

Celebrating *40 years*
of Excellence in Public Safety



GOLDER RANCH FIRE DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
for the fiscal year ended June 30, 2018



Community First

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, 2018

**Golder Ranch Fire District
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Tucson, AZ 85739
Phone 520-825-9001
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Prepared by the Finance Department of Golder Ranch Fire District

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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 5, 2018

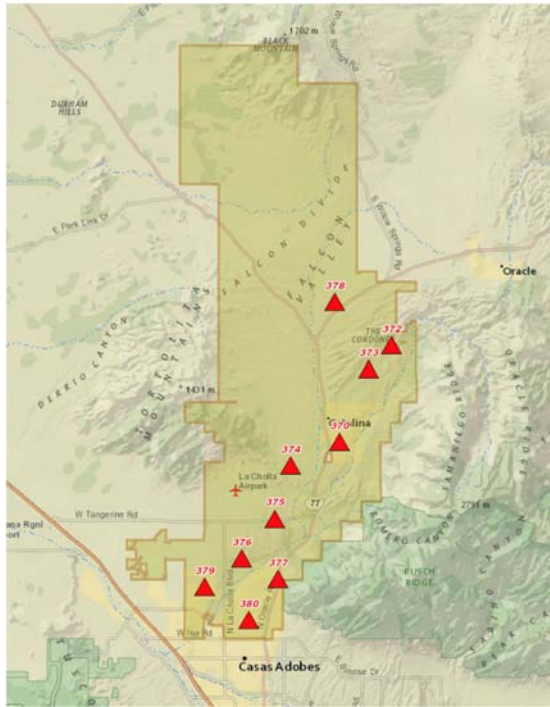
To: Golder Ranch Fire District Board of Directors and Citizens:

The following is the Comprehensive Annual Financial Report (CAFR) of the Golder Ranch Fire District for the fiscal year ending June 30, 2018. 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-CONSOLIDATION



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 and in July 2017 a consolidation with the Mountain Vista Fire District. The consolidation added 2 fire stations, an administration building, numerous equipment and apparatus as well as \$280,622,189 to the 2018 net assessed value. Post consolidation, Golder Ranch Fire District's total net assessed value (NAV) now sits at \$1.163B and has the highest value of any fire district in the state of Arizona for fiscal year 2019

The current district fire boundaries are approximately 241 square miles and the ambulance transport boundaries are approximately 394 square miles. These boundaries are geographically located in Northern Pima and Southern Pinal County. The District is predominantly comprised of residential properties and an urban/commercial corridor. The estimated population of the newly consolidated entity is 120,000 residents.

The District currently own and/or operates ten (10) fire stations, one (1) fleet services facility, one (1) training facility and two (2) administration buildings. Services are rendered by a full-time staff of two-hundred fifty-six (256) employees and a Fire Corp group comprised of approximately eleven (11) 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. 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 498 per square mile.

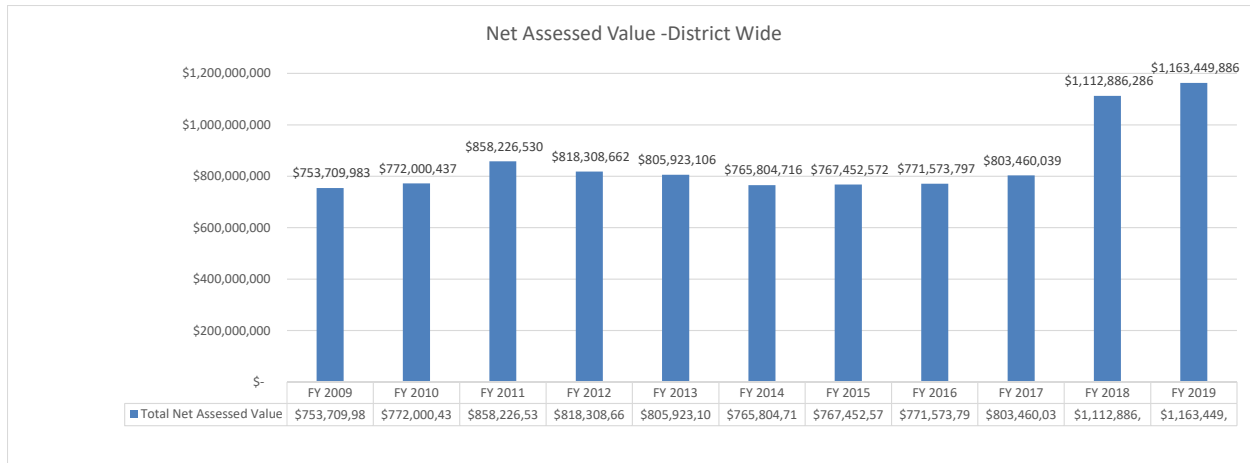
The District is focused on providing the taxpayers with the highest level of services through an efficient and effective all-hazards response model. Services include fire, medical, technical rescue, wildfire suppression, hazardous material, fire inspection, fire investigation, code enforcement, public 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

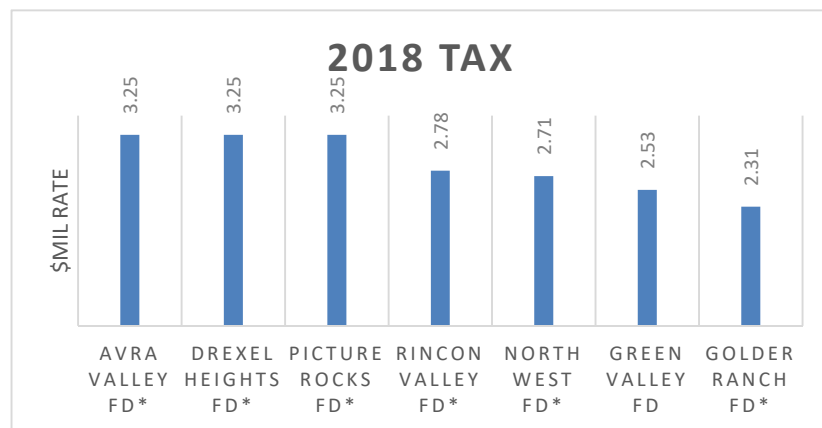
Golder Ranch Fire District is considered a political subdivision of the State and is authorized to charge a secondary assessed property tax for fire protection services. This tax is assessed on all non-exempt properties that are located within the geographical boundaries of the District and serves as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

For the fiscal year ended June 30, 2018 the District O&M tax rate was \$2.31 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 ¢10 per \$100 of assessed value to service its general obligation bonds.

For the 2018 fiscal year the District saw an increase in assessed valuations from \$832 million pre-consolidation to \$1.113 billion post-consolidation. This net assessed value coupled with the \$2.41 aggregate mil rate provided a levy of \$26,519,024.



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 2018 fiscal year, GRFD continues to have 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.



<u>DISTRICT</u>	<u>2018 Fiscal Year Rate</u>
Avra Valley FD*	3.25
Drexel Heights FD*	3.25
Picture Rocks FD*	3.25
Rincon Valley FD*	2.78
North West FD*	2.71
Green Valley FD	2.53
Golder Ranch FD*	2.31

*Provides ambulance transport services

Local Economy and Outlook

More than nine years into the current expansion, Arizona continues to post solid growth in jobs and income. The Phoenix Metropolitan Statistical Area (MSA) remains the engine of state job gains, but Tucson is contributing as well. All major industries in Arizona added jobs during the past year, with construction employment finally firing on all cylinders. Housing permits are up, but not enough to restrain rapid house price increases. Overall, the state housing market is not yet in the red zone, but housing affordability will become more of a concern in the near future.

In the long run, Arizona remains well positioned to outpace the nation and most states in job, income, and population growth. Tucson is likely to outpace the U.S. during the next 30 years, but fall well short of growth rates posted by Phoenix. The state's standard of living will continue to rise, even after accounting for inflation. However, Arizona will not make much progress in closing the per capita personal income gap with the nation without significant improvement in college attainment.

Arizona Outlook

The state outlook depends in part on national economic performance. If national growth speeds up, that tends to generate faster growth in Arizona, other things the same. The current national forecast comes from IHS Markit and was completed in January 2018. The forecast calls for the national economy to accelerate in 2018, with real Gross Domestic Product (GDP) growth hitting 2.7%. That would be well above growth in 2016 and 2017, at 1.5% and 2.2%, respectively.

Continued national growth translates into continued gains in Arizona. The forecast calls for state job growth accelerate modestly to 2.2% in 2018, from 1.7% last year (Exhibit 2). That would put Arizona job growth above the national average, but well below average growth during the 30 years before the Great Recession.

	Actual*		Forecast	
	2017	2018	2019	2020
Growth Rate				
Nonfarm Jobs	1.7	2.2	2.4	1.9
Personal Income	3.8	5.5	5.7	5.8
Retail Sales Less Food	4.3	4.6	4.6	4.6
Population**	1.5	1.6	1.6	1.6
Level				
Unempl. Rate	4.9	4.1	3.9	4.0
Housing Permits	38,567	44,440	44,956	45,239

*Income, sales, and housing permits data are forecast.

**Method-consistent rate in 2017. Published rate was 1.9%.

Phoenix job growth is forecast to accelerate from 2.2% last year to 2.7% in 2018 and 2019. Tucson is forecast to generate job growth of 1.1% in 2017, with an acceleration to 1.3% in 2018 and again to 1.4% in 2019.

Sustained job gains in Arizona contribute to wage and income growth during the forecast. The forecast calls for income to rise by 3.8% in 2017, then accelerate to the 5.5%-5.8% range during the next three years. Tightening labor markets, and continued increases in the state minimum wage, contribute to faster wage and income growth.

Job gains also fuel increased net migration into the state. In turn, this is enough to modestly boost population growth from (method-consistent) 1.5% in 2017 to 1.6% per year during the next three years. Population growth contributes to rising housing permit activity, which rises into the 45,000 permits per year range by 2020, where it stabilizes.

Overall, if the U.S. economy continues to grow, Arizona is likely to generate sustained gains in jobs, income, and population at rates above the national average. However, state growth is not likely to return to average rates experienced during the 30 years before the Great Recession.

Hammond, George W. (2018, April 1) Arizona's First Qtr 2018 Economic Outlook Update. Retrieved from <https://www.azeeconomy.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. Updates to the strategic plan was begun in fiscal year 2016.

Major Initiatives

During the fiscal year ending June 30, 2018 the District purchased a Pearce class A pumper, a new ambulance and upgraded numerous facilities and replaced outdated equipment. A parcel of land was acquired on the corner of Shannon and Overton Roads.

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, 2017. 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 ended June 30, 2018.

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, 2017

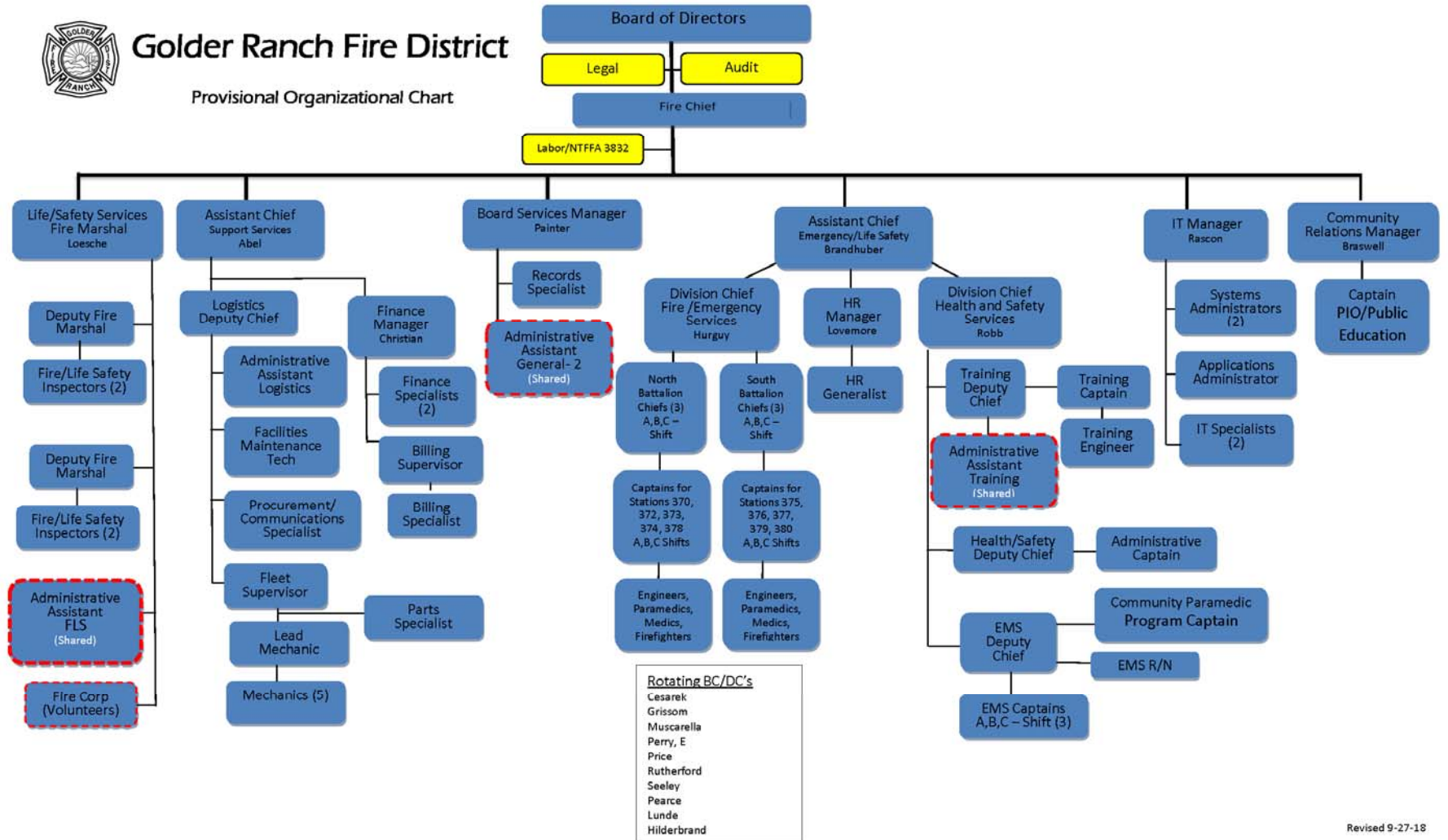
Christopher P. Morill

Executive Director/CEO



Golder Ranch Fire District

Provisional Organizational Chart



Revised 9-27-18



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:

		<u>Term Expires</u>
Chairperson	Vicki Cox Golder	November 2018
Vice Chair	Richard Hudgins	November 2020
Clerk	David Dahl	November 2020
Board Member	Steve Brady	November 2020
Board Member	Albert Pesqueira	November 2018

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, 2018, 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, 2018, 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 the notes to the financial statements, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Government Merger

As described in the notes to the financial statements the Golder Ranch Fire District consolidated with another fire district during the fiscal year resulting in a government merger. Golder Ranch Fire District wholly absorbed the operations of the other fire district as the continuing government. 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, net pension liability information, and other postemployment benefit plan 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 5, 2018, 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.
Tucson, Arizona
December 5, 2018

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

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GOLDER RANCH FIRE DISTRICT

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

MANAGEMENT'S 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, 2018. 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

- At the close of the fiscal year ended June 30, 2018, the District's had a combined ending fund balance of \$9,035,468 an increase of \$546,595 from the (restated) 2017 fiscal year end. \$356,913 of total fund balance is legally restricted and \$7,793,404 of total fund balance is committed by the District Board of Directors.
- The General, Debt Service, and Capital Projects Fund budget for 2018 was based on property tax, secondary net assessed value of approximately \$1.16B (District wide) at an aggregate rate of \$2.41/\$100 of assessed value.
- Additions to the fleet during the fiscal 2018 included the purchase of a class A pumper, an ambulance and several passenger vehicles.

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 30 and 31) 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 34. 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 34-40) provide detailed information about the General 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 41.

Government Wide Financial Analysis

The District's combined net position increased from a deficit of \$2,390,197 to \$5,551,421 between June 30, 2017 to June 30, 2018. 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 positive net position is its net investment in capital assets (ie: land, buildings, equipment and fleet) net of debt. 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, 2018 and 2017 respectively.

	Governmental Activities			
	As of June 30, 2018		As of June 30, 2017	
ASSETS				
Current and Other Assets	10,589,489		7,447,455	
Capital Assets	26,033,852		18,493,396	
Total Assets	<u>\$ 36,623,341</u>		<u>\$ 25,940,851</u>	
Deferred Outflows of Resources	11,840,006		7,479,797	
LIABILITIES				
Current Liabilities	4,232,313		3,799,361	
Non-Current Liabilities	36,315,685		30,400,162	
Total Liabilities	<u>\$ 40,547,998</u>		<u>\$ 34,199,523</u>	
Deferred Inflows of Resources	2,363,928		1,611,322	
NET POSITION				
Net Investment in Capital Assets	11,489,341	207%	9,236,846	-386%
Restricted for debt service	393,625	7%	311,946	-13%
Unrestricted	(6,331,545)	-114%	(11,938,989)	499%
Total Net Position	<u>\$ 5,551,421</u>	100%	<u>\$ (2,390,197)</u>	100%

Governmental Activities

Governmental activities increased the District's net position by \$3,523,116. The key element in this change was due to pension contributions exceeding the related pension expense and the liquidation of the Judgment Payable pursuant to the Parker vs. PSPRS plan.

The costs of all governmental activities for the year ended June 30, 2018 was \$28,493,849. Property taxes and Fire District Assistance Taxes provided \$27,061,849 or 85% of total revenues. Additional revenues were realized from sale of assets, interest and fees for services. Fees for ambulance transports amounted to \$4,479,411 or 14% of total revenues.

Changes in Net Position	Governmental Activities	
	2018	2017
Revenues:		
Program Revenues		
Charges for Services	\$ 4,479,411 14%	\$ 3,759,813 16%
Operating grants and contributions	321,564 1%	625,157 3%
General Revenues:		
Property taxes	27,061,849 85%	18,247,838 80%
Interest Income	64,706 0%	40,069 0%
Miscellaneous	89,435 0%	211,033 1%
TOTAL REVENUES	\$ 32,016,965	\$ 22,883,910
Expenditures/expenses:		
Public Safety	\$ 28,086,591	\$ 28,391,504
Interest on long-term debt	407,258	383,790
TOTAL EXPENSES	\$ 28,493,849	\$ 28,775,294
Change in Net Assets	\$ 3,523,116	\$ (5,891,384)
Net Position - July 1	2,028,305	3,501,187
Net Position - June 30	\$ 5,551,421	\$ (2,390,197)

Financial Analysis of the Districts Funds

As the District completed the year, its governmental funds (as presented in the balance sheet on pages 34 and 35) reported a combined fund balance of \$9,035,468 which is an increase from last year's balance of \$8,488,873 (as restated).

The General Fund increased \$1,473,143 while the Debt Services fund increased by \$80,949. The multiyear capital improvement plan had a negative fund balance at year end (a decrease of \$1,007,497). This deficit arose due to operational needs and catastrophic apparatus failure that resulted in unanticipated replacements.

Future revenues are anticipated to correct this deficit. Future revenues are anticipated to correct this deficit.

Golder Ranch Fire District Governmental Funds - Fund Balances

MAJOR FUNDS	2018		2017	
	Amount	%	Amount	%
General Fund	\$ 10,010,595	111%	\$ 6,767,528	115%
Debt Service Fund	356,913	4%	275,964	5%
Capital Projects Fund	(1,332,040)	-15%	(1,171,373)	-20%
Total Fund Balance	\$ 9,035,468	100%	\$ 5,872,119	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 2015 and 2016 general obligation bonds. The debt service fund has its own source of revenue with a restricted property tax levy.

Capital Projects Fund (CIP)

The Capital Projects Fund is used to provide funding for long lived assets and real property improvement projects. Beginning with the 2018 budget the District has been committing a portion of the General Fund every year to finance the multi-year 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 2018.

General Fund 2018 Budget to Actual			
	<u>Actuals</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Property Taxes	\$ 25,748,421	\$ 25,885,711	\$ (137,290)
Charges for Services	4,479,411	4,245,051	234,360
Intergovernmental	407,221	392,179	15,042
Other Rev & Financing Sources	154,141	149,657	4,484
Total Revenues & Financing Sources	30,789,194	30,672,598	116,596
EXPENSES			
Public Safety	28,999,791	29,406,221	406,430
Debt Service	1,329,528	1,120,240	(209,288)
Contingency		350,000	350,000
Total expenses	30,329,319	30,876,461	547,142
Other financing sources (net)			
Capital Lease	1,013,268	186,159	(827,109)
Total other financing sources (uses)	1,013,268	186,159	(827,109)
CHANGES IN FUND BALANCE			
Increase (Decrease) in Fund Balance	1,473,143	(17,704)	1,490,847
Beginning Fund Balance	8,537,452		8,537,452
Ending Fund Balance	\$ 10,010,595	\$ (17,704)	\$ 10,028,299

Actual revenues were slightly more than expected and actual expenditures were lower than expectations. Loan proceeds from a capital acquisition completed in fiscal 2017 was received in fiscal 2018 resulting in a better than expected ending fund balance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018, the District had \$40,616,459 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.

<u>Governmental Type Activities</u>	Golder Ranch FD Capital Assets as of June 30,	
	<u>2018</u>	<u>2017</u> <u>(as restated)</u>
Land not depreciated	3,062,318	2,787,318
Buildings and improvements	23,093,202	22,995,681
Vehicles, Apparatus & Equipmen	14,460,939	13,418,630
Accumulated Depreciation	(14,582,607)	(12,661,743)
Net Capital Assets	26,033,852	26,539,886

Major capital projects for 2018 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 2019 will be \$1,800,073 of which \$0 was available from the CIP fund balance.

Additional information regarding capital assets can be found in the Notes to the Financial Statements on page 52.

Long-Term Liabilities

At the end of fiscal 2018, the District had total debt outstanding of \$14,633,015 - a reduction of \$672,670 from the end of fiscal 2017.

<u>Governmental Type Activities</u>	Outstanding Debt as of June 30,		
	<u>2018</u>	<u>2017</u> <u>(as restated)</u>	<u>Change</u>
General Obligation Bonds	6,448,000	7,044,000	(596,000)
Capital Leases	8,185,015	8,261,685	(76,670)
Total Obligations	14,633,015	15,305,685	(672,670)

Additional information regarding the long and short term District obligations can be found in the notes to the Financials Statements on pages 52 through 54.

ASSESSED VALUES

Fiscal 2018 saw an increase from 2017 limited property valuation as a result of the consolidation. As such, comparability has been reset to just the 2018 and 2017 fiscal years ended June 30, 2018.

<u>Governmental Type Activities</u>			
	<u>2017 (Pre-Consolidation)</u>	<u>2018 (Post Consolidation)</u>	<u>% Change</u>
MVFD NAV	271,790,839	280,622,189	3%
GRFD NAV	803,460,039	\$ 832,264,097	3%
LEVY	24,006,146	26,536,436	10%
AVG COMBINED MIL RATE	2.23	2.38	6%

Forward looking, the net assessed value of GRFD will be based on a larger, consolidated entity that will be dramatically larger than the individual pre-consolidated entities.

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, 2018**

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 9,411,016
Accounts receivable	445,215
Property taxes receivable	637,147
Due from governmental entities	85,234
Total current assets	<u>10,578,612</u>
Noncurrent assets:	
Capital assets, non-depreciable	3,062,318
Capital assets, depreciable (net)	22,971,534
Net other postemployment benefit assets	10,877
Total noncurrent assets	<u>26,044,729</u>
Total assets	<u>36,623,341</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding	88,504
Pension and other postemployment benefit plan items	11,751,502
Total deferred outflows of resources	<u>11,840,006</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	201,407
Accrued payroll and employee benefits	511,653
Claims payable	92,811
Compensated absences payable	1,376,570
Leases payable	1,081,820
Bonds payable	890,000
Accrued interest payable	78,052
Total current liabilities	<u>4,232,313</u>
Noncurrent liabilities:	
Compensated absences payable	1,069,032
Leases payable	7,103,195
Bonds payable	5,558,000
Net pension and other postemployment benefit liability	22,585,458
Total noncurrent liabilities	<u>36,315,685</u>
Total liabilities	<u>40,547,998</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	<u>2,363,928</u>
<u>NET POSITION</u>	
Net investment in capital assets	11,489,341
Restricted for:	
Debt service	393,625
Unrestricted	(6,331,545)
Total net position	<u>\$ 5,551,421</u>

**GOLDER RANCH FIRE DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Public safety - emergency services	\$ 21,194,096	\$ 4,479,411	\$ 321,564	\$ (16,393,121)
Public safety - administration	6,827,991			(6,827,991)
Public safety - community safety services	64,504			(64,504)
Interest on long-term debt	407,258			(407,258)
Total governmental activities	<u>\$ 28,493,849</u>	<u>\$ 4,479,411</u>	<u>\$ 321,564</u>	<u>(23,692,874)</u>
 General revenues:				
Taxes:				
Property taxes, levied for general purposes				27,061,849
Investment income				64,706
Miscellaneous				89,435
Total general revenues				<u>27,215,990</u>
Changes in net position				3,523,116
Net position, beginning of year, as restated				<u>2,028,305</u>
Net position, end of year				<u>\$ 5,551,421</u>

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FUND FINANCIAL STATEMENTS

**GOLDER RANCH FIRE DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 9,056,664	\$ 354,352	\$
Accounts receivable	445,215		
Property taxes receivable	597,874	39,273	
Due from governmental entities	85,234		
Due from other funds	1,332,040		
Total assets	<u><u>\$ 11,517,027</u></u>	<u><u>\$ 393,625</u></u>	<u><u>\$</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 201,407	\$	\$
Due to other funds			1,332,040
Accrued payroll and employee benefits	511,653		
Claims payable	92,811		
Accrued interest payable	78,052		
Total liabilities	<u>883,923</u>		<u>1,332,040</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes	537,275	36,712	
Unavailable revenue - intergovernmental	85,234		
Total deferred inflows of resources	<u>622,509</u>	<u>36,712</u>	
Fund balances (deficits):			
Restricted		356,913	
Committed	7,793,404		
Unassigned	2,217,191		(1,332,040)
Total fund balances	<u>10,010,595</u>	<u>356,913</u>	<u>(1,332,040)</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 11,517,027</u></u>	<u><u>\$ 393,625</u></u>	<u><u>\$</u></u>

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

Total Governmental Funds	
<hr/>	
\$	9,411,016
	445,215
	637,147
	85,234
	1,332,040
\$	<u>11,910,652</u>

\$	201,407
	1,332,040
	511,653
	92,811
	<u>78,052</u>
	<u>2,215,963</u>

	573,987
	<u>85,234</u>
	<u>659,221</u>

	356,913
	7,793,404
	<u>885,151</u>
	<u>9,035,468</u>

\$	<u>11,910,652</u>
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**GOLDER RANCH FIRE DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Total governmental fund balances	\$	9,035,468
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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	\$ 40,616,459	
Less accumulated depreciation	<u>(14,582,607)</u>	26,033,852

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

Property taxes	573,987	
Intergovernmental	<u>85,234</u>	659,221

Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.		88,504
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Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions/OPEB	11,751,502	
Deferred inflows of resources related to pensions/OPEB	<u>(2,363,928)</u>	9,387,574

The Net OPEB asset is not a current financial resource and, therefore, is not reported in the funds.		10,877
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(2,445,602)	
Capital leases payable	(8,185,015)	
Net OPEB liability	(174,368)	
Net pension liability	(22,411,090)	
Bonds payable	<u>(6,448,000)</u>	<u>(39,664,075)</u>

Net position of governmental activities	\$	<u>5,551,421</u>
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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, 2018

	General Fund	Debt Service	Capital Projects
Revenues:			
Property taxes	\$ 25,748,421	\$ 829,867	\$ 520,758
Intergovernmental	407,221		
Charges for services	4,479,411		
Investment income	64,706		
Miscellaneous	89,435		
Total revenues	<u>30,789,194</u>	<u>829,867</u>	<u>520,758</u>
Expenditures:			
Current -			
Public safety - emergency services	22,117,838		
Public safety - administration	6,817,449		
Public safety - community safety services	64,504		
Capital outlay			1,528,255
Debt service -			
Principal retirement	1,089,938	596,000	
Interest and fiscal charges	239,590	152,918	
Total expenditures	<u>30,329,319</u>	<u>748,918</u>	<u>1,528,255</u>
Excess (deficiency) of revenues over expenditures	<u>459,875</u>	<u>80,949</u>	<u>(1,007,497)</u>
Other financing sources (uses):			
Capital lease agreements	1,013,268		
Total other financing sources (uses)	<u>1,013,268</u>		
Changes in fund balances	<u>1,473,143</u>	<u>80,949</u>	<u>(1,007,497)</u>
Fund balances (deficits), beginning of year, as restated	8,537,452	275,964	(324,543)
Fund balances (deficits), end of year	<u>\$ 10,010,595</u>	<u>\$ 356,913</u>	<u>\$ (1,332,040)</u>

Total Governmental Funds	
\$	27,099,046
	407,221
	4,479,411
	64,706
	89,435
	<u>32,139,819</u>
	22,117,838
	6,817,449
	64,504
	1,528,255
	1,685,938
	392,508
	<u>32,606,492</u>
	<u>(466,673)</u>
	<u>1,013,268</u>
	<u>1,013,268</u>
	<u>546,595</u>
	8,488,873
	<u>\$ 9,035,468</u>

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, 2018

Changes in fund balances - total governmental funds **\$ 546,595**

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	\$ 1,414,830	
Less current year depreciation	<u>(1,920,864)</u>	(506,034)

Issuance of capital lease agreements provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.		(1,013,268)
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Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(37,197)	
Intergovernmental	<u>(85,657)</u>	(122,854)

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	1,089,938	
Bond principal retirement	<u>596,000</u>	1,685,938

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

Current year pension/OPEB contributions	3,574,520	
Pension/OPEB expense	<u>(2,486,501)</u>	1,088,019

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

Judgments payable	1,597,465	
Amortization of deferred bond items	(14,750)	
Compensated absences	<u>262,005</u>	<u>1,844,720</u>

Changes in net position in governmental activities **\$ 3,523,116**

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.

On July 20, 2017, the District consolidated with a separate neighboring fire district, Mountain Vista Fire District in order to provide financial stability and operational continuity to the Oro Valley Community. The consolidation resulted in the full operational absorption of the Mountain Vista Fire District into Golder Ranch Fire District. Upon resolution to accept the consolidation, the Mountain Vista Fire District Board of Directors was dissolved. GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, required that the District assume all assets, deferred outflows of resources, liabilities, deferred outflows of resources and net position (including the classifications of net position) on the basis of the carrying values separately reported in the statements of net position of Mountain Vista Fire District as of July 1, 2017.

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, 2018, the District implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 requires governments providing defined benefit postemployment benefits other than pensions to recognize the long-term obligation for those benefits as a liability, and to more comprehensively and comparably measure the annual costs of those benefits. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information. The more significant of the District's accounting policies are described below.

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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

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 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.
- **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.

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.

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 capital assets are recorded at acquisition value at the date of donation. 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 and Other Postemployment Benefits

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

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, are amortized over the life of the bonds using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding 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 be 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.

The table below provides detail of the major components of the District's fund balance classifications at year end.

	General Fund	Debt Service Fund	Capital Projects Fund
Fund Balances:			
Restricted:			
Debt service	\$	\$ 356,913	\$
Committed:			
Emergency Reserve	1,948,351		
Operating Reserve	3,896,702		
Budget Stabilization Reserve	1,948,351		
Unassigned	2,217,191		(1,332,040)
Total fund balances	<u>\$ 10,010,595</u>	<u>\$ 356,913</u>	<u>\$ (1,332,040)</u>

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 District did not have any funds with expenditures that exceeded the budgets. However, at year end the Capital Projects Fund reported a deficit fund balance of \$1,332,040. The deficit arose because of operational needs and catastrophic apparatus failure that resulted in unanticipated replacements. The deficit is expected to be eliminated in fiscal year 2019 by allocating sufficient property tax revenues to the Capital Projects Fund.

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, 2018:

	<u>Average Maturities</u>	<u>Fair Value</u>
Petty Cash	N/A	\$ 350
Deposits with Local Financial Institutions	N/A	1,143,163
Local Government Investment Pools	270 days	8,267,503
Total		<u>\$ 9,411,016</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, 2018, deposits with financial institutions have a bank value of \$2,100,061 and a book value of \$1,143,163. The difference of \$956,898 represents deposits in transit, outstanding checks, and other reconciling items at year-end. At June 30, 2018, \$1,795,671 of the District's deposits was insured or covered by collateral held by the pledging financial institution in the District's name.

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

Cash Equivalents

The District invests funds in two County Local Government Investment Pools. No oversight is provided for the investment pools, nor does the structure of the pools provide for shares. The balance reported is fully liquid and available upon demand. Participation in the investment pools is involuntary. Participants in the pools are not required to categorize the value of shares in accordance with the fair value hierarchy.

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 investment pools did not receive a credit rating from a national rating agency.

Custodial Credit Risk – Investments: The District's investment in the County Treasurer investment pools represents a proportionate interest in the pools' 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, 2018 were as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Land not depreciated	\$ 2,787,318	\$ 275,000	\$	\$ 3,062,318
Buildings and improvements	22,995,681	97,521		23,093,202
Vehicles and apparatus	13,418,630	1,042,309		14,460,939
Total capital assets	<u>39,201,629</u>	<u>1,414,830</u>		<u>40,616,459</u>
Less accumulated depreciation				
Buildings and improvements	(5,150,857)	(594,257)		(5,745,114)
Vehicles and apparatus	<u>(7,510,886)</u>	<u>(1,326,607)</u>		<u>(8,837,493)</u>
Total accumulated depreciation	<u>(12,661,743)</u>	<u>(1,920,864)</u>		<u>(14,582,607)</u>
Capital assets, net of depreciation	<u>\$ 26,539,886</u>	<u>\$ (506,034)</u>	<u>\$</u>	<u>\$ 26,033,852</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 a \$5,310,000 refunded issuance of callable 10-year bonds dated January 22, 2015 with interest rates of 2.05 percent and a \$2,932,000 refunded issuance of callable 10-year bonds dated December 28, 2016 with interest rates of 2.25 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.

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

		Governmental Activities		
Year ending June 30:		Principal	Interest	Total
2019		\$ 890,000	137,782	1,027,782
2020		913,000	118,908	1,031,908
2021		932,000	99,542	1,031,542
2022		951,000	79,780	1,030,780
2023		970,000	59,614	1,029,614
2024-27		1,792,000	65,456	1,857,456
Total		<u>\$ 6,448,000</u>	<u>\$ 561,082</u>	<u>7,009,082</u>

Capital Leases

The District has acquired various equipment and a vehicle under the provisions of long-term lease agreements classified as capital leases. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the General Fund are used to pay the capital lease obligations. Amortization of assets recorded under capital leases is included with depreciation expense.

The assets acquired through capital leases that meet the District's capitalization threshold are as follows:

	Governmental Activities
Asset:	
Land not depreciated	\$ 1,247,000
Building and improvements	7,043,418
Vehicles, furniture and equipment	2,880,175
Less: Accumulated depreciation	(2,006,996)
Total	<u>\$ 9,163,597</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

Year Ending June 30:	Governmental Activities
2019	\$ 1,290,178
2020	1,198,349
2021	1,198,348
2022	821,086
2023	821,086
2024-28	2,856,727
2029-31	<u>1,182,220</u>
Total minimum lease payments	9,367,994
Less: amount representing interest	<u>1,182,979</u>
Present value of minimum lease payments	<u>\$ 8,185,015</u>
Due within one year	<u>\$ 1,081,820</u>

Operating Leases

The District leases ambulance equipment under the provisions of long-term lease agreements classified as operating leases for accounting purposes. Rental expenditures under the terms of the operating leases totaled \$81,249 for the current fiscal year. The operating leases have remaining noncancelable lease terms and provide renewal options. The future minimum rental payments required under the operating leases at year end were as follows:

Year Ending June 30:		
2019	\$	92,360
2020		92,360
2021		59,914
2022		27,468
2023		13,734
Total minimum payments required	\$	<u>285,836</u>

Changes in Long-term Liabilities

Long term liability activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Series 2015A GO Bonds	\$ 4,214,000	\$	\$ 565,000	\$ 3,649,000	\$ 575,000
Series 2017A GO Bonds	2,830,000		31,000	2,799,000	315,000
Total bonds payable	<u>7,044,000</u>		<u>596,000</u>	<u>6,448,000</u>	<u>890,000</u>
Capital Leases Payable	8,261,685	1,013,268	1,089,938	8,185,015	1,081,820
Net OPEB liability		174,368		174,368	
Net pension liability	20,054,262	2,356,828		22,411,090	
Judgments payable	1,597,465		1,597,465		
Compensated absences	<u>2,707,607</u>	<u>1,449,408</u>	<u>1,711,413</u>	<u>2,445,602</u>	<u>1,376,570</u>
Governmental activity long-term liabilities	<u>\$ 39,665,019</u>	<u>\$ 4,993,872</u>	<u>\$ 4,994,816</u>	<u>\$ 39,664,075</u>	<u>\$ 3,348,390</u>

INTERFUND BORROWING

At year end the Capital Projects Fund had a negative cash balance which was reduced by interfund borrowing with the General Fund. The interfund balance is expected to be paid within one year.

PRIOR PERIOD ADJUSTMENTS

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, represents changes in accounting principles. In addition, due to the consolidation of Mountain Vista Fire District, the District adjusted capital assets, long-term liabilities and other account balances. Net position as of July 1, 2017, has been restated as follows:

	Statement of Activities	General Fund	Capital Projects Fund
Net position/fund balance, June 30, 2017, as previously reported	\$ (2,390,197)	\$ 6,767,528	\$(1,171,373)
Consolidated balances	4,658,005	1,769,924	846,830
Net OPEB asset	4,979		
Net OPEB liability	(244,482)		
Net position/fund balance, July 1, 2017, as restated	<u>\$ 2,028,305</u>	<u>\$ 8,537,452</u>	<u>\$ (324,543)</u>

The detail of account balances and net position for the consolidation of Mountain Vista Fire Department is as follows:

ASSETS	
Current assets	\$ 3,003,396
Capital assets	8,046,490
Total assets	<u>11,049,886</u>
Deferred outflows of resources	<u>253,533</u>
LIABILITIES	
Current liabilities	1,116,650
Noncurrent liabilities	<u>5,528,764</u>
Total liabilities	<u>6,645,414</u>
NET POSITION	
Net investment in capital assets	2,100,594
Unrestricted	<u>2,557,411</u>
	<u>\$ 4,658,005</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 \$1,249,746 and administrative fees and premiums of \$578,287. All claims handling procedures are performed by a third-party claims administrator. The District purchased reinsurance that limits exposure of any single claim to \$75,000 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. Changes in the balances of claims payable during the past two years are as follows:

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable at End of Year
2017-18	\$ 88,779	\$ 1,253,778	\$ 1,249,746	\$ 92,811
2016-17	112,855	1,380,315	1,404,391	88,779

PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Aggregate Amounts

At June 30, 2018, the District reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes.

	Governmental Activities
Pension and OPEB assets	\$ 37,099,690
Total pension and OPEB liability	56,610,664
Net pension and OPEB assets	(10,877)
Net pension and OPEB liability	22,585,458
Deferred outflows of resources	11,751,502
Deferred inflows of resources	2,363,928
Pension and OPEB expense	2,423,132

The District reported \$3.6 million of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

A. Arizona State Retirement System

Plan Description

District employees 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.

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 member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Retired and disabled members, with at least five years of credited service, are eligible to receive health insurance premium benefits. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$150 per month to \$260 per month depending on the age of the member and dependents. For members with five to nine years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a long-term disability benefit in the event they become unable to perform their work. The monthly benefit is equal to two-thirds of their monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999 are limited to 30 years of service or the service on record as of the effective disability date, if their service is greater than 30 years.

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 11.50 percent (11.34 percent for retirement and 0.16 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 11.50 percent (10.90 percent for retirement, 0.44 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members' annual covered payroll.

The District's contributions for the year ended June 30, 2018 were as follows:

	Expense
Pension	\$ 261,018
Health Insurance Premium	10,537
Long-Term Disability	3,831

The District's net pension and OPEB liabilities, and related contributions, are paid by the same funds as the employee's salary, with the largest component coming from the General Fund.

Pension and OPEB Assets/Liability

The net pension and OPEB assets/liability were measured as of June 30, 2017. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2016, to the measurement date of June 30, 2017. The District's proportion of the net asset/liability was based on the District's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2017.

At June 30, 2018, the District reported the following amounts for its proportionate share of the ASRS plans net assets/liability. In addition, at June 30, 2017, the District's percentage proportion for each plan and the related change from its proportion measured as of June 30, 2016 was:

	Net (Assets) Liability	District % Proportion	Increase (Decrease)
Pension	\$ 3,067,318	0.020	0.002
Health Insurance Premium	(10,877)	0.020	
Long-Term Disability	7,166	0.020	

Pension/OPEB Expense and Deferred Outflows/Inflows of Resources

The District has deferred outflows and inflows of resources related to the net pension and OPEB assets/liability. Certain changes in the net pension and OPEB assets/liability are recognized as pension and OPEB expense over a period of time rather than the year of occurrence. For the year ended June 30, 2018, the District recognized pension and OPEB expense as follows:

	Expense
Pension	\$ 328,571
Health Insurance Premium	6,362
Long-Term Disability	3,822

The District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$	\$	\$
Changes of assumptions or other inputs	133,221		
Net difference between projected and actual earnings on pension investments	22,021		
Changes in proportion and differences between contributions and proportionate share of contributions	282,059		
Contributions subsequent to the measurement date	261,018	10,537	3,831
Total	<u>\$ 698,319</u>	<u>\$ 10,537</u>	<u>\$ 3,831</u>

	Deferred Inflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 91,975	\$	\$
Changes of assumptions or other inputs	91,718		
Net difference between projected and actual earnings on pension investments		12,247	1,072
Changes in proportion and differences between contributions and proportionate share of contributions		13	
Total	<u>\$ 183,693</u>	<u>\$ 12,260</u>	<u>\$ 1,072</u>

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year Ending June 30:	Pension	Health Insurance Premium	Long-Term Disability
2019	\$ 33,612	\$ (3,065)	\$ (268)
2020	233,682	(3,065)	(268)
2021	56,871	(3,065)	(268)
2022	(70,557)	(3,065)	(268)
2023		(1)	

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

	Pension	OPEB
Actuarial valuation date	June 30, 2016	June 30, 2016
Actuarial roll forward date	June 30, 2017	June 30, 2017
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	8.0%	8.0%
Projected salary increases	3.0-6.75%	Not applicable
Inflation	3.0%	3.0%
Permanent base increases	Included	Not applicable
Mortality rates	1994 GAM Scale BB	1994 GAM Scale BB
Healthcare cost trend rate	Not applicable	Not applicable

The actuarial assumptions used in the June 30, 2016 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 plan investments was determined to be 8.70 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 for all ASRS plans are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	58%	6.73%
Fixed income	25	3.70
Real estate	10	4.25
Multi-asset	5	3.41
Commodities	2	3.84
Total	100%	

Discount Rate

The discount rate used to measure the ASRS total pension and OPEB liability was 8.0 percent, which is less than the long-term expected rate of return of 8.70 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 plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

Sensitivity of the Proportionate Share of the Net Pension and OPEB Assets/Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension and OPEB assets/liability calculated using the discount rate of 8.0 percent, as well as what the proportionate share of the net pension and OPEB assets/liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Proportionate share of the net (assets) liability		
	1% Decrease	Current Discount Rate	1% Increase
Rate	7.0%	8.0%	9.0%
Pension	\$ 3,936,956	\$ 3,067,318	\$ 2,340,661
Health Insurance Premium	18,064	(10,877)	(35,472)
Long-Term Disability	8,569	7,166	5,977

Pension and OPEB Plan Fiduciary Net Position

Detailed information about the pension and OPEB 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.

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 nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

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.

Benefits Provided

The PSPRS provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Certain retirement, disability, and survivor 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:	
	Tier 1	Tier 2
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Normal retirement	50% less 2.0% for each year of credited service less than 20 years or plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5 % to 2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Survivor benefit:		
Retired members	80% to 100% 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 inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

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

Employees Covered by Benefit Terms

At June 30, 2018, the following employees were covered by the agent plan's benefit terms:

	PSPRS - Fire	
	Pension	Health Insurance
Retirees and beneficiaries	\$ 18	\$ 18
Inactive, non-retired members	18	7
Active members	193	193
Total	\$ 229	\$ 218

Contributions

State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2018, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS - Fire
Active members – pension	7.65%
District	
Pension	25.63%
Health insurance	0.46%

The contributions to the pension and OPEB plans for the year ended were:

	<u>Contributions</u>
	<u>PSPRS - Fire</u>
Pension	\$ 3,240,966
Health insurance	58,168

The District's pension and OPEB contributions are paid by the same funds as the employee's salary, with the largest component coming from the General Fund.

Pension and OPEB Assets/Liability

At June 30, 2018, the District reported the following assets and liabilities.

	<u>Net (Assets) Liability</u>
	<u>PSPRS - Fire</u>
Pension	\$ 19,343,772
Health insurance	167,202

The net pension and OPEB assets/liability were measured as of June 30, 2017. The total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date. The total liability as of June 30, 2017, reflects changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the investment rate of return from 7.5 percent to 7.4 percent, decreasing the wage inflation from 4.0 percent to 3.5 percent, and updating mortality, withdrawal, disability, and retirement assumptions.

Actuarial Assumptions

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

	Pension	OPEB
Actuarial valuation date	June 30, 2017	June 30, 2017
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.4%	7.4%
Projected salary increases	3.5%	Not applicable
Inflation	2.5%	Not applicable
Permanent benefit increase	Included	Not applicable
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience
Healthcare cost trend rate	Not applicable	Not applicable

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.40 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Short-term investments	2%	0.25%
Absolute return	2%	3.75%
Risk parity	4%	5.00%
Fixed income	5%	1.25%
Real assets	9%	4.52%
GTAA	10%	3.96%
Private credit	12%	6.75%
Real estate	10%	3.75%
Credit opportunities	16%	5.83%
Non-U.S. equity	14%	8.70%
U.S. equity	16%	7.60%
Total	100%	

Discount Rate

At June 30, 2017, the discount rate used to measure the total pension and OPEB liability was 7.4 percent, which was a decrease of 0.1 percent from the discount rate used as of June 30, 2016.

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

Changes in Net (Assets)/Liability

	Pension Increase (Decrease)			Health Insurance Increase (Decrease)		
	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability
PSPRS - Fire						
Balances at June 30, 2017	\$ 46,639,900	\$29,457,123	\$ 17,182,777	\$1,201,611	\$ 921,720	\$ 279,891
Changes for the year:						
Service cost	2,463,426		2,463,426	35,780		35,780
Interest on the total liability	3,531,633		3,531,633	90,698		90,698
Changes of benefit terms	338,676		338,676	16,830		16,830
Differences between expected and actual experience in the measurement of the liability	2,862,034		2,862,034	(39,217)		(39,217)
Changes of assumptions or other inputs	1,124,342		1,124,342	(68,340)		(68,340)
Contributions – employer		2,446,935	(2,446,935)		39,810	(39,810)
Contributions – employee		1,428,130	(1,428,130)			
Net investment income		3,640,691	(3,640,691)		109,600	(109,600)
Benefit payments, including refunds of employee contributions	(1,566,333)	(1,566,333)		(20,376)	(20,376)	
Administrative expense		(33,014)	33,014		(970)	970
Other changes		676,374	(676,374)			
Net changes	8,753,778	6,592,783	2,160,995	15,375	128,064	(112,689)
Balances at June 30, 2018	<u>\$ 55,393,678</u>	<u>\$ 36,049,906</u>	<u>\$ 19,343,772</u>	<u>\$ 1,216,986</u>	<u>\$ 1,049,784</u>	<u>\$ 167,202</u>

Sensitivity of the Net Pension and OPEB Assets (Liability) to Changes in the Discount Rate

The following presents the District's net pension and OPEB assets (liability) calculated using the discount rates noted above, as well as what the net assets (liability) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
PSPRS - Fire			
Rate	6.40%	7.40%	8.40%
Net pension (assets) liability	\$ 28,980,107	\$ 19,343,772	\$ 11,671,365
Net OPEB (assets) liability	355,834	167,202	13,284

Plan Fiduciary Net Position

Detailed information about the plans' fiduciary net position is available in the separately issued PSPRS financial report. The report is available on the PSPRS website at www.psprs.com.

Expense

For the year ended June 30, 2018, the District recognized the following as pension and OPEB expense:

	<u>Expense</u>
	<u>PSPRS - Fire</u>
Pension	\$ 2,615,712
Health insurance	55,452

Deferred Outflows/Inflows of Resources

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health Insurance	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Fire				
Differences between expected and actual experience	\$ 2,653,620	\$ 708,330	\$ 39,670	\$ 74,052
Changes of assumptions or other inputs	3,395,504			62,126
Net difference between projected and actual earnings on plan investments	1,650,887	1,290,572		31,823
Changes in proportion and differences between contributions and proportionate share of contributions				
Contributions subsequent to the measurement date	3,240,966		58,168	
Total	\$ 10,940,977	\$ 1,998,902	\$ 97,838	\$ 168,001

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year Ending June 30:	PSPRS - Fire	
	Pension	Health Insurance
2019	\$ 673,454	\$ (19,005)
2020	907,464	(19,005)
2021	695,775	(19,005)
2022	286,602	(19,004)
2023	550,745	(11,049)
Thereafter	2,587,069	(41,263)

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, 2018**

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	
Revenues:			
Property taxes	\$ 25,885,711	\$ 25,748,421	\$ (137,290)
Intergovernmental	392,179	407,221	15,042
Charges for services	4,245,051	4,479,411	234,360
Investment income	26,000	64,706	38,706
Miscellaneous	123,657	89,435	(34,222)
Total revenues	<u>30,672,598</u>	<u>30,789,194</u>	<u>116,596</u>
Expenditures:			
Current -			
Public safety - emergency services	22,359,894	22,117,838	242,056
Public safety - administration	6,946,727	6,817,449	129,278
Public safety - community safety services	99,600	64,504	35,096
Contingency	350,000		350,000
Debt service -			
Principal retirement	925,904	1,089,938	(164,034)
Interest and fiscal charges	194,336	239,590	(45,254)
Total expenditures	<u>30,876,461</u>	<u>30,329,319</u>	<u>547,142</u>
Excess (deficiency) of revenues over expenditures	<u>(203,863)</u>	<u>459,875</u>	<u>663,738</u>
Other financing sources (uses):			
Capital lease agreements	186,159	1,013,268	827,109
Total other financing sources (uses)	<u>186,159</u>	<u>1,013,268</u>	<u>827,109</u>
Changes in fund balances	<u>(17,704)</u>	<u>1,473,143</u>	<u>1,490,847</u>
Fund balances, beginning of year, as restated		8,537,452	8,537,452
Fund balances (deficits), end of year	<u>\$ (17,704)</u>	<u>\$ 10,010,595</u>	<u>\$ 10,028,299</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
LAST FOUR FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension (assets) liability	0.020%	0.018%	0.017%	0.015%
District's proportionate share of the net pension (assets) liability	\$ 3,067,318	\$ 2,871,485	\$ 2,625,582	\$ 2,319,839
District's covered payroll	\$ 1,921,633	\$ 1,666,230	\$ 1,552,663	\$ 1,518,869
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	159.62%	172.33%	169.10%	152.73%
Plan fiduciary net position as a percentage of the total pension liability	69.92%	67.06%	68.35%	69.49%

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

**GOLDER RANCH FIRE DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
ALL PENSION PLANS
LAST FOUR FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Arizona State Retirement System:				
Actuarially determined contribution	\$ 261,018	\$ 207,152	\$ 180,786	\$ 169,085
Contributions in relation to the actuarially determined contribution	<u>261,018</u>	<u>207,152</u>	<u>180,786</u>	<u>169,085</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 2,394,661	\$ 1,921,633	\$ 1,666,230	\$ 1,552,663
Contributions as a percentage of covered payroll	10.90%	10.78%	10.85%	10.89%

**Public Safety Personnel Retirement
System - Fire:**

Actuarially determined contribution	\$ 3,240,966	\$ 1,669,984	\$ 1,600,256	\$ 1,239,451
Contributions in relation to the actuarially determined contribution	<u>3,240,966</u>	<u>1,669,984</u>	<u>1,600,256</u>	<u>1,239,451</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 13,813,062	\$ 9,669,855	\$ 9,616,923	\$ 7,834,709
Contributions as a percentage of covered payroll	23.46%	17.27%	16.64%	15.82%

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

GOLDER RANCH FIRE DISTRICT
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - FIRE
LAST FOUR FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total pension liability				
Service cost	\$ 2,463,426	\$ 1,893,767	\$ 1,665,435	\$ 1,631,075
Interest	3,531,633	2,926,935	2,662,254	2,320,648
Changes of benefit terms	338,676	4,530,962		53,327
Differences between expected and actual experience	2,862,034	(589,166)	(320,149)	29,015
Changes of assumptions or other inputs	1,124,342	1,944,844		1,270,274
Benefit payments, including refunds of employee contributions	(1,566,333)	(812,716)	(687,217)	(1,252,497)
Net change in total pension liability	8,753,778	9,894,626	3,320,323	4,051,842
Total pension liability—beginning	46,639,900	36,745,274	33,424,951	29,373,109
Total pension liability—ending	<u>\$ 55,393,678</u>	<u>\$ 46,639,900</u>	<u>\$ 36,745,274</u>	<u>\$ 33,424,951</u>
Plan fiduciary net position				
Contributions—employer	\$ 2,446,935	\$ 1,857,235	\$ 1,462,125	\$ 1,320,493
Contributions—employee	1,428,130	1,168,274	1,043,183	892,042
Net investment income	3,640,691	162,509	916,962	2,861,697
Benefit payments, including refunds of employee contributions	(1,566,333)	(812,716)	(687,217)	(1,252,497)
Administrative expense	(33,014)	(23,784)	(22,759)	(23,047)
Other	676,374	136,088	(18,717)	54,389
Net change in plan fiduciary net position	6,592,783	2,487,606	2,693,577	3,853,077
Plan fiduciary net position—beginning	29,457,123	26,969,517	24,275,940	20,422,863
Plan fiduciary net position—ending	<u>\$ 36,049,906</u>	<u>\$ 29,457,123</u>	<u>\$ 26,969,517</u>	<u>\$ 24,275,940</u>
Net pension (assets) liability—ending	<u>\$ 19,343,772</u>	<u>\$ 17,182,777</u>	<u>\$ 9,775,757</u>	<u>\$ 9,149,011</u>
Plan fiduciary net position as a percentage of the total pension liability	65.08%	63.16%	73.40%	72.63%
Covered payroll	\$ 9,669,855	\$ 9,616,923	\$ 7,834,709	\$ 7,044,295
Net pension (assets) liability as a percentage of covered payroll	200.04%	178.67%	124.77%	129.88%

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

GOLDER RANCH FIRE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - FIRE - HEALTH INSURANCE PREMIUM
JUNE 30, 2018

	<u>2018</u>
Measurement date	June 30, 2017
Total OPEB liability	
Service cost	\$ 35,780
Interest	90,698
Changes of benefit terms	16,830
Differences between expected and actual experience	(39,217)
Changes of assumptions or other inputs	(68,340)
Benefit payments	(20,376)
Net change in total OPEB liability	15,375
Total OPEB liability—beginning	1,201,611
Total OPEB liability—ending	<u><u>\$ 1,216,986</u></u>
Plan fiduciary net position	
Contributions—employer	\$ 39,810
Contributions—employee	
Net investment income	109,600
Benefit payments	(20,376)
Administrative expense	(970)
Other	
Net change in plan fiduciary net position	128,064
Plan fiduciary net position—beginning	921,720
Plan fiduciary net position—ending	<u><u>\$ 1,049,784</u></u>
Net OPEB (assets) liability—ending	<u><u>\$ 167,202</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	86.26%
Covered payroll	\$ 9,669,855
Net OPEB (assets) liability as a percentage of covered payroll	1.73%

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

GOLDER RANCH FIRE DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
JUNE 30, 2018

2018

Measurement date	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.020%
District's proportionate share of the net OPEB (assets) liability	\$ (10,877)
District's covered payroll	\$ 1,921,633
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	-0.57%
Plan fiduciary net position as a percentage of the total OPEB liability	103.57%

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

**GOLDER RANCH FIRE DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
JUNE 30, 2018**

2018

Measurement date	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.020%
District's proportionate share of the net OPEB (assets) liability	\$ 7,166
District's covered payroll	\$ 1,921,633
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.37%
Plan fiduciary net position as a percentage of the total OPEB liability	84.44%

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

**GOLDER RANCH FIRE DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS
ALL OPEB PLANS
JUNE 30, 2018**

	<u>2018</u>
Arizona State Retirement System - Health Insurance Premium:	
Actuarially determined contribution	\$ 10,537
Contributions in relation to the actuarially determined contribution	<u>10,537</u>
Contribution deficiency (excess)	<u>\$</u>
District's covered payroll	\$ 2,394,661
Contributions as a percentage of covered payroll	0.44%
 Arizona State Retirement System - Long-Term Disability:	
Actuarially determined contribution	\$ 3,831
Contributions in relation to the actuarially determined contribution	<u>3,831</u>
Contribution deficiency (excess)	<u>\$</u>
District's covered payroll	\$ 2,394,661
Contributions as a percentage of covered payroll	0.16%
 Public Safety Personnel Retirement System - Fire - Health Insurance Premium:	
Actuarially determined contribution	\$ 58,168
Contributions in relation to the actuarially determined contribution	<u>58,168</u>
Contribution deficiency (excess)	<u>\$</u>
District's covered payroll	\$ 13,813,062
Contributions as a percentage of covered payroll	0.42%

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

**GOLDER RANCH FIRE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

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 AND OPEB 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, 2015, 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, 2016, 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, 2016, 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%. In addition, a Court ruling that a 2011 law's increasing employee contributions for members hired prior to the law's effective date was unconstitutional changed benefit terms.

**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, 2018**

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original & Final</u>	<u>Actual</u>	
Revenues:			
Property taxes	\$ 832,264	\$ 829,867	\$ (2,397)
Total revenues	<u>832,264</u>	<u>829,867</u>	<u>(2,397)</u>
Expenditures:			
Debt service -			
Principal retirement	596,000	596,000	
Interest and fiscal charges	<u>150,063</u>	<u>152,918</u>	<u>(2,855)</u>
Total expenditures	<u>746,063</u>	<u>748,918</u>	<u>(2,855)</u>
Changes in fund balances	<u>86,201</u>	<u>80,949</u>	<u>(5,252)</u>
Fund balances, beginning of year		275,964	275,964
Fund balances, end of year	<u>\$ 86,201</u>	<u>\$ 356,913</u>	<u>\$ 270,712</u>

**GOLDER RANCH FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original & Final</u>	<u>Actual</u>	
Revenues:			
Property taxes	<u>\$ 520,758</u>	<u>\$ 520,758</u>	<u>\$</u>
Total revenues	<u>520,758</u>	<u>520,758</u>	
Expenditures:			
Capital outlay	<u>1,278,995</u>	<u>1,528,255</u>	<u>(249,260)</u>
Total expenditures	<u>1,278,995</u>	<u>1,528,255</u>	<u>(249,260)</u>
Excess (deficiency) of revenues over expenditures	<u>(758,237)</u>	<u>(1,007,497)</u>	<u>(249,260)</u>
Other financing sources (uses):			
Capital lease agreements	<u>725,000</u>		<u>(725,000)</u>
Total other financing sources (uses)	<u>725,000</u>		<u>(725,000)</u>
Changes in fund balances	<u>(33,237)</u>	<u>(1,007,497)</u>	<u>(974,260)</u>
Fund balances (deficits), beginning of year, as restated		<u>(324,543)</u>	<u>(324,543)</u>
Fund balances (deficits), end of year	<u>\$ (33,237)</u>	<u>\$ (1,332,040)</u>	<u>\$ (1,298,803)</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.

Note: 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.

Due to the consolidation with another fire district in fiscal year 2018 amounts reported reflect the consolidated operations accordingly. Balances prior to fiscal year 2018 have not been restated to include the operations of the other fire district.

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Golder Ranch Fire District
Net Position By Component
(Accrual Basis)

	<i>Fiscal Year</i>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
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	<u>4,767,959</u>	<u>4,992,071</u>	<u>4,810,433</u>	<u>5,020,475</u>	<u>(3,981,422)</u>
Total Primary Government Net Position	<u>\$ 12,303,227</u>	<u>\$ 11,732,236</u>	<u>\$ 11,875,774</u>	<u>\$ 12,189,342</u>	<u>\$ 4,163,867</u>
	<u>2016</u>	<u>2017</u>	<u>2018</u>		
Net Investment in Capital Assets	\$ 7,672,389	\$ 9,236,846	\$ 11,489,341		
Restricted	352,779	311,946	393,625		
Unrestricted	<u>(4,523,981)</u>	<u>(11,938,989)</u>	<u>(6,331,545)</u>		
Total Primary Government Net Position	<u>\$ 3,501,187</u>	<u>\$ (2,390,197)</u>	<u>\$ 5,551,421</u>		

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>Fiscal Year</i>				
	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
EXPENSES					
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
Total Primary Government Expenses	<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>
PROGRAM REVENUES					
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
Total Primary Government Revenues	<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>
Total Primary Government Net Expenses	<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>
General Revenues & Other Changes					
in Net Position					
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
Total Primary Government	<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>
Change in Net Position					
Total Primary Government	<u>\$ 1,150,189</u>	<u>\$ (570,991)</u>	<u>\$ 143,538</u>	<u>\$ 313,568</u>	<u>\$ 1,829,009</u>

(Continued)

Golder Ranch Fire District

Changes in Net Position

(Accrual Basis)

	<i>Fiscal Year</i>		
	<i>2016</i>	<i>2017</i>	<i>2018</i>
EXPENSES			
Governmental Activities:			
Public Safety-Fire Protection	\$ 21,837,480	\$ 28,391,504	\$ 28,086,591
Interest on Long Term Debt	309,662	383,790	407,258
Total Primary Government Expenses	<u>22,147,142</u>	<u>28,775,294</u>	<u>28,493,849</u>
PROGRAM REVENUES			
Governmental Activities:			
Charges for Services	3,314,268	3,759,813	4,479,411
Operating grants & contributions	506,456	625,157	321,564
Total Primary Government Revenues	<u>3,820,724</u>	<u>4,384,970</u>	<u>4,800,975</u>
Total Primary Government Net Expenses	<u>\$ (18,326,418)</u>	<u>\$ (24,390,324)</u>	<u>\$ (23,692,874)</u>
General Revenues & Other Changes			
in Net Position			
Property Taxes	\$ 17,424,433	\$ 18,247,838	\$ 27,061,849
Investment Income	37,175	40,069	64,706
Miscellaneous	202,130	211,033	89,435
Total Primary Government	<u>17,663,738</u>	<u>18,498,940</u>	<u>27,215,990</u>
Change in Net Position			
Total Primary Government	<u>\$ (662,680)</u>	<u>\$ (5,891,384)</u>	<u>\$ 3,523,116</u>

Source: District financial records.

(Concluded)

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

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

(Continued)

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

	<i>Fiscal Year</i>		
	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund			
Committed	\$ 6,950,492	\$ 6,767,528	\$ 7,793,404
Unassigned	80,635		2,217,191
<i>Total General Fund</i>	<u>\$ 7,031,127</u>	<u>\$ 6,767,528</u>	<u>\$ 10,010,595</u>
All Other Governmental Funds			
Restricted	\$ 316,071	\$ 275,964	\$ 356,913
Unassigned	(601,718)	(1,171,373)	(1,332,040)
<i>Total All other Governmental Funds</i>	<u>\$ (285,647)</u>	<u>\$ (895,409)</u>	<u>\$ (975,127)</u>

Source: District financial records.

(Concluded)

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

	<i>Fiscal Year</i>				
	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
REVENUES					
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	356,185	371,530	400,897	139,408	329,620
Miscellaneous	44,763	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>
EXPENDITURES					
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>
Excess (Deficiency) of Revenues	<u>\$ (891,464)</u>	<u>\$ (811,238)</u>	<u>\$ (926,216)</u>	<u>\$ 196,506</u>	<u>\$ 1,524,964</u>
OTHER FINANCING SOURCES (uses)					
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>
Net Change in Fund Balance	<u><u>\$ (531,464)</u></u>	<u><u>\$ (362,371)</u></u>	<u><u>\$ (246,418)</u></u>	<u><u>\$ 196,506</u></u>	<u><u>\$ 1,957,360</u></u>
 <i>Debt Service as a percentage of noncapital expenditures</i>	 8.58%	 8.82%	 8.57%	 6.40%	 8.45%

(Continued)

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

	<i>Fiscal Year</i>		
	<i>2016</i>	<i>2017</i>	<i>2018</i>
REVENUES			
Taxes	\$ 17,138,081	\$ 18,262,016	\$ 27,099,046
Investment Income	37,175	40,069	64,706
Charges for Services	3,314,268	3,759,813	4,479,411
Intergovernmental	526,090	454,266	407,221
Miscellaneous	202,130	211,033	89,435
<i>Total Revenues</i>	<u>\$ 21,217,744</u>	<u>\$ 22,727,197</u>	<u>\$ 32,139,819</u>
EXPENDITURES			
Current			
Public Safety	\$ 19,008,691	\$ 21,546,721	\$ 28,999,791
Capital Outlay	2,453,770	1,475,740	1,528,255
Debt Service:			
Principal	1,030,778	1,229,192	1,685,938
Interest	294,912	310,512	392,508
Debt Issuance cost		55,690	
Payment to the escrow agent			
<i>Total Expenditures</i>	<u>\$ 22,788,151</u>	<u>\$ 24,617,855</u>	<u>\$ 32,606,492</u>
<i>Excess (Deficiency) of Revenues</i>	<u>\$ (1,570,407)</u>	<u>\$ (1,890,658)</u>	<u>\$ (466,673)</u>
OTHER FINANCING SOURCES (uses)			
Proceeds from Debt Issuances	\$ 364,171	\$ 3,825,825	\$ 1,013,268
Payment to escrow agent		(2,808,528)	
Proceeds from sale of capital assets			
<i>Total Other Financing Sources</i>	<u>\$ 364,171</u>	<u>\$ 1,017,297</u>	<u>\$ 1,013,268</u>
Net Change in Fund Balance	<u><u>\$ (1,206,236)</u></u>	<u><u>\$ (873,361)</u></u>	<u><u>\$ 546,595</u></u>
 <i>Debt Service as a percentage of noncapital expenditures</i>			
	6.21%	6.75%	6.66%

Source: District financial records.

(Concluded)

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

Fiscal Year	Full Cash Assessed Valuation (Actual Value)	Total Limited Assessed Valuation (AV)	Total Exemptions	Personal Property	Real Property	Net Limited Assessed Valuation (NAV)	NAV as a percent of of AV	Mil Rate
2018	11,114,698,106	1,194,562,191	81,675,905	41,371,077	1,071,515,209	1,112,886,286	93%	2.29
2017	7,846,369,226	865,169,007	61,708,968	16,867,752	786,592,287	803,460,039	93%	2.09
2016	7,462,920,408	836,047,970	64,474,173	17,730,345	753,843,452	771,573,797	92%	2.07
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

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)
(Last Ten Fiscal Years)

<i>Fiscal Year</i>	Golder Ranch Fire District - Secondary	Golder Ranch Fire District - Debt Service	Amphitheater Unified School District #10	Pima Community College	Pima County	Pinal County
2018	\$ 2.29	\$ 0.10	\$ 5.63	\$ 1.40	\$ 4.07	\$ 3.87
2017	\$ 2.09	\$ 0.13	\$ 5.49	\$ 1.38	\$ 4.29	\$ 3.87
2016	\$ 2.07	\$ 0.13	\$ 3.60	\$ 1.30	\$ 4.39	\$ 3.87
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

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

Golder Ranch Fire District
Principal Property Taxpayers
FY 2018 and FY 2011

Taxpayer	<i>Fiscal Year</i>					
	<i>2018</i>			<i>2011*</i>		
	Limited Net Assessed Value	Rank	Percent of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Rank	Percent of District's Net Full Cash Assessed Valuation
ORO VALLEY HOSPITAL	10,154,834	1	0.9%	7,174,782	1	0.8%
VPOVM, LLC (OV Market Place)	8,480,094	2	0.8%	5,606,939	3	0.7%
TUCSON MATHER PLAZA (Splendido)	5,100,999	3	0.5%	5,136,122	4	0.6%
VENTANA MEDICAL SYSTEMS INC	4,801,407	4	0.4%	3,777,670	5	0.4%
HONEYWELL INTERNATIONAL INC	3,482,395	5	0.3%	7,173,330	2	0.8%
MIRAVAL RESORT AZ LLC	3,186,000	6	0.3%	3,391,868	6	0.4%
ROBSON RANCH MOUNTAINS	2,251,184	7	0.2%	2,540,637	7	0.3%
FW OVERLOOK APARTMENTS	1,885,578	8	0.2%	1,710,000	9	0.2%
TRICO ELECTRIC CO-OP	1,820,847	9	0.2%			
DESERT POINT LLC	1,667,256	10	0.1%	1,031,942	8	0.1%
Total	1,112,886,286		4%	858,226,530		6%

Source: Pima/Pinal County Assessor's website

*Data from 2008 was unavailable at publication

Golder Ranch Fire District
Property Tax Levies and Collections
 (Accrual Basis)
 (Last Ten Fiscal Years)

<i>Fiscal Year</i>	Original Property Tax Levy	Tax Roll Corrections	Property Tax Levy (Adjusted)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	% Of Levy		Amount	% Of Levy
2018	26,519,024	(139,668.00)	26,379,356	26,251,961	99.5%	2,047	26,254,008	99.5%
2017	17,836,813	(17,345)	17,819,468	17,588,080	98.7%	161,517	17,749,597	99.6%
2016	16,974,606	(2,021)	16,972,585	16,577,634	97.7%	345,120	16,922,754	99.7%
2015	16,733,540	(463)	16,733,077	16,398,624	98.0%	308,056	16,706,680	99.8%
2014	15,009,773	(61,076)	14,948,697	14,398,923	96.3%	519,921	14,918,844	99.8%
2013	13,937,646	(58,913)	13,878,733	12,805,357	92.3%	1,025,118	13,830,475	99.7%
2012	13,490,968	(8,106)	13,482,862	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	(20,277)	12,815,743	12,445,526	97.1%	363,889	12,809,415	100.0%
2009	12,577,636	(25,591)	12,552,045	11,604,812	92.5%	943,203	12,548,015	100.0%

Source: Pinal and Pima County Treasurer reports

Golder Ranch Fire District
Computation of Legal Debt Margin
(Last Ten Fiscal Years)

	<i>Fiscal Year</i>				
	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>
Net Assessed Value	753,709,983	772,000,437	858,226,530	818,308,662	805,923,106
Debt Limit Rate (Article IX, Sect 8)	6%	6%	6%	6%	6%
Debt limit	45,222,599	46,320,026	51,493,592	49,098,520	48,355,386
Less Bond & Lease Obligations	(12,663,936)	(13,395,016)	(12,956,577)	(12,364,916)	(12,317,605)
Additional Debt Capacity	32,558,663	32,925,010	38,537,015	36,733,604	36,037,781
Debt Capacity as a percent of Total Debt Limit	72.0%	71.1%	25.2%	25.5%	25.5%

(Continued)

Golder Ranch Fire District
Computation of Legal Debt Margin
(Last Ten Fiscal Years)

	<i>Fiscal Year</i>				
	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Net Assessed Value	765,804,716	767,452,572	771,573,797	803,460,039	1,112,886,286
Debt Limit Rate (Article IX, Sect 8)	6%	6%	6%	6%	6%
Debt limit	45,948,283	46,047,154	46,294,428	48,207,602	66,773,177
Less Bond & Lease Obligations	(11,677,605)	(10,854,778)	(10,280,171)	(9,359,804)	(14,633,015)
Additional Debt Capacity	34,270,678	35,192,376	36,014,257	38,847,798	52,140,162
Debt Capacity as a percent of Total Debt Limit	25.4%	23.6%	22.2%	19.4%	21.9%

Source: State and County Abstract of the Assessment Roll and District financial records

(Concluded)

Golder Ranch Fire District
Direct and Overlapping Governmental Activities Debt

<i>Jurisdiction</i>	**Net Direct Debt Outstanding at 6/30/2017	Percentage Applicable to district (based on 2017 NAV)	Amount Applicable to District
Pima County*	693,443,724	11.32%	78,493,332
Amphitheater Unified School District No. 10	93,685,000	40.00%	37,474,000
Town of Oro Valley	11,048,181	100.00%	11,048,181
Pinal County	171,855,000	8.38%	14,399,103
Subtotal, overlapping debt			141,414,616
Direct:			
Golder Ranch Fire District			14,633,015
Total Direct and Overlapping Debt			156,047,631

Source: Pinal and Pima County CAFR, Town of Oro Valley CAFR, June 30, 2017 and District financial records.

*Excludes improvement Districts

** Outstanding debt as of June 30, 2017 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
(Last Ten Fiscal Years)

<i>Fiscal Year</i>	General Obligation Bonds						Total Outstanding Debt			
	Gross Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Ratio to Assessed Value	Per Capita	Percentage of Personal Income	Capital Leases	Total	Per Capita	Percentage of Personal Income
2018	6,448,000	1,012,092	5,435,908	0.5%	67.21	0.2%	8,185,015	13,620,923	168.41	0.5%
2017	7,044,000	271,779	6,772,221	0.8%	110.14	0.3%	2,315,804	9,088,025	147.80	0.4%
2016	8,520,000	1,206,827	7,313,173	0.9%	118.93	0.3%	1,760,171	9,073,344	147.56	0.4%
2015	9,165,000	1,575,872	7,589,128	1.0%	127.64	0.4%	1,659,778	9,248,906	155.55	0.4%
2014	9,805,000	1,448,051	8,356,949	1.1%	135.91	0.4%	1,897,605	10,254,554	166.77	0.5%
2013	10,420,000	1,386,002	9,033,998	1.1%	152.17	0.4%	1,897,605	10,931,603	184.13	0.5%
2012	11,005,000	1,341,759	9,663,241	1.2%	163.66	0.4%	1,359,916	11,023,157	186.69	0.5%
2011	11,565,000	1,321,211	10,243,789	1.2%	166.42	0.4%	1,391,577	11,635,366	189.03	0.5%
2010	12,105,000	1,212,479	10,892,521	1.4%	178.42	0.5%	1,290,016	12,182,537	199.55	0.5%
2009	12,630,000	1,066,992	11,563,008	1.5%	190.44	0.5%	1,098,936	12,661,944	208.54	0.6%

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

<i>Fiscal Year</i>	Population	Personal Income	Per Capita Personal Income	Unemployment Rate - Pima Countywide
2017	80,879	2,886,217,504	35,686	4.4%
2016	61,489	2,120,493,144	34,486	5.3%
2015	60,678	2,203,830,393	36,320	5.1%
2014	59,459	2,107,408,342	35,443	7.3%
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%

Sources: Pima County Association of Governments, University of Arizona

* Fiscal year ending 2017 is the most recent information available.

Golder Ranch Fire District
Demographic and Economic Statistics

<i>Census Year</i>								
<i>2010</i>					<i>2000</i>			
<u>Community</u>	<u>Population</u>	<u>Percentage of population >65 years of age</u>	<u>Land area (Sq Miles)</u>	<u>Persons / Sq Mile</u>	<u>Population</u>	<u>Percentage of population >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

FY 2018 and FY 2009

Employer	<i>Fiscal Year</i>					
	<i>2018</i>			<i>2009</i>		
	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment
Ventana Medical Systems	1,291	1	4%	680	1	5%
Honeywell Aerospace	712	2	2%	630	2	0%
Oro Valley Hospital	674	3	2%	560	5	4%
Amphi Schools	435	4	1%	577	4	4%
Miraval Resorts	377	5	1%	348	7	2%
Town of Oro Valley	558	6	2%	416	6	3%
Hilton El Conquistador Resort & Country Club	254	7	1%	600	3	4%
Casa de la Luz Hospice	207	8	1%			
Splendido At Rancho Vistoso	156	9	0%			
Meggitt Securaplane	154	10	0%			
Fry's Food Stores				220	8	1%
Home Depot				150	9	1%
Target				135	10	1%
 *total estimated employee population	 33,727		 14%	 14,828		 25%

Source: OroValleyAZ.gov, Pima County Association of Governments, Miraval Resorts HR, Arizona Daily Star and Town of Oro Valley FY2009 CAFR

*based on an assumed 40.17% of total population

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Fire and Rescue	106	110	124	127	125
Administrative and Support	<u>24</u>	<u>27</u>	<u>29</u>	<u>27</u>	<u>28</u>
Total	<u>130</u>	<u>137</u>	<u>153</u>	<u>154</u>	<u>153</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Fire and Rescue	124	135	140	154	220
Administrative and Support	<u>29</u>	<u>31</u>	<u>37</u>	<u>37</u>	<u>41</u>
Total	<u>153</u>	<u>166</u>	<u>177</u>	<u>191</u>	<u>261</u>

Source: District records.

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

FUNCTION	<i>Fiscal Year</i>									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Public Safety										
Emergency Medical Service Calls	3,208	3,612	4,202	4,367	5,233	5,404	5,997	6,324	6,694	9,031
Fire Responses	111	115	240	172	194	155	159	186	181	229
Other Responses (including hazardous condition, public service)	1,842	774	1,699	3,905	3,837	3,961	4,309	4,651	4,575	5,894
Miscellaneous - including good intent	2,177	3,009	2,309	529	493	595	719	766	807	1,055
Total	7,338	7,510	8,450	8,973	9,757	10,115	11,184	11,927	12,257	16,209

Source: District records.

Golder Ranch Fire District
Capital Assets by Function
(Last Ten Fiscal Years)

FUNCTION	<i>Fiscal Year</i>									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Public Safety</i>										
Number of Stations	6	7	8	8	7	7	7	7	7	10
Equipment										
Aerial/Truck/Platform	2	2	2	2	2	2	2	2	3	4
Brush Rig	4	5	5	5	3	3	3	4	4	5
Passenger Vehicles	17	17	17	19	21	20	20	24	26	37
Medic Unit	6	6	8	8	9	9	9	10	11	12
Mobile Command Unit			1	1	1	1	1	1	1	1
Pumper/Engine	6	8	8	10	8	8	9	10	11	15
Rehab Unit	1	1	1	1	1	1	1	1	1	1
Mass Casualty/MMRS	1	1	1	1	1	1	1	1	1	1
Technical Rescue	1	1	1	1	1	1	1	1	1	1
Water Tender	4	4	4	4	3	3	3	3	3	6
Total rolling stock	42	45	48	52	50	49	50	57	62	83

Source: District records

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