension expense for ASRS of \$222,420 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 117,901	\$
Net difference between projected and actual earnings on pension plan investments		405,668
Changes in proportion and differences between contributions and proportionate share of contributions	160,455	
Contributions subsequent to the measurement date	169,085	
Total	<u>\$ 447,441</u>	<u>\$ 405,668</u>

The deferred outflows of resources related to ASRS pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2016	\$	19,607
2017		19,607
2018		(65,110)
2019		(101,416)

**Actuarial Assumptions.** The significant actuarial assumptions used to measure the total ASRS pension liability are as follows:

Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 30, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8.0%
Projected salary increases	3.0-6.75%
Inflation	3.0%
Permanent base increases	Included
Mortality rates	1994 GAM Scale BB

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	63%	7.03%
Fixed income	25	3.20
Real estate	8	4.50
Commodities	4	4.75
Total	100%	

**Discount Rate.** The discount rate used to measure the ASRS total pension liability was 8.0 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
District's proportionate share of the net pension liability	\$2,932,157	\$2,319,839	\$1,987,625

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at [www.azasrs.gov](http://www.azasrs.gov).

## B. Public Safety Personnel Retirement System

**Plan Descriptions.** District public safety employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan. A seven-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. The PSPRS issues a publicly available financial report that includes their financial statements and required supplementary information. The report is available on the PSPRS website at [www.psprs.com](http://www.psprs.com).

**Benefits Provided.** The PSPRS provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Certain retirement and disability benefits are calculated on the basis of age, average monthly compensation, and service credit as follows. See the publicly available PSPRS financial report for additional benefits information.

	Retirement Initial Membership Date:	
	Before January 1, 2012	On or After January 1, 2012
Years of service and age required to receive benefit	20 years any age 15 years age 62	25 years and age 52.5
Final average salary is based on	Highest 36 months of last 20 years	Highest 60 months of last 20 years
Normal retirement	50% less 2.0% for each year of credited service less than 20 years or plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Survivor benefit:		
Retired members	80% of retired member's pension benefit	
Active members	80% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	



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

**Employees Covered by Benefit Terms.** At June 30, 2015, the following employees were covered by the agent pension plan's benefit terms:

	<u>PSPRS – Fire</u>
Retirees and beneficiaries	12
Inactive, non-retired members	9
Active members	<u>126</u>
Total	<u>147</u>

**Contributions and Annual OPEB Cost.** State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2015, are indicated below. Rates are a percentage of active members' annual covered payroll.

	<u>PSPRS – Fire</u>
Active members – pension	11.05%
District:	
Pension	15.82
Health insurance	0.92

For the agent plans, the contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended were:

	<u>PSPRS – Fire</u>
Pension:	
Contributions made	\$ 1,239,451
Health insurance premium benefit:	
Annual OPEB cost	72,079
Contributions made	72,079

**Pension Liability.** At June 30, 2015, the District reported \$9.2 million net pension liability for the fire plan. The net pension liabilities were measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions.** The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Asset valuation	
Investment rate of return	7.85%
Projected salary increases	4.0 - 8.0%
Inflation	4.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table, adjusted by 105% for both males and females

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2014.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.85 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Short-term investments	2%	3.25%
Absolute return	4	6.75
Risk parity	4	6.04
Fixed income	7	4.75
Real assets	8	5.96
GTAA	10	5.73
Private equity	11	9.50
Real estate	11	6.50
Credit opportunities	13	8.00
Non-U.S. equity	14	8.63
U.S. equity	16	7.60
Total	<u>100%</u>	

**Pension Discount Rates.** The discount rate of 7.85 percent was used to measure the total pension liability.

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

#### Changes in the Agent Plan's Net Pension Liability

	Increase/Decrease		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>PSPRS – Fire</b>			
Balances at June 30, 2014	\$ 29,373,109	\$ 20,422,863	\$ 8,950,246
Changes for the year:			
Service cost	1,631,075		1,631,075
Interest on the total pension liability	2,320,648		2,320,648
Changes of benefit terms	53,327		53,327
Differences between expected and actual experience in the measurement of the pension liability	29,015		29,015
Changes of assumptions or other inputs	1,270,274		1,270,274
Contributions – employer		1,320,493	(1,320,493)
Contributions – employee		892,042	(892,042)
Net investment income		2,861,697	(2,861,697)
Benefit payments, including refunds of employee contributions	(1,252,497)	(1,252,497)	
Administrative expense		(23,047)	23,047
Other changes		54,389	(54,389)
Net changes	4,051,842	3,853,077	198,765
Balances at June 30, 2015	\$ 33,424,951	\$ 24,275,940	\$ 9,149,011

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate.** The following presents the District's net pension liability calculated using the discount rates noted above, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

<b>PSPRS – Fire:</b>	1% Decrease	Current Discount Rate	1% Increase
Rate	6.85%	7.85%	8.85%
Net pension liability	\$14,255,209	\$9,149,011	\$4,966,638

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued PSPRS financial report. The report is available on the PSPRS website at [www.psprs.com](http://www.psprs.com).

**Pension Expense.** For the year ended June 30, 2015, the District recognized \$1.9 million as pension expense.

**Pension Deferred Outflows/Inflows of Resources.** At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>PSPRS – Fire</b>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,322	\$
Changes of assumptions or other inputs	1,152,390	
Net difference between projected and actual earnings on pension plan investments		936,033
Contributions subsequent to the measurement date	1,239,451	
Total	<u>\$ 2,418,163</u>	<u>\$ 936,033</u>

The amounts reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
	2016	\$ (113,431)
	2017	(113,431)
	2018	(113,431)
	2019	(113,431)
	2020	120,577
	Thereafter	575,826

**Agent Plan OPEB Trend Information.** The table below presents the annual OPEB cost information for the health insurance premium benefit for the current and two preceding years:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
<b>PSPRS – Fire:</b>			
June 30, 2015	\$ 72,079	100%	- 0 -
June 30, 2014	74,928	100%	- 0 -
June 30, 2013	74,173	100%	- 0 -

**Agent Plan OPEB Actuarial Assumptions.** Actuarial valuations involve estimates of the reported amounts' value and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress for the health insurance premium benefit presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plan's assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on (1) the plan as understood by the District and plan's members and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the District and plan's members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial methods and assumptions used to establish the fiscal year 2015 contribution requirements, are as follows

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.5%-8.5%
includes inflation at	4.5%

The funded status of the PSPRS health insurance premium benefit plan in the June 30, 2014, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement.

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4% - 8%
includes inflation at	4%

**Agent Plan OPEB Funded Status.** The following table presents the funded status of the health insurance premium benefit plan as of the most recent valuation date, June 30, 2014.

	<u>PSPRS – Fire</u>
Actuarial value of assets	\$ 808,921
Actuarial accrued liability	1,032,611
Unfunded actuarial accrued liability	223,690
Funded ratio	78.34%
Annual covered payroll	8,695,644
Unfunded actuarial accrued liability as a percentage of covered payroll	2.57%

**Beginning Net Position Restatement.** The implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, represents a change in accounting principle. Net position as of July 1, 2014, has been restated as follows for this change in accounting principle:

	<u>Statement of Activities</u>
Net position, June 30, 2014, as previously reported	\$ 12,189,342
Net pension liability	(9,854,484)
Net position, July 1, 2014, as restated	<u>\$ 2,334,858</u>

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## **REQUIRED SUPPLEMENTARY INFORMATION**

**GOLDER RANCH FIRE DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
<b>Revenues:</b>			
Property taxes	\$ 15,005,891	\$ 15,019,649	\$ 13,758
Intergovernmental	350,000	329,620	(20,380)
Charges for services	3,280,000	3,295,320	15,320
Investment income	20,000	24,084	4,084
Miscellaneous	215,000	40,841	(174,159)
<b>Total revenues</b>	<u>18,870,891</u>	<u>18,709,514</u>	<u>(161,377)</u>
<b>Expenditures:</b>			
Current -			
Public safety - emergency services	15,360,888	14,645,363	715,525
Public safety - administration	2,871,709	2,587,820	283,889
Public safety - community safety services	39,300	27,998	11,302
Contingency	300,000		300,000
Debt service -			
Principal retirement	241,507	237,827	3,680
Interest and fiscal charges	57,487	57,549	(62)
<b>Total expenditures</b>	<u>18,870,891</u>	<u>17,556,557</u>	<u>1,314,334</u>
<b>Excess (deficiency) of revenues over expenditures</b>		<u>1,152,957</u>	<u>1,152,957</u>
<b>Other financing sources (uses):</b>			
Proceeds from sale of capital assets		349,900	349,900
<b>Total other financing sources (uses):</b>		<u>349,900</u>	<u>349,900</u>
<b>Changes in fund balances</b>		<u>1,502,857</u>	<u>1,502,857</u>
<b>Fund balances, beginning of year</b>		5,511,562	5,511,562
<b>Fund balances, end of year</b>	<u>\$</u>	<u>\$ 7,014,419</u>	<u>\$ 7,014,419</u>

See accompanying notes to this schedule.

**GOLDER RANCH FIRE DISTRICT  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
ARIZONA STATE RETIREMENT SYSTEM  
YEAR ENDED JUNE 30, 2015**

	<b><u>2015</u></b>
District's proportion of the net pension liability (asset)	0.015%
District's proportionate share of the net pension liability (asset)	\$ 2,319,839
District's covered-employee payroll	\$ 1,413,276
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	164.15%
Plan fiduciary net position as a percentage of the total pension liability	69.49%

**GOLDER RANCH FIRE DISTRICT  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - FIRE  
YEAR ENDED JUNE 30, 2015**

	<u><b>2015</b></u>
<b>Total pension liability</b>	
Service cost	\$ 1,631,075
Interest	2,320,648
Changes of benefit terms	53,327
Differences between expected and actual experience in measurement	29,015
Changes of assumptions	1,270,274
Benefit payments, including refunds	(1,252,497)
<b>Net change in total pension liability</b>	<u>4,051,842</u>
<b>Total pension liability—beginning</b>	<u>29,373,109</u>
<b>Total pension liability—ending</b>	<u><u>\$ 33,424,951</u></u>
 <b>Plan fiduciary net position</b>	
Contributions—employer	\$ 1,320,493
Contributions—employee	892,042
Net investment income	2,861,697
Benefit payments, including refunds	(1,252,497)
Other	31,342
<b>Net change in plan fiduciary net position</b>	<u>3,853,077</u>
<b>Plan fiduciary net position—beginning</b>	<u>20,422,863</u>
<b>Plan fiduciary net position—ending</b>	<u><u>\$ 24,275,940</u></u>
 <b>Net pension liability—ending</b>	<u><u>\$ 9,149,011</u></u>
 <b>Plan fiduciary net position as a percentage of the total pension liability</b>	 72.63%
 <b>Covered-employee payroll</b>	 \$ 9,440,569
 <b>Net pension liability as a percentage of covered-employee payroll</b>	 96.91%

**GOLDER RANCH FIRE DISTRICT  
SCHEDULE OF CONTRIBUTIONS  
ALL PENSION PLANS  
YEAR ENDED JUNE 30, 2015**

	<u><b>2015</b></u>
<b>Arizona State Retirement System:</b>	
Actuarially determined contribution	\$ 169,085
Contributions in relation to the actuarially determined contribution	<u>169,085</u>
Contribution deficiency (excess)	<u><u>\$</u></u>
District's covered-employee payroll	\$ 1,628,479
Contributions as a percentage of covered-employee payroll	10.38%
 <b>PSPRS - Fire:</b>	
Actuarially determined contribution	\$ 1,239,451
Contributions in relation to the actuarially determined contribution	<u>1,239,451</u>
Contribution deficiency (excess)	<u><u>\$</u></u>
District's covered-employee payroll	\$ 9,440,569
Contributions as a percentage of covered-employee payroll	13.13%

**GOLDER RANCH FIRE DISTRICT  
SCHEDULE OF FUNDING PROGRESS  
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM  
OTHER POSTEMPLOYMENT BENEFITS  
LAST THREE ACTUARIAL VALUATIONS**

<b>Actuarial Valuation Date</b>	<b>Actuarial Valuation of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a percentage of Covered Payroll</b>
2014	\$ 808,921	\$1,032,611	\$ (223,690)	78.34 %	\$ 8,695,644	2.57 %
2013		901,029	(901,029)	-	8,435,384	10.68
2012		818,347	(818,347)	-	8,090,745	10.11

**GOLDER RANCH FIRE DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2015**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

The adopted budget of the District is prepared on a basis consistent with accounting principles generally accepted in the United States of America.

**NOTE 2 – PENSION PLAN SCHEDULES**

**Actuarial Assumptions for Valuations Performed.** The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

**Factors that Affect Trends.** The actuarial assumptions used in the June 30, 2013, valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The actuarial assumptions used in the June 30, 2014, valuation for PSPRS were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011. The total pension liability used to calculate the net pension liability for PSPRS was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2014, reflects changes of benefit terms and actuarial assumptions for a court ruling for funding permanent benefit increases and a decrease in the wage growth assumption from 4.5% to 4.0%.

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**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**

**GOLDER RANCH FIRE DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
DEBT SERVICE  
YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
<b>Revenues:</b>			
Property taxes	\$ 1,094,756	\$ 1,083,287	\$ (11,469)
Investment income		4,244	4,244
<b>Total revenues</b>	<u>1,094,756</u>	<u>1,087,531</u>	<u>(7,225)</u>
<b>Expenditures:</b>			
Debt service -			
Principal retirement	640,000	675,000	(35,000)
Interest and fiscal charges	454,756	340,088	114,668
Payment to escrow agent		200,000	(200,000)
Bond issuance costs		82,496	(82,496)
<b>Total expenditures</b>	<u>1,094,756</u>	<u>1,297,584</u>	<u>(202,828)</u>
<b>Excess (deficiency) of revenues over expenditures</b>		<u>(210,053)</u>	<u>(210,053)</u>
<b>Other financing sources (uses):</b>			
Issuance of refunding bonds		5,310,000	5,310,000
Payment to escrow agent		(5,227,504)	(5,227,504)
<b>Total other financing sources (uses):</b>		<u>82,496</u>	<u>82,496</u>
<b>Changes in fund balances</b>		<u>(127,557)</u>	<u>(127,557)</u>
<b>Fund balances, beginning of year</b>		482,794	482,794
<b>Fund balances, end of year</b>	<u>\$</u>	<u>\$ 355,237</u>	<u>\$ 355,237</u>

**GOLDER RANCH FIRE DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
CAPITAL PROJECTS  
YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
<b>Revenues:</b>			
Property taxes	\$ 1,054,038	\$ 1,054,038	\$
<b>Total revenues</b>	<u>1,054,038</u>	<u>1,054,038</u>	
<b>Expenditures:</b>			
Capital outlay	1,054,038	471,978	582,060
<b>Total expenditures</b>	<u>1,054,038</u>	<u>471,978</u>	<u>582,060</u>
<b>Changes in fund balances</b>		<u>582,060</u>	<u>582,060</u>
<b>Fund balances, beginning of year</b>			
<b>Fund balances, end of year</b>	<u>\$</u>	<u>\$ 582,060</u>	<u>\$ 582,060</u>

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## **STATISTICAL SECTION**

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

### **Financial Trends**

These schedules contain information on financial trends to help the reader understand how the District's financial position and financial activities have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the District's ability to generate revenue.

### **Debt Capacity**

These schedules present information to help the reader evaluate the District's current levels of outstanding debt as well as assess the District's ability to make debt payments and/or issue additional debt in the future.

### **Demographic and Economic Information**

These schedules present various demographic and economic indicators to help the reader understand the environment in which the District's financial activities take place and to help make comparisons with other school districts.

### **Operating Information**

These schedules contain information about the District's operations and various resources to help the reader draw conclusions as to how the District's financial information relates to the services provided by the District.

Due to cost considerations for the accumulation of data, the District has elected to present less than ten years of data, or data from less than nine years prior, for certain statistical schedules. This information will be accumulated and reported each year until the complete ten years of data is presented.

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**Golder Ranch Fire District****Net Position By Component**

(Accrual Basis)

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	<i><b>Fiscal Year</b></i>				
	<i><b>2011</b></i>	<i><b>2012</b></i>	<i><b>2013</b></i>	<i><b>2014</b></i>	<i><b>2015</b></i>
Net Investment in Capital Assets	6,159,328	6,200,701	6,516,444	6,640,717	7,191,068
Restricted	1,375,940	539,464	548,897	528,150	954,221
Unrestricted	4,767,959	4,992,071	4,810,433	5,020,475	(3,981,422)
Total Primary Government Net Position	12,303,227	11,732,236	11,875,774	12,189,342	4,163,867

Source: District financial records.

Note: The decrease in net position in fiscal year 2015 is due to the implementation of the pension standards.

**Golder Ranch Fire District**

**Changes in Net Position**

(Accrual Basis)

	<i><b>Fiscal Year</b></i>				
	<i><b>2011</b></i>	<i><b>2012</b></i>	<i><b>2013</b></i>	<i><b>2014</b></i>	<i><b>2015</b></i>
<b>EXPENSES</b>					
Governmental Activities:					
Public Safety-Fire Protection	\$ 16,084,321	\$ 16,290,428	\$ 16,997,459	\$ 17,274,232	\$ 18,460,962
Interest on Long Term Debt	592,356	577,720	559,094	506,040	412,387
<b>Total Primary Government Expenses</b>	<u>16,676,677</u>	<u>16,868,148</u>	<u>17,556,553</u>	<u>17,780,272</u>	<u>18,873,349</u>
<b>PROGRAM REVENUES</b>					
Governmental Activities:					
Charges for Services	1,697,113	1,507,073	2,126,243	2,538,435	3,295,320
Operating grants & contributions	356,185	371,530	443,254	131,249	315,056
<b>Total Primary Government Revenues</b>	<u>2,053,298</u>	<u>1,878,603</u>	<u>2,569,497</u>	<u>2,669,684</u>	<u>3,610,376</u>
<b>Total Primary Government Net Expenses</b>	<u>(14,623,379)</u>	<u>(14,989,545)</u>	<u>(14,987,056)</u>	<u>(15,110,588)</u>	<u>(15,262,973)</u>
<b>General Revenues &amp; Other Changes</b>					
<b>in Net Position</b>					
Property Taxes	15,704,039	14,377,019	15,002,161	15,371,055	17,022,813
Investment Income	32,752	24,417	52,011	30,977	28,328
Miscellaneous	36,777	17,118	76,422	22,124	40,841
<b>Total Primary Government</b>	<u>15,773,568</u>	<u>14,418,554</u>	<u>15,130,594</u>	<u>15,424,156</u>	<u>17,091,982</u>
<b>Change in Net Position</b>					
<b>Total Primary Government</b>	<u>\$ 1,150,189</u>	<u>\$ (570,991)</u>	<u>\$ 143,538</u>	<u>\$ 313,568</u>	<u>\$ 1,829,009</u>

Source: District financial records.



**Golder Ranch Fire District**  
**Fund Balances - Governmental Funds**  
(Modified Accrual Basis)

	<i><b>Fiscal Year</b></i>				
	<i><b>2011</b></i>	<i><b>2012</b></i>	<i><b>2013</b></i>	<i><b>2014</b></i>	<i><b>2015</b></i>
<b>General Fund</b>					
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	5,133,944	5,544,527	5,268,087	5,511,562	6,553,262
Assigned	-	-	-	-	461,157
Unassigned	774,874	-	-	-	-
<b>Total General Fund</b>	<u>5,908,818</u>	<u>5,544,527</u>	<u>5,268,087</u>	<u>5,511,562</u>	<u>7,014,419</u>
<b>All Other Governmental Funds</b>					
Restricted	\$ 497,821	\$ 499,741	\$ 529,763	\$ 482,794	\$ 937,297
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total All other Governmental Funds</b>	<u>497,821</u>	<u>499,741</u>	<u>529,763</u>	<u>482,794</u>	<u>937,297</u>

Source: District financial records.

**Golder Ranch Fire District**  
**Changes in Fund Balances - Governmental Funds and**  
**Debt Service Ratio**  
(Modified Accrual Basis)

	<i><b>Fiscal Year</b></i>				
	<i><b>2011</b></i>	<i><b>2012</b></i>	<i><b>2013</b></i>	<i><b>2014</b></i>	<i><b>2015</b></i>
<b>REVENUES</b>					
Taxes	\$ 15,459,330	\$ 14,400,806	\$ 14,929,131	\$ 15,310,805	\$ 17,156,974
Investment Income	32,752	24,417	52,011	30,977	28,328
Charges for Services	1,689,127	1,507,073	2,126,243	2,538,435	3,295,320
Intergovernmental	-	371,530	400,897	139,408	329,620
Grants & Donations	356,185	-	-	-	-
Rents	7,986	-	-	-	-
Miscellaneous	36,777	17,118	76,422	22,124	40,841
<i>Total Revenues</i>	<u>17,582,157</u>	<u>16,320,944</u>	<u>17,584,704</u>	<u>18,041,749</u>	<u>20,851,083</u>
<b>EXPENDITURES</b>					
Current					
Public Safety	15,007,047	14,910,906	15,878,806	16,246,534	17,261,181
Capital Outlay	2,055,779	754,444	1,139,495	488,724	471,978
Debt Service:					
Principal	818,439	889,112	933,525	640,000	912,827
Interest	592,356	577,720	559,094	469,985	397,637
Debt Issuance cost	-	-	-	-	82,496
Payment to the escrow agent	-	-	-	-	200,000
<i>Total Expenditures</i>	<u>18,473,621</u>	<u>17,132,182</u>	<u>18,510,920</u>	<u>17,845,243</u>	<u>19,326,119</u>
<i>Excess (Deficiency) of Revenues</i>	<u>(891,464)</u>	<u>(811,238)</u>	<u>(926,216)</u>	<u>196,506</u>	<u>1,524,964</u>
<b>OTHER FINANCING SOURCES (uses)</b>					
Proceeds from Debt Issuances	360,000	448,867	679,798	-	5,310,000
Payment to escrow agent					(5,227,504)
Proceeds from sale of capital assets					349,900
<i>Total Other Financing Sources</i>	<u>360,000</u>	<u>448,867</u>	<u>679,798</u>	<u>-</u>	<u>432,396</u>
<b>Net Change in Fund Balance</b>	<u>\$ (531,464)</u>	<u>\$ (362,371)</u>	<u>\$ (246,418)</u>	<u>\$ 196,506</u>	<u>\$ 1,957,360</u>
 <i>Debt Service as a percentage of noncapital expenditures</i>					
	8.58%	8.82%	8.57%	6.40%	8.45%

Source: District financial records.

**Golder Ranch Fire District**  
**Assessed and Estimated Full Cash Value of Taxable Property**  
(Last Ten Fiscal Years)

Fiscal Year	Full Cash Value (Actual Value)	Total Assessed Value (AV)	Total Exemptions			Net Assessed Value (NAV)	NAV as a percent of AV	Mil Rate
				Personal Property	Real Property			
2015	7,353,451,941	832,900,767	65,448,195	19,674,351	747,778,221	767,452,572	92%	2.04
2014	7,294,163,472	828,694,963	62,890,247	31,785,594	734,019,122	765,804,716	92%	1.82
2013	7,635,729,690	869,864,390	63,941,284	33,286,885	772,636,221	805,923,106	93%	1.61
2012	7,901,108,189	905,241,426	86,932,764	33,798,443	784,510,219	818,308,662	90%	1.59
2011	7,009,936,418	883,084,638	24,858,108	35,447,163	822,779,367	858,226,530	97%	1.59
2010	6,418,773,179	792,293,652	20,293,215	31,885,784	740,114,653	772,000,437	97%	1.59
2009	4,472,059,576	771,534,876	17,824,893	31,130,337	722,579,646	753,709,983	98%	1.59
2008	3,445,148,367	388,053,111	14,594,983	15,424,868	358,033,260	373,458,128	96%	1.69
2007	2,891,348,997	330,195,884	14,012,432	13,059,264	303,124,188	316,183,452	96%	1.89
2006	2,400,564,683	275,158,420	12,979,919	10,828,708	251,349,793	262,178,501	95%	1.93

Source: State and County Abstract of the Assessment Roll, Arizona Department of Revenue, PTOC Levy Limit worksheet, District financial records

**Golder Ranch Fire District**  
**Direct and Overlapping Property Tax Rates**  
(per \$100 of assessed value)

<i><b>Fiscal Year</b></i>	<b>Golder Ranch Fire District - Secondary</b>	<b>Golder Ranch Fire District - Debt Service</b>	<b>Amphitheater Unified School District #10</b>	<b>Pima Community College</b>	<b>Pima County</b>	<b>Pinal County</b>
2015	\$ 2.04	\$ 0.14	\$ 3.97	\$ 1.33	\$ 4.28	\$ 4.06
2014	\$ 1.82	\$ 0.14	\$ 3.81	\$ 1.18	\$ 4.31	\$ 4.15
2013	\$ 1.61	\$ 0.14	\$ 5.92	\$ 1.29	\$ 3.67	\$ 4.07
2012	\$ 1.59	\$ 0.14	\$ 5.40	\$ 1.08	\$ 3.42	\$ 4.00
2011	\$ 1.59	\$ 0.14	\$ 5.05	\$ 1.08	\$ 4.29	\$ 3.67
2010	\$ 1.59	\$ 0.16	\$ 4.61	\$ 1.08	\$ 4.06	\$ 3.85
2009	\$ 1.59	\$ 0.17	\$ 4.86	\$ 1.36	\$ 4.02	\$ 4.40
2008	\$ 1.69	\$ 0.19	\$ 5.50	\$ 1.18	\$ 4.52	\$ 4.69
2007	\$ 1.89	\$ 0.20	\$ 6.12	\$ 1.25	\$ 4.29	\$ 4.82
2006	\$ 1.93	\$ -	\$ 6.43	\$ 1.31	\$ 4.89	\$ 4.83

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

**Golder Ranch Fire District**  
**Principal Property Taxpayers**  
**FY 2015 and FY 2011**

Taxpayer	<i>Fiscal Year</i>					
	<i>2015</i>			<i>2011*</i>		
	Net Assessed Value	Rank	Percent of Assessed Value	Net Assessed Value	Rank	Percent of Assessed Value
ORO VALLEY HOSPITAL	7,409,492	1	1%	7,174,782	2	1%
SPLENDIDO	4,819,500	2	1%	5,136,122	6	1%
ORO VALLEY MARKETPLACE	4,662,699	3	1%	5,606,939	5	1%
HONEYWELL INTERNATIONAL INC	3,348,807	4	0%	7,173,330	3	1%
MIRAVAL RESORT AZ LLC	3,186,000	5	0%	3,391,868	5	0%
VENTANA MEDICAL SYSTEMS INC	3,157,390	6	0%	3,777,670	7	0%
EL CONQUISTADOR MAH II LLC	3,039,511	7	0%	9,437,400	1	1%
PRIME ORO VALLEY LLC	1,908,000	8	0%	1,909,994	8	0%
DESERT POINT LLC	1,440,238	9	0%	1,031,942	10	0%
HSL LA RESERVE PROPERTIES LLC	1,200,000	10	0%	1,824,000	9	0%
Total	767,452,572		4%	818,308,662		6%

Source: Pima County Assessor's website

\*Data from 2006 was unavailable at publication

**Golder Ranch Fire District**  
**Property Tax Levies and Collections**  
(Accrual Basis)

<i><b>Fiscal Year</b></i>	<b>Original Property Tax Levy</b>	<b>Tax Roll Corrections</b>	<b>Property Tax Levy (Adjusted)</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
				<b>Amount</b>	<b>% Of Levy</b>		<b>Amount</b>	<b>% Of Levy</b>
2015	16,733,540	(317)	16,733,223	16,398,624	98.0%	-	16,398,624	98.0%
2014	15,009,773	(58,862)	14,950,911	14,398,923	96.3%	519,674	14,918,597	99.8%
2013	13,937,646	(56,653)	13,880,993	12,805,357	92.3%	1,023,848	13,829,205	99.6%
2012	13,490,968	(47,581)	13,487,860	13,165,412	97.6%	317,450	13,482,862	100.0%
2011	14,198,710	(9,235)	14,189,475	13,785,921	97.2%	399,147	14,185,068	100.0%
2010	12,836,020	(94)	12,835,926	12,445,526	97.0%	384,166	12,829,692	100.0%
2009	12,577,636	(25,591)	12,552,045	11,604,812	92.5%	943,369	12,548,181	100.0%
2008	9,024,965	(947)	9,024,018	8,738,964	96.8%	282,887	9,021,851	100.0%
2007	7,704,138	(40)	7,704,098	7,495,278	97.3%	207,593	7,702,871	100.0%
2006*	2,072,075	(16)	2,072,059	2,066,122	99.7%	5,938	2,072,059	100.0%
2005*	1,695,796	(324)	1,695,472	1,693,254	99.9%	2,218	1,695,472	100.0%

Source: Pinal and Pima County Treasurer reports

\*Data for Pinal County only, Pima County Treasurer collections only detail data going back seven years.  
Over time ten full years will be presented

**Golder Ranch Fire District**  
**Computation of Leal Debt Margin**

	<i>Fiscal Year</i>									
	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
Net Assessed Value	262,178,501	316,183,452	373,458,128	753,709,983	772,000,437	858,226,530	818,308,662	805,923,106	765,804,716	767,452,572
Debt Limit Rate (Article IX, Sect 8)	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Debt limit	15,730,710	18,971,007	22,407,488	45,222,599	46,320,026	51,493,592	48,546,779	48,355,386	45,948,283	46,047,154
Less Bond & Lease Obligations	(9,380,523)	(13,446,696)	(13,214,096)	(12,663,936)	(13,395,016)	(12,956,577)	(12,364,916)	(12,317,605)	(11,677,605)	(10,854,778)
Additional Debt Capacity	6,350,187	5,524,311	9,193,392	32,558,663	32,925,010	38,537,015	36,181,863	36,037,781	34,270,678	35,192,376
Debt Capacity as a percent of Total Debt Limit	40.4%	29.1%	41.0%	72.0%	71.1%	25.2%	25.5%	25.5%	25.4%	23.6%

**Golder Ranch Fire District**  
**Direct and Overlapping Governmental Activities Debt**

<i>Jurisdiction</i>	<b>**Net Direct Debt Outstanding at 6/30/2014</b>	<b>Percentage Applicable to district (based on 2014 NAV)</b>	<b>Amount Applicable to District</b>
Pima County*	1,348,889,696	7.91%	106,761,053
Amphitheater Unified School District No. 10	114,670,000	18.45%	21,156,615
Town of Oro Valley	9,927,422	95.00%	9,431,051
Pinal County	171,766,000	0.92%	1,573,601
Subtotal, overlapping debt			138,922,320
Direct:			
Golder Ranch Fire District			10,482,617
Total Direct and Overlapping Debt			149,404,937

Source: Pinal and Pima County CAFR, Town of Oro Valley CAFR, June 30, 2014 and District financial records.

Note: Proportion of debt applicable to Golder Ranch Fire District is computed on the ratio of the secondary assessed valuation of the overlapping jurisdiction.

\*Excludes improvement Districts

\*\* Outstanding debt as of June 30, 2014 is the most recent information available. Includes all long-term debt instruments of the governmental activities, including bonds, notes, certificates of participation, loans and capital leases.



**Golder Ranch Fire District**  
**Outstanding Debt by Type**

<i><b>Fiscal Year</b></i>	<b>General Obligation Bonds</b>						<b>Total Outstanding Debt</b>			
	<b>Gross Bonded Debt</b>	<b>Debt Service Monies Available</b>	<b>Total</b>	<b>Ratio to Assessed Value</b>	<b>Per Capita</b>	<b>Percentage of Personal Income</b>	<b>Capital Leases</b>	<b>Total</b>	<b>Per Capita</b>	<b>Percentage of Personal Income</b>
2015	9,195,000	372,161	8,822,839	1.1%	148.39	0.4%	1,659,778	10,482,617	176.30	0.5%
2014	9,805,000	528,150	9,276,850	1.2%	150.87	0.4%	1,897,605	11,174,455	181.73	0.5%
2013	10,420,000	548,897	9,871,103	1.2%	166.27	0.5%	1,897,605	11,768,708	198.23	0.6%
2012	11,005,000	539,464	10,465,536	1.3%	177.25	0.5%	1,359,916	11,825,452	200.28	0.5%
2011	11,565,000	1,375,940	10,189,060	1.2%	165.53	0.4%	1,391,577	11,580,637	188.14	0.5%
2010	12,105,000	386,244	11,718,756	1.5%	191.95	0.5%	1,290,016	13,008,772	213.08	0.6%
2009	12,630,000	247,078	12,382,922	1.6%	203.94	0.6%	1,098,936	13,481,858	222.04	0.6%
2008	12,975,000	734,587	12,240,413	3.3%	203.65	0.6%	584,096	12,824,509	213.37	0.6%
2007	8,760,000	590,856	8,169,144	2.6%	139.87	0.4%	471,696	8,640,840	147.95	0.4%
2006	8,760,000	40,261	8,719,739	3.3%	156.86	0.5%	620,523	9,340,262	168.02	0.5%

**Golder Ranch Fire District**  
**Demographic and Economic Statistics**  
(Last Ten Fiscal Years)

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<i><b>Fiscal Year</b></i>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate - Pima Countywide</b>
2014	59,459	2,107,408,342	35,443	7.2%
2013	61,489	2,120,493,144	34,486	7.2%
2012	59,368	2,074,552,599	34,944	7.6%
2011	59,044	2,233,173,098	37,822	9.1%
2010	61,554	2,288,326,039	37,176	8.6%
2009	61,051	2,253,536,959	36,912	7.9%
2008	60,718	2,191,454,980	36,092	4.7%
2007	60,105	2,121,867,959	35,303	3.3%
2006	58,405	2,012,345,962	34,455	4.4%
2005	55,589	1,859,627,913	33,453	4.1%

Sources: Pima County Association of Governments, University of Arizona

\* Fiscal year ending 2014 is the most recent information available.

**Golder Ranch Fire District**  
**Demographic and Economic Statistics**  
(Last Ten Fiscal Years)

<i>Census Year</i>								
<i>2010</i>					<i>2000</i>			
<u>Community</u>	<u>Population</u>	<u>Percentage of population &gt;65 years of age</u>	<u>Land area (Sq Miles)</u>	<u>Persons / Sq Mile</u>	<u>Population</u>	<u>Percentage of population &gt;65 years of age</u>	<u>Land area (Sq Miles)</u>	<u>Persons / Sq Mile</u>
Saddlebrooke	9,614	60.2%	29.29	328.2	na	na	na	na
Catalina	7,569	18.7%	14.11	536.4	7,025	14.1%	13.9	506.6
Town of Oro Valley	43,521	28.1%	35.53	1,154.4	29,700	22.7%	31.8	933.1
Other	850		141.24	6.02	1,250		89.47	13.97
US Census Bureau								
	61,554		220.17	279.6	37,975		135.17	280.9

**Golder Ranch Fire District**  
Principal Employers

<i>Fiscal Year</i>						
<i>2015</i>				<i>2006</i>		
Employer	Employees	Rank	Percent of Total District	Employees	Rank	Percent of Total District
Ventana Medical Systems	1,200	1	7%	566	2	3%
Amphi Schools	815	3	5%	646	1	4%
Honeywell Aerospace	800	2	5%	-	-	0%
Oro Valley Hospital	523	7	3%	150	7	0%
Mirival Resorts	374	6	2%	283	4	2%
Town of Oro Valley	334	4	2%	333	3	2%
Fry's Food & Drug Store	275	9	2%	270	5	2%
Hilton El Conquistador Resort & Country Club	225	5	1%	260	6	2%
Wal-Mart Supercenter	225	8	1%	-	-	0%
Spendido At Rancho Vistoso	165	10	1%	-	-	0%
Target	110	11	1%	-	-	0%
*total estimated employee population	17,764		28%	16,873		15%

Source: OroValleyAZ.gov, Pima County Association of Governments, Mirival Resorts HR, Arizona Daily Star

\*based on an assumed 28.89% of total population

**Golder Ranch Fire District**  
**Full-Time Equivalent District Employees by Function**  
 (Last Ten Years)

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	<i>Fiscal Year</i>									
	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
Fire and Rescue	83	88	104	106	110	124	127	125	124	135
Administrative and Support	20	24	23	24	27	29	27	28	29	31
Total	103	112	127	130	137	153	154	153	153	166

**Golder Ranch Fire District**  
**Operating Indicators by Function**  
(Last Ten Years)

Function	<i>Fiscal Year</i>									
	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
<b>Public Safety</b>										
Emergency Medical Service Calls	3,414	2,956	3,157	3,208	3,612	4,202	4,367	5,233	5,404	5,997
Fire Responses	118	140	136	111	115	240	172	194	155	159
Other Responses (including hazardous condition, public service)	644	892	794	1,842	774	1,699	3,905	3,837	3,961	4,309
Miscellaneous - including good intent	2,234	3,050	3,000	2,177	3,009	2,309	529	493	595	719
Total	6,410	7,038	7,087	7,338	7,510	8,450	8,973	9,757	10,115	11,184

Source: District records.

## Golder Ranch Fire District

### Capital Assets by Function

(Last Ten Fiscal Years)

FUNCTION	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Public Safety</b>										
Number of Stations	4	4	5	6	7	8	8	7	7	7
Equipment										
Aerial/Truck/Platform	2	2	2	2	2	2	2	2	2	2
Brush Rig	4	4	4	4	5	5	5	3	3	3
Passenger Vehicles	12	14	15	17	17	17	19	21	20	20
Medic Unit	6	6	6	6	6	8	8	9	9	9
Mobile Command Unit						1	1	1	1	1
Pumper/Engine	6	6	6	6	8	8	10	8	8	9
Rehab Unit	1	1	1	1	1	1	1	1	1	1
Mass Casualty/MMRS				1	1	1	1	1	1	1
Technical Rescue		1	1	1	1	1	1	1	1	1
Water Tender	3	3	3	4	4	4	4	3	3	3
total rolling stock	34	37	38	42	45	48	52	50	49	50

Source: District records

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