



GOLDER RANCH FIRE DISTRICT

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



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2012

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For the fiscal year ended June 30, 2012

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

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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

November 5, 2012

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, 2012. This CAFR report is intended to meet and/or exceed all legal reporting requirements that are borne by this jurisdiction.

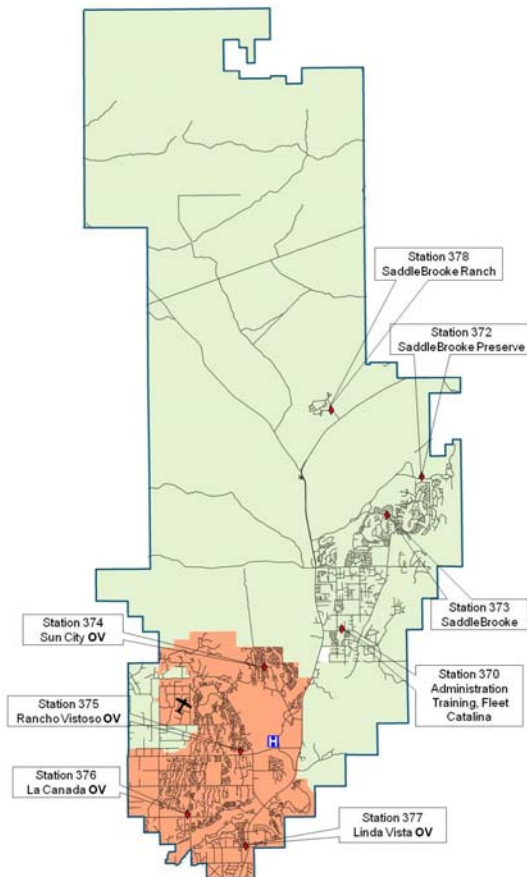
Furthermore, the responsibility for the completeness, fairness, and accuracy of the data presented and all accompanying disclosures rests with the District. To provide a reasonable basis for making these representations, the District's management has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse; and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

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

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

District Profile

Golder Ranch Fire District was created in 1977 under the provisions set forth in Arizona Revised Statute (ARS) 48-261 and maintained in accordance to ARS 48-805. Additionally, the Fire District possesses a Certificate of Necessity (CON) #56 from the Arizona Department of Health Services and subsequently operates an ambulance transport service under the provisions set forth in Title 36, Chapter 21.1 of the Arizona Revised Statutes. The District is



Governed by a five-person Board of Directors that serves staggered four-year terms. The Fire Chief manages the daily operations of the District and is appointed by the Governing Board.

Since its inception, the geographical boundaries of the District have expanded through annexations and a joint merger with the Catalina Fire District and Oracle Junction Fire District. The most recent annexation was proposed within a contiguous area of the Catalina Foothills and was comprised of mixed-use property that included residential, vacant, commercial, private and Government-owned parcels. This annexation proposal did not result in active circulation of petitions and was ultimately extinguished by the Governing Body in October, 2012. A revised annexation has since been approved.

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

The District currently own and / or operates seven (7) fire stations, one (1) part time medical station, one (1) fleet services facility, one (1) training facility and one (1) administration

building. Services are rendered by a full-time staff of approximately one-hundred fifty-one (154) employees and a Fire Corp group comprised of approximately twenty-one (21) volunteers.

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

The District is focused on providing the taxpayers with the highest level of services through an efficient and effective all-hazards response model. Services include fire, medical, rescue, wildfire suppression, hazardous material, fire inspection, fire investigation, code enforcement, public education, life-safety classes, desert creature removal, smoke alarm assist, 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, 2012 the District tax rate was \$1.59 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.

Ambulance transport services provide the second largest revenue stream for the District. The revenue generated is predominantly obtained through third party billing of health insurance companies for rendered services. The District believes that its ambulance transport services provide tangible and intangible value that transcends the stated value within the financial report. Commencing in September 2012, the District began inter-facility ambulance

transports for all medical facilities within the District's Certificate of Need. Inter-facility transports in Oro Valley had been previously contracted to Southwest Ambulance.

Local Economy and Outlook

While the lingering effects of the Great Recession of 2008 are still being felt today in the form of declining property tax revenue, all is not doom and gloom. There are some optimistic economic indicators that point to a slow, but real economic recovery for the District.

According to a January 2012 Arizona Blue Chip Economic Forecast sponsored by ASU, 2013 could see a population increase in the Phoenix region of 1.6% and a rise in personal income as much as 5.6%. The forecast predicts construction permits for single family homes to be the highest we have seen since 2007.

At June 30, 2012 permits for new residential construction in the Great Tucson metro area has increased steadily and is now 30 percent ahead of June 30, 2011. Year-to-date 2012, 953 residential construction permits have been approved. That is 221 more than the 732 permits issued in the first half of 2011.

So, while District property valuation declines are expected for the immediate future, due in large part to the lag effect of market valuation, we expect 2012 to be a return to pre-2008 economic activity.

Long Term Financial Planning

Our ability to navigate the recent economic storm, the District relied on 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. A copy of the PSOFM has been attached as a reference to this CAFR. The District has and continues to automate numerous processes associated with accounts receivable, payable and payroll. This is evidenced through the migration into a new financial software suite, MIP, and other payroll and record management software programs. This will undoubtedly allow the District to better manage the varied

complexities of its service oriented business and qualify/quantify its actions. A new multi-year strategic plan is currently being developed and will be referenced in prospective CAFR documents. This plan establishes the vision and direction that is required for District growth and operation.

Major Initiatives

During the fiscal year ending June 30, 2012, the District completed several major initiatives that have enhanced the efficiency and operation of our core responsibility – emergency service. The District added one engine to its fleet of apparatus and completely rebuilt a 4 wheel drive engine, giving it an additional 8 more years of useful life. Also, two new Ford F150's were added to the fleet as command vehicles.

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, 2011. In order to be awarded these certificates, 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 our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to GFOA to determine its eligibility for the fiscal year 2011-12 certificate.

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,

A handwritten signature in dark ink, appearing to read "Randy Karrer", written in a cursive style.

Randy Karrer
Fire Chief

A handwritten signature in dark ink, appearing to read "Dave Christian", written in a cursive style.

Dave Christian, CPA
Finance Manager

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

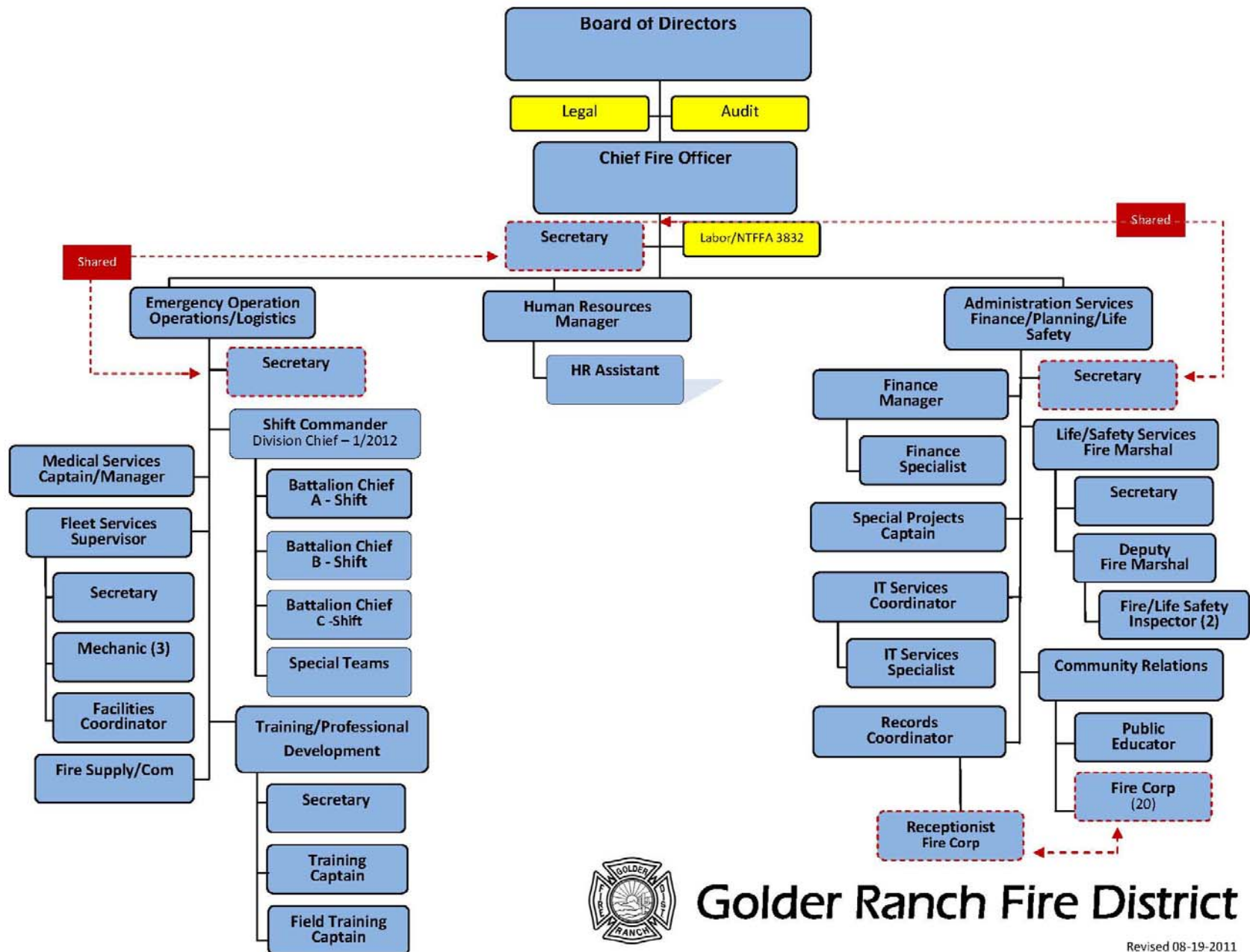


Linda C. Davidson

President

Jeffrey R. Enen

Executive Director



Golder Ranch Fire District

Revised 08-19-2011



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 2014
Vice Chair	Stephen F. Brady	November 2012
Clerk	David A. Dahl	November 2012
Board Member	Mark Clark	November 2014
Board Member	Ronald J. Koslowski	November 2012

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

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Golder Ranch Fire District

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, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Golder Ranch District, as of June 30, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2012, on our consideration of Golder Ranch 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13 and budgetary comparison information on pages 44 and 45 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The accompanying supplementary information such as 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections 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.

Heinfeld, Meech & Co., P.C.

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

November 5, 2012

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 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, 2012. This discussion and analysis is intended to be an easily readable breakdown of the District's financial activities based on currently known facts, decisions and conditions. Readers are encouraged to consider the information presented here in conjunction with the financial statements as a whole, which will follow this narrative.

Financial Highlights

- The assets of the District exceeded its liabilities at the end of the current fiscal year by \$11,732,236. Of this amount, \$6,627,438 is cash and cash equivalents and may be used to meet the District's ongoing obligations to citizens and creditors.
- The net assets of the District decreased by \$570,991 primarily due (generally) to the decline in the District-wide Net Assessed Values (NAV) and specifically to refunds issued to Honeywell from prior year's tax appeals.
- At the close of the fiscal year ended June 30, 2012, the District's had a combined ending fund balance of \$6,044,268 a decrease of \$362,371 in comparison with the 2011 fiscal year end. The entire fund balance is legally restricted or committed by the District Board of Directors.
- The General Fund budget for 2012 was based on the 2011 property tax, secondary net assessed value of approximately \$809 Million (District wide) at a rate of \$1.59/\$100 of assessed value.
- During the fiscal year, the District received the following grant monies: \$82,238 for SAFER Grant, \$15,993 for Hydrant Block Grant, \$15,691 for Haz-Mat Grant and \$35,030 was received from the Tohono O'odham Nation, Grant-in-Aid.
- Additions to the fleet during the fiscal 2012 included a refurbished Pierce Saber engine for \$150,814 and two new F150's for \$98,122. The District's four wheel drive engine #014 was fully rebuilt from the chassis up for \$199,936.

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 Assets* and the *Statement of Activities* (on pages 18 and 19) these statements provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 22. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds individually.

The Statement of Net Assets 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 Assets* 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 Assets* and *Statement of Activities* report the District's net assets and changes in them. You can think of the District's net assets — 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 assets 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 Assets* and the *Statement of Activities*, the District presents total Governmental activities. All of the District's basic services are reported in these two reports.

Fund Financial Statements

The fund financial statements (pages 22-26) provide detailed information about the General Fund, Debt Service Fund & Capital Projects 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 Assets* 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 27.

Government Wide Financial Analysis

The District's combined net assets decreased from \$12,303,227 to \$11,732,236 from June 30, 2011 to June 30, 2012. As noted earlier, net assets may serve over time as one useful indicator of the District's financial condition.

The largest portion (53%) of the District's net assets is its investment in capital assets (ie: land, buildings, equipment and fleet). The District has monies held by a paying agent (Pima County Treasurer) that is legally restricted to service the bond obligations owed by the District. The rest of the District's net assets are available to meet the ongoing operational needs of the District.

The following table presents a summary of the District's net assets at the years ended June 30th 2012 and 2011 respectively.

	Governmental Activities			
	2012		2011	
ASSETS				
Current and Other Assets	7,561,552		7,766,384	
Capital Assets	18,742,033		19,115,905	
Total Assets	\$ 26,303,585		\$ 26,882,289	
LIABILITIES				
Current Liabilities	1,640,812		1,543,536	
Non-Current Liabilities	12,930,537		13,035,526	
Total Liabilities	\$ 14,571,349		\$ 14,579,062	
NET ASSETS				
Invested in Capital Assets net of debt	6,200,701	53%	6,159,328	50%
Restricted for debt service	539,464	5%	1,375,940	11%
Unrestricted	4,992,071	42%	4,767,959	39%
Total Net Assets	\$ 11,732,236	100%	\$ 12,303,227	100%

Governmental Activities

Governmental activities decreased the District's net assets by \$570,991. The key elements in the change in fund balance were due to:

- The utilization of reserve funds to maintain a continuity of a \$1.59 mil rate.
- Property taxes refunded to Honeywell, Inc. from tax years 2008, 2009 & 2010 totaling \$214,453.
- Cost savings found through operational efficiencies and cost avoidance.

The costs of all governmental activities for the year ended June 30, 2012 was \$16,868,148. Property taxes and Fire District Assistance Taxes provided \$14,377,019 or 88% of total revenues. Additional revenues were realized from grants, interest and fees for services. Emergency medical transports amounted to \$1,465,726 or 9% of total revenues.

Governmental Activities

	2012		2011	
Changes in Net Assets				
Revenues:				
Program Revenues				
Charges for Services	\$ 1,507,073	9%	\$ 1,697,113	10%
Operating grants and contribution	371,530	2%	356,185	2%
General Revenues:				
Property taxes	14,377,019	88%	15,704,039	88%
Interest Income	24,417	0%	32,752	0%
Miscellaneous	17,118	0%	36,777	0%
TOTAL REVENUES	\$ 16,297,157		\$ 17,826,866	
Expenditures/expenses:				
Public Safety	\$ 16,290,428		\$ 16,084,321	
Interest on long-term debt	577,720		592,356	
TOTAL EXPENSES	\$ 16,868,148		\$ 16,676,677	
Change in Net Assets	\$ (570,991)		\$ 1,150,189	
Net Assets - July 1	12,303,227		11,153,038	
Net Assets - June 30	\$ 11,732,236		\$ 12,303,227	

Financial Analysis of the Districts Funds

As the District completed the year, its General Fund (as presented in the balance sheet on page 22) reported a combined fund balance of \$6,044,268 which is slightly below last year's total of \$6,406,639.

The General Fund decreased \$364,291 while the Debt Services fund increased slightly by \$2,186.

<u>Golder Ranch Fire District Governmental Funds - Fund Balances</u>				
MAJOR FUNDS	2012		2011	
	Amount	%	Amount	%
General Fund	5,544,527	92%	5,908,818	92%
Debt Service Fund	499,741	8%	497,555	8%
Capital Projects Fund	-	0%	266	0%
Total Fund Balance	6,044,268	100%	6,406,639	100%

General Fund.

The General Fund accounts for most all of the financial resources of the District. In fact, the General Fund encompasses all of the District's financial resources except for the 2007 & 2005 GADA Bond Principle and Interest obligations.

Debt Service Fund.

This fund is used to account for the property tax collections and servicing of general obligation debt associated with the 2005 and 2007 GADA bonds.

Capital Projects Fund.

The Capital Projects Fund was used to account for the capital improvement projects that were funded by the 2005 and 2007 GADA bond issues. The Capital Projects Fund was completely exhausted by the beginning of fiscal 2012.

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 2012.

Golder Ranch FD
General Fund 2012 Budget to Actuals

	<u>Actuals</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Property Taxes	13,293,069	13,411,108	(118,039)
Charges for Services	1,507,073	1,720,676	(213,603)
Intergovernmental	371,530	134,044	237,486
Other Rev & Financing Sources	35,498	5,499	29,999
Total Revenues & Financing Sources	15,207,170	15,271,327	(64,157)
EXPENSES			
Public Safety	14,910,906	15,479,155	568,249
Capital Outlay	754,444	518,384	(236,060)
Debt Service	355,244	410,670	55,426
Contingency	-	300,000	300,000
Total expenses	16,020,594	16,708,209	687,615
Other financing sources (net)			
Capital Lease	448,867	-	(448,867)
Transfer in	266	-	(266)
Total other financing sources (uses)	449,133	-	(449,133)
CHANGES IN FUND BALANCE			
Increase (Decrease) in Fund Balance	(813,424)	(1,436,882)	623,458
Beginning Fund Balance	5,908,818	5,908,818	
Ending Fund Balance	5,095,394	4,471,936	623,458

The 2013 District Budget projected the use of reserve funds of \$439,434 and the use of Capital Projects funds of \$997,448. There were no funding sources available to replace these monies. Consequently, the 2013 budget contained a projected total consumption of fund balance of \$1,436,882. The actual consumption of cash was only \$813,424. This was achieved largely by cutting costs, finding operational efficiencies and by adding new capital lease debt of \$448,867.

Capital Assets

At the end of 2012, the District had \$23,964,797 invested in land, buildings, apparatus, vehicles and equipment before consideration of accumulated depreciation. Land is held in the District's books at cost or in the case of donated land, at fair market value as determined by the donor. All buildings and rolling stock are held on the books at cost.

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

<u>Governmental Type Activities</u>	<u>2012</u>	<u>2011</u>
Land not depreciated	1,815,318	1,815,318
Buildings and improvements	15,647,767	15,647,767
Vehicles & Apparatus	6,501,712	6,001,594
Accumulated Depreciation	(5,222,764)	(4,348,774)
Net Capital Assets	18,742,033	19,115,905

Major capital projects for 2012 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 2013 will be \$744,353.

Additional information regarding capital assets can be found in the Notes to the Financial Statements on page 36.

Long-Term Liabilities

At the end of fiscal 2012, the District had total debt outstanding of \$12,364,916, a reduction of \$591,661 from the end of fiscal 2011.

Outstanding Debt as of June 30,			
<u>Governmental Type Activities</u>	<u>2012</u>	<u>2011</u>	<u>Change</u>
General Obligation Bonds	11,005,000	11,565,000	(560,000)
Capital Leases	1,359,916	1,391,577	(31,661)
Total Obligations	12,364,916	12,956,577	(591,661)

Additional information regarding the long and short term District obligations can be found in the notes to the Financials Statements on pages 36 through 38.

TAX RATES

Net assessed property values (NAV) in the District declined from fiscal 2011 to 2012, exemplifying the lag effect of property tax valuations trailing market valuation. The GRFD Board of Directors authorized a mil rate of \$1.59 for FY 2012. The District has not had a mil rate increase for ten years. Consequently the Average levy per parcel has consistently gone down and will continue to drop for fiscal 2013 to \$416/parcel.

Governmental Type Activities					
	<u>FY 2011</u>	<u>FY 2012</u>	<u>% Change</u>	<u>FY 2013</u>	<u>% Change</u>
Total Parcel Count	30,445	30,706	1%	31,319	2%
Total Net Assessed Value	\$ 858,226,530	\$ 818,308,662	-5%	\$ 809,112,989	-1%
Average Assessed Value District Wide	28,189	26,650	-6%	25,835	-3%
Average Levy / Parcel District Wide	\$ 448	\$ 424	-6%	\$ 416	-2%

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

MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

**GOLDER RANCH FIRE DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012**

Governmental
Activities

ASSETS

Current assets:

Cash and equivalents	\$ 5,779,144
Cash held by paying agent	848,294
Accounts receivable	399,440
Property taxes receivable	312,978
Due from governmental entities	221,696
Total current assets	<u>7,561,552</u>

Noncurrent assets:

Capital assets, non-depreciable	1,815,318
Capital assets, depreciable (net)	<u>16,926,715</u>
Total noncurrent assets	<u>18,742,033</u>
Total assets	<u><u>26,303,585</u></u>

LIABILITIES

Current liabilities:

Accounts payable	17,181
Accrued payroll and employee benefits	194,710
Accrued interest	263,294
Unearned revenue	221,696
Compensated absences	44,495
Capital lease payable	314,436
Bonds payable	585,000
Total current liabilities	<u>1,640,812</u>

Noncurrent liabilities:

Compensated absences	1,288,641
Capital lease payable	1,221,896
Bonds payable	<u>10,420,000</u>
Total non-current liabilities	<u>12,930,537</u>
Total liabilities	<u><u>14,571,349</u></u>

NET ASSETS

Restricted for:

Invested in capital assets, net of related debt	6,200,701
Debt service	539,464

Unrestricted	<u>4,992,071</u>
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Total net assets	<u><u>\$ 11,732,236</u></u>
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The notes to the financial statements are an integral part of this statement.

**GOLDER RANCH FIRE DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Public Safety - Emergency services	\$ 12,654,694	\$ 1,507,073	\$ 371,530	\$ (10,776,091)
Public Safety - Administration	3,609,948			(3,609,948)
Public Safety - Community safety services	25,786			(25,786)
Interest on long-term debt	577,720			(577,720)
Total governmental activities	\$ 16,868,148	\$ 1,507,073	\$ 371,530	\$ (14,989,545)
General revenues:				
Taxes:				
Property taxes				14,377,019
Investment income				24,417
Miscellaneous				17,118
Total general revenues				14,418,554
Changes in net assets				(570,991)
Net assets, beginning of year				12,303,227
Net assets, end of year				\$ 11,732,236

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

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FUND FINANCIAL STATEMENTS

**GOLDER RANCH FIRE DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012**

	General	Debt Service	Total Governmental Funds
<u>ASSETS</u>			
Cash and equivalents	\$ 5,285,679	\$ 493,465	\$ 5,779,144
Cash held by paying agent		848,294	848,294
Accounts receivable	399,440		399,440
Property taxes receivable	266,979	45,999	312,978
Due from governmental entities	221,696		221,696
Total assets	<u>\$ 6,173,794</u>	<u>\$ 1,387,758</u>	<u>\$ 7,561,552</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 17,181	\$	\$ 17,181
Accrued payroll and employee benefits	194,710		194,710
Deferred revenue	417,376	39,723	457,099
Bonds payable		585,000	585,000
Bond interest payable		263,294	263,294
Total liabilities	<u>629,267</u>	<u>888,017</u>	<u>1,517,284</u>
Fund balances:			
Restricted for:			
Debt Service		499,741	499,741
Committed for:			
Reserves and stabilization	5,544,527		5,544,527
Total fund balances	<u>5,544,527</u>	<u>499,741</u>	<u>6,044,268</u>
Total liabilities and fund balances	<u>\$ 6,173,794</u>	<u>\$ 1,387,758</u>	<u>\$ 7,561,552</u>

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

**GOLDER RANCH FIRE DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012**

Total governmental fund balances **\$ 6,044,268**

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

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

Governmental capital assets	\$ 23,964,797	
Less accumulated depreciation	<u>(5,222,764)</u>	18,742,033

Some property tax revenues will not be available to pay for current period expenditures and, therefore, are deferred in the funds.		235,403
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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	(1,333,136)	
Bonds payable	(10,420,000)	
Capital leases payable	<u>(1,536,332)</u>	<u>(13,289,468)</u>

Net assets of governmental activities **\$ 11,732,236**

The notes to the 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, 2012

	General	Debt Service	Capital Projects
Revenues:			
Property taxes	\$ 13,293,069	\$ 1,107,737	\$
Intergovernmental	371,530		
Charges for services	1,507,073		
Investment income	18,380	6,037	
Miscellaneous	17,118		
Total revenues	<u>15,207,170</u>	<u>1,113,774</u>	
Expenditures:			
Current -			
Public Safety - Emergency services	11,456,451		
Public Safety - Administration	3,428,669		
Public Safety - Community safety services	25,786		
Capital outlay	754,444		
Debt service -			
Principal retirement	304,112	585,000	
Interest and fiscal charges	51,132	526,588	
Total expenditures	<u>16,020,594</u>	<u>1,111,588</u>	
Excess (deficiency) of revenues over expenditures	<u>(813,424)</u>	<u>2,186</u>	
Other financing sources (uses):			
Capital lease	448,867		
Transfer in	266		
Transfer out			(266)
Total other financing sources (uses)	<u>449,133</u>		<u>(266)</u>
Changes in fund balances	<u>(364,291)</u>	<u>2,186</u>	<u>(266)</u>
Fund balances, beginning of year	5,908,818	497,555	266
Fund balances, end of year	<u>\$ 5,544,527</u>	<u>\$ 499,741</u>	<u>\$</u>

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

Total
Governmental
Funds

\$ 14,400,806
371,530
1,507,073
24,417
17,118

16,320,944

11,456,451
3,428,669
25,786
754,444

889,112
577,720

17,132,182

(811,238)

448,867
266
(266)

448,867

(362,371)

6,406,639

\$ 6,044,268

**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, 2012**

Net changes in fund balances - total governmental funds **\$ (362,371)**

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 capital assets	\$ 500,118	
Less current year depreciation	<u>(873,990)</u>	(373,872)

Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(23,787)
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Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Capital lease principal retirement	304,112	
Bond principal retirement	<u>585,000</u>	889,112

Some expenses reported for compensated absences in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(251,206)
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Issuance of capital leases provides current financial resources to governmental funds, but increases long-term liabilities in the Statement of Net Assets.	<u>(448,867)</u>
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Change in net assets in governmental activities **\$ (570,991)**

The notes to the 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 fire protection and emergency medical services to the residents of unincorporated Pima and Pinal Counties, Town of Oro Valley and the communities of Catalina and SaddleBrooke.

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

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

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 Assets*. The increases and decreases in those net assets are presented in the government-wide *Statement of Activities*. These statements are reported on the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The governmental fund financial statements are accounted for using a current financial resources measurement focus, whereby only current assets and current liabilities generally are included in the *Balance Sheet*, and the *Statement of Revenues, Expenditures and Changes in Fund Balances* present increases and decreases in those net current assets. These funds use the modified accrual basis of accounting whereby revenues are recorded only when susceptible to accrual (both measurable and available). "Measurable" means that the amount of the transaction can be determined. "Available" is defined as being collectible within the current period or soon enough thereafter (60 days) to be used to liquidate liabilities of the current period. Expenditures other than interest on non-current obligations, are recorded when the fund liability is incurred.

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

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

The District reports the following three major governmental funds:

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

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 and Deferred Revenues

All accounts and property tax receivables are shown net of any allowance for uncollectible accounts. Property taxes receivable for the governmental fund types, which have been remitted within 60 days subsequent to year end, are considered measurable and available and recognized as revenues. All other property taxes are offset by deferred property tax revenues and, accordingly, have not been recorded as revenue. 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. The portion of reimbursement in excess of expenditures and amounts not remitted within 60 days subsequent to year end, are recorded as deferred revenues.

Prepaid Items

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

Capital Assets

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

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

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

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

Compensated Absences

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

Long-Term Debt

In the government-wide financial statements, long-term debt is reported as a liability in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the related debt. Bonds payable are reported net of applicable bond premium or discount. In the fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized when incurred and not deferred. The face amount of the debt issued, premiums and discounts received on debt issuances, are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance

In accordance with GASB Statement #54, 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 formal action of 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 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. Constraints imposed on the use of committed amounts are imposed by the Board of Directors, 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

[Notes to the Basic Financial Statements – FY2011/12 Comprehensive Annual Financial Report](#)

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: The District will maintain 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.

Operating Reserve: The District will maintain 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: The District will maintain 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.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are 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.

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 Assets as part of "cash and investments".

Cash and investments are comprised of the following at June 30, 2012:

	<i>Average Maturities</i>	<i>Fair Value</i>
Petty Cash	\$	250
Deposits with Local Financial Institutions		441,005
Cash Equivalent (Pima & Pinal Cty Treas)	322 days	6,186,183
<hr/>		
Total Cash and Cash Equivalent:	\$	6,627,438

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, 2012, deposits with financial institutions have a bank value of \$693,309 and a book value of \$441,005. The difference of \$252,304 represents deposits in transit, outstanding checks, and other reconciling items at year-end. At June 30, 2012, none of the District's bank balance was exposed to custodial credit risk as uninsured and collateralized with securities held by the pledging financial institution's trust department.

Cash Equivalents

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

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

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

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

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

CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2012 were as follows:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Disposals</i>	<i>Ending Balance</i>
Land not depreciated	\$ 1,815,318	\$ -	\$ -	\$ 1,815,318
Buildings and improvement	15,647,767		-	15,647,767
<u>Vehicles and apparatus</u>	<u>6,001,594</u>	<u>500,118</u>	<u>-</u>	<u>6,501,712</u>
Total Capital Assets	23,464,679	500,118	-	23,964,797
Less accumulated depreciation				
Buildings and improvements	1,607,387	396,764	-	2,004,151
<u>Vehicles and apparatus</u>	<u>2,741,387</u>	<u>477,226</u>	<u>-</u>	<u>3,218,613</u>
Total accumulated depreciation	4,348,774	873,990		5,222,764
Capital assets, net of depreciation	\$ 19,115,905	\$ (373,872)	\$ -	\$ 18,742,033

LONG-TERM DEBT

General Obligation Bonds

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

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:

Fiscal Year Ending June 30,	Principal	Interest	Total
2013	585,000	499,238	1,084,238
2014	615,000	469,988	1,084,988
2015	640,000	439,525	1,079,525
2016	675,000	407,388	1,082,388
2017	740,000	373,825	1,113,825
2018-2022	3,145,000	1,122,550	4,267,550
2023-2026	4,605,000	451,763	5,056,763
Total	\$ 11,005,000	\$ 3,764,277	\$ 14,769,277

Notes to the Basic Financial Statements – FY2011/12 Comprehensive Annual Financial Report

Capital Leases

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

	Governmental
Year Ending June 30:	Activities
2013	364,075
2014	366,074
2015	366,075
2016	308,545
2017	221,211
2018	57,196
Total minimum lease payments	\$ 1,683,176
Less: amount representing interest	146,844
Present value of minimum lease payments	1,536,332
Due within one year	\$ 314,436

The Assets acquired through capital lease are as follows:

	Governmental
	Activities
Asset:	
Vehicles, furniture and equipment	2,831,050
Less: Accumulated depreciation	(648,586)
Net:	2,182,464

Changes in Long-term Liabilities

Long term liability activity for the year ended June 30, 2012 was as follows:

Governmental Activities	Outstanding June 30, 2011	Additions	Deletions	Outstanding June 30, 2012	Due Within One Year
Series 2005A GO Bonds	\$ 7,360,000	\$ -	\$ 375,000	\$ 6,985,000	\$ 395,000
Series 2007A G O Bonds	4,205,000	-	185,000	4,020,000	190,000
Capital Leases Payable	1,391,577	448,867	304,112	1,536,332	314,436
Compensated Absences	1,081,930	1,293,592	1,042,386	1,333,136	44,495
	\$ 14,038,507	\$ 1,742,459	\$ 1,906,498	\$ 13,874,468	\$ 943,931

LINE OF CREDIT

In previous fiscal years, the District had a line of credit for \$800,000 with Bank of America which was secured by property taxes of the District. As of September 11, 2012 the LOC was cancelled.

RISK MANAGEMENT

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

PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Plan Descriptions

The District contributes to the two plans described below. Benefits are established by state statute and the plans generally provide retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are paid at a percentage, based on years of service and the retiree's average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. Health insurance premium benefits are paid as a flat dollar amount per month toward the retiree's health care insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

The Arizona State Retirement System (ASRS) administers a cost-sharing, multiple-employer defined benefit pension plan, a cost-sharing multiple employer defined benefit health insurance premium plan and cost sharing, multiple-employer defined benefit long-term disability plan that covers employees of the State of Arizona and employees of participating political subdivisions and school districts. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The Public Safety Personnel Retirement System (PSPRS) administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance

premium plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or participating political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a five-member board, known as The Fund Manager, and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Each plan issues a publicly available financial report that includes its financial statements and required supplementary information. A report may be obtained by writing or calling the applicable plan.

ASRS

3300 N. Central Avenue
PO Box 33910
Phoenix, AZ 85067-3910
(800) 621-3778

PSPRS

3010 E. Camelback Rd
Ste# 200
Phoenix, AZ 85016-4416
(602) 255-5575

Funding Policy

The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates for both the ASRS and PSPRS.

Cost-sharing Plan

For the year ended June 30, 2012, active ASRS members were required by statute to contribute at the actuarially determined rate of 10.74% (10.5% for retirement and 0.24% for long-term disability) of the members' annual covered payroll; and the District was required by statute to contribute at the same rate.

The District's contributions for the fiscal years ending 2012, 2011 and 2010, all of which were equal to the required contributions, were as follows respectively: \$119,175, \$99,554 and \$87,166.

Agent Plan

For the year ended June 30, 2012, active PSPRS members were required by statute to contribute 8.65% of the members' annual covered payroll, and the District was required to contribute 13.49%, the aggregate of which is the actuarially required amount.

Actuarial Methods and Assumptions

The contribution requirements for the year ended June 30, 2012 were established by the June 30, 2010 actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plans and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress presented as required supplementary information provides multiyear trend information showing whether the actuarial value of plans assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on 1) the plans as understood by the District and plans' members and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs between the District and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for all plans and related benefits (unless noted), and the actuarial assumptions used to establish the fiscal year 2012 contribution requirements, are as follows:

Actuarial valuation date: June 30, 2010

Actuarial cost method: Projected Unit Credit

Amortization method: Level percent-of-pay closed for unfunded actuarial accrued liability, open for excess

Remaining amortization period 26 years for unfunded actuarial accrued liability
20 years for excess

Asset valuation method: 7-year smoothed market value

Investment rate of return: 8.5%

Inflation: 5.5%-8.5%

Inflation: 5.5%

Three Year Trend Information

Annual pension cost information for the current and two preceding years follows for the agent plan:

Year ended June 30,		<i>Annual Pension Cost</i>	<i>Percent Contributed</i>	<i>Net Pension Obligation</i>
2012	\$	859,628	100%	\$ -
2011	\$	868,696	100%	\$ -
2010		792,512	100%	-
2009		717,358	100%	-
	\$	2,378,565		\$ -

Funding Progress

The funded status of the plan as of the most recent valuation date June 30, 2011 follow.

<i>PENSION - Excluding Health Insurance Subsidy</i>					<i>Unfunded Liability expressed as a percentage of covered Payroll</i>
	<i>Actuarial Value of Plan Assets</i>	<i>Funding Liability</i>	<i>Funded Ratio</i>	<i>Annual Covered Payroll</i>	
2011	17,072,071	5,114,548	76.9%	8,105,654	63.1%
2010	14,098,985	2,540,229	84.7%	6,900,213	36.8%
2009	12,003,677	1,921,080	86.2%	6,159,493	31.2%

<i>HEALTH INSURANCE SUBSIDY</i>					<i>Unfunded Liability expressed as a percentage of covered Payroll</i>
	<i>Actuarial Value of Plan Assets</i>	<i>Actuarial Accrued Liability</i>	<i>Funding Liability</i>	<i>Annual Covered Payroll</i>	
2011	-	753,220	753,220	8,105,654	9.3%
2010	-	525,907	525,907	6,900,213	7.6%
2009	-	462,859	462,859	6,159,493	7.5%

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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
(Required Supplementary Information)**

**GOLDER RANCH FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL
YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Property taxes	\$ 13,411,108	\$ 13,293,069	\$ (118,039)
Intergovernmental	134,044	371,530	237,486
Charges for services	1,720,676	1,507,073	(213,603)
Investment income		18,380	18,380
Miscellaneous	5,499	17,118	11,619
Total revenues	<u>15,271,327</u>	<u>15,207,170</u>	<u>(64,157)</u>
Expenditures:			
Current -			
Public Safety - Emergency services	11,935,893	11,456,451	479,442
Public Safety - Administration	3,505,553	3,428,669	76,884
Public Safety - Community safety services	37,709	25,786	11,923
Contingency	300,000		300,000
Capital outlay	518,384	754,444	(236,060)
Debt service -			
Principal retirement	359,008	304,112	54,896
Interest and fiscal charges	51,662	51,132	530
Total expenditures	<u>16,708,209</u>	<u>16,020,594</u>	<u>687,615</u>
Excess (deficiency) of revenues over expenditures	<u>(1,436,882)</u>	<u>(813,424)</u>	<u>623,458</u>
Other financing sources (uses):			
Capital lease		448,867	448,867
Transfer in		266	266
Total other financing sources (uses)		<u>449,133</u>	<u>449,133</u>
Change in fund balances	<u>(1,436,882)</u>	<u>(364,291)</u>	<u>1,072,591</u>
Fund balances, July 1, 2011	5,908,818	5,908,818	
Fund balances, June 30, 2012	<u>\$ 4,471,936</u>	<u>\$ 5,544,527</u>	<u>\$ 1,072,591</u>

See accompanying notes to this schedule.

**GOLDER RANCH FIRE DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2012**

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

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

**GOLDER RANCH FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DEBT SERVICE
YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Property taxes	\$	\$ 1,107,737	\$ 1,107,737
Investment income		6,037	6,037
Total revenues		1,113,774	1,113,774
Expenditures:			
Debt service -			
Principal retirement		585,000	(585,000)
Interest and fiscal charges		526,588	(526,588)
Total expenditures		1,111,588	(1,111,588)
Change in fund balances		2,186	2,186
Fund balances, July 1, 2011		497,555	497,555
Fund balances, June 30, 2012	\$	\$ 499,741	\$ 499,741

**GOLDER RANCH FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Other financing sources (uses):			
Transfer out	\$	\$ (266)	\$ (266)
Total other financing sources (uses)		(266)	(266)
 Change in fund balances		(266)	(266)
 Fund balances, July 1, 2011		266	266
 Fund balances, June 30, 2012	\$	\$	\$

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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Golder Ranch Fire District

Net Assets By Component

(Accrual Basis)

	<i>Fiscal Year</i>	
	<i>2011</i>	<i>2012</i>
Invested in Capital Assets, Net of		
Related debt	6,159,328	6,200,701
Restricted	1,375,940	539,464
Unrestricted	4,767,959	4,992,071
Total Primary Government Net Assets	12,303,227	11,732,236

Source: District financial records.

Golder Ranch Fire District

Changes in Net Assets

(Accrual Basis)

	<i>Fiscal Year</i>	
	<i>2011</i>	<i>2012</i>
EXPENSES		
Governmental Activities:		
Public Safety-Fire Protection	\$ 16,084,321	\$ 16,290,428
Interest on Long Term Debt	592,356	577,720
Total Primary Government Expenses	16,676,677	16,868,148
PROGRAM REVENUES		
Governmental Activities:		
Charges for Services	1,697,113	1,507,073
Operating grants & contributions	356,185	371,530
Total Primary Government Revenues	2,053,298	1,878,603
Total Primary Government Net Expenses	(14,623,379)	(14,989,545)
General Revenues & Other Changes		
in Net Assets		
Property Taxes	15,704,039	14,377,019
Investment Income	32,752	24,417
Miscellaneous	36,777	17,118
Total Primary Government	15,773,568	14,418,554
Change in Net Assets		
Total Primary Government	\$ 1,150,189	\$ (570,991)

Source: District financial records.

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

	<i>Fiscal Year</i>	
	<i>2011</i>	<i>2012</i>
General Fund		
Restricted	\$ -	\$ -
Committed	5,133,944	5,544,527
Unassigned	774,874	-
Total General Fund	5,908,818	5,544,527
All Other Governmental Funds		
Restricted	\$ 497,821	\$ 499,741
Committed	-	-
Unassigned	-	-
Total All other Governmental Funds	497,821	499,741

Source: District financial records.

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>
REVENUES		
Taxes	\$ 15,459,330	\$ 14,400,806
Investment Income	32,752	24,417
Charges for Services	1,689,127	1,507,073
Grants & Donations	356,185	371,530
Rents	7,986	-
Miscellaneous	36,777	17,118
<i>Total Revenues</i>	<u>17,582,157</u>	<u>16,320,944</u>
EXPENDITURES		
Current		
Public Safety	15,007,047	14,910,906
Capital Outlay	2,055,779	754,444
Debt Service:		
Principal	818,439	889,112
Interest	592,356	577,720
<i>Total Expenditures</i>	<u>18,473,621</u>	<u>17,132,182</u>
<i>Excess (Deficiency) of Revenues</i>	<u>(891,464)</u>	<u>(811,238)</u>
OTHER FINANCING SOURCES		
Proceeds from Debt Issuances	360,000	448,867
Transfers in	-	266
Transfers out	-	(266)
<i>Total Other Financing Sources</i>	<u>360,000</u>	<u>448,867</u>
Net Change in Fund Balance	<u><u>\$ (531,464)</u></u>	<u><u>\$ (362,371)</u></u>
<i>Debt Service as a percentage of noncapital expenditures</i>	9.40%	9.84%

Source: District financial records.

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

Fiscal Year	Full Cash Value (FCV)	Total Assessed Value (AV)	Total Exemptions	Net Assessed Value (NAV)	NAV as a percent of AV
2012	7,635,729,690	869,864,390	60,751,401	809,112,989	93%
2011	7,901,108,189	905,241,426	86,932,764	818,308,662	90%
2010	7,009,936,418	793,520,807	24,858,108	768,662,699	97%
2009	6,418,773,179	710,664,897	20,293,215	690,371,682	97%
2008	4,472,059,576	503,985,258	17,824,893	486,160,365	96%
2007	3,445,148,367	388,053,111	14,594,983	373,458,128	96%
2006	2,891,348,997	330,195,884	14,012,432	316,183,452	96%
2005	2,400,564,683	275,158,420	12,979,919	262,178,501	95%
2004	2,138,384,737	245,631,177	12,344,759	233,286,418	95%
2003	1,876,204,790	217,663,865	11,709,598	205,954,267	95%

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

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

<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
2012	\$ 1.59	\$ 0.14	\$ 5.40	\$ 1.08	\$ 4.46	\$ 4.00
2011	\$ 1.59	\$ 0.14	\$ 5.05	\$ 1.08	\$ 4.29	\$ 3.67
2010	\$ 1.59	\$ 0.16	\$ 4.61	\$ 1.08	\$ 4.06	\$ 3.85
2009	\$ 1.59	\$ 0.17	\$ 4.86	\$ 1.36	\$ 4.02	\$ 4.40
2008	\$ 1.69	\$ 0.19	\$ 5.50	\$ 1.18	\$ 4.52	\$ 4.69
2007	\$ 1.89	\$ 0.20	\$ 6.12	\$ 1.25	\$ 4.29	\$ 4.82
2006	\$ 1.93	\$ -	\$ 6.43	\$ 1.31	\$ 4.89	\$ 4.83
2005	\$ 1.95	\$ -	\$ 6.34	\$ 1.34	\$ 4.89	\$ 4.83
2004	\$ 1.96	\$ -	\$ 6.76	\$ 1.34	\$ 4.89	\$ 4.84
2003	\$ 1.99	\$ -	\$ 7.02	\$ 1.49	\$ 4.97	\$ 4.84

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

Golder Ranch Fire District
Principal Property Taxpayers
FY 2012 and FY 2002

Taxpayer	<i>Fiscal Year</i>					
	<i>2012</i>			<i>2011*</i>		
	Net Assessed Value	Rank	Percent of Assessed Value	Net Assessed Value	Rank	Percent of Assessed Value
ORO VALLEY HOSPITAL LLC	10,385,671	1	1%	10,138,851	1	1%
CHH TUCSON PARTNERSHIP LP	5,300,000	2	1%	6,000,000	2	1%
VESTAR OVM LLC	5,257,481	3	1%	6,330,224	8	1%
TUCSON MATHER PLAZA LLC	5,240,941	4	1%	5,240,941	3	1%
HONEYWELL INTERNATIONAL INC	4,923,082	5	1%	4,073,082	5	0%
VENTANA MEDICAL SYSTEMS INC	3,991,460	6	0%	4,298,424	4	1%
MIRAVAL RESORT AZ LLC	3,779,034	7	0%	3,779,034	6	0%
PRIME ORO VALLEY LLC	2,052,077	8	0%	2,120,000	9	0%
HDP NORTHWEST LLC	1,593,152	9	0%			
TARGET CORP T-0700 FKA DAYTON HUDSO	1,506,739	10	0%			
CASAS ADOBES BAPTIST CHURCH				3,769,252	7	0%
SANOFI-AVENTIS US INC.				1,639,185	10	0%
Total	809,112,989		5%	818,308,662		6%

Source: Pima County Assessor's Office.

*Data from 2002 was unavailable at publication

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

<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
2012	13,490,968	(3,108)	13,487,860	13,165,412	97.6%	-	13,165,412	97.6%
2011	14,198,710	(9,235)	14,189,475	13,785,921	97.2%	379,133	14,165,054	99.8%
2010	12,836,020	(94)	12,835,926	12,445,526	97.0%	371,675	12,817,201	99.9%
2009	12,577,636	(25,591)	12,552,045	11,604,812	92.5%	417,059	12,021,871	95.8%
2008	9,024,965	(947)	9,024,018	8,738,964	96.8%	11,134	8,750,098	97.0%
2007	7,704,138	(40)	7,704,098	7,495,278	97.3%	12,911	7,508,189	97.5%
2006*	2,072,075	(16)	2,072,059	2,066,122	99.7%	5,938	2,072,059	100.0%
2005*	1,695,796	(324)	1,695,472	1,693,254	99.9%	2,218	1,695,472	100.0%
2004	-	-	-	-	0.0%	-	-	0.0%
2003	-	-	-	-	0.0%	-	-	0.0%

Source: Pinal and Pima County Treasurer reports

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

Golder Ranch Fire District
Computation of Leal Debt Margin
(June 30, 2012)

	<i>Fiscal Year</i>									
	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
Net Assessed Value	205,954,267	233,286,418	262,178,501	316,183,452	373,458,128	486,160,365	690,371,682	768,662,699	818,308,662	809,112,989
Debt Limit Rate (Article IX, Sect 8)	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Debt limit	12,357,256	13,997,185	15,730,710	18,971,007	22,407,488	29,169,622	41,422,301	46,119,762	49,098,520	48,546,779
Less Bond & Lease Obligations	(519,283)	(371,898)	(9,014,616)	(9,380,523)	(13,446,696)	(13,214,096)	(12,663,936)	(13,395,016)	(12,956,577)	(12,364,916)
Additional Debt Capacity	11,837,973	13,625,287	6,716,094	9,590,484	8,960,792	15,955,526	28,758,365	32,724,746	36,141,943	36,181,863
Debt Capacity as a percent of Total Debt Limit	95.8%	97.3%	42.7%	50.6%	40.0%	54.7%	69.4%	71.0%	26.4%	25.5%

Golder Ranch Fire District
Direct and Overlapping Governmental Activities Debt

<i>Jurisdiction</i>	**Net Direct Debt Outstanding at 6/30/2011	Percentage Applicable to district (based on 2012 NAV)	Amount Applicable to District
Pima County*	653,241,000	6.92%	45,196,586
Pima County Community College District	8,715,000	6.66%	580,761
Amphitheater Unified School District No. 10	95,967,664	18.20%	17,466,115
Pinal County	165,924,000	6.09%	10,098,987
Subtotal, overlapping debt			73,342,449
Direct:			
Golder Ranch Fire District			12,364,916
Total Direct and Overlapping Debt			85,707,365

Source: Pinal and Pima County Treasurer CAFR, June 30, 2011 and District financial records.

*Excludes improvement Districts

** Outstanding debt as of June 30, 2011 is the most recent information available.

Golder Ranch Fire District
Outstanding Debt by Type

<i>Fiscal Year</i>	General Obligation Bonds							Total Outstanding Debt		
	Gross Bonded Debt	Debt Service Monies Available	Net General Bonded Debt	Ratio to Assessed Value	Per Capita	Percentage of Personal Income	Capital Leases	Total	Per Capita	Percentage of Personal Income
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	1.3%	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	1.7%	190.44	0.5%	1,098,936	12,661,944	208.54	0.6%
2008	12,975,000	734,587	12,240,413	2.5%	203.65	0.6%	584,096	12,824,509	213.37	0.6%
2007	8,760,000	590,856	8,169,144	2.2%	139.87	0.4%	471,696	8,640,840	147.95	0.4%
2006	8,760,000	40,261	8,719,739	2.8%	156.86	0.5%	620,523	9,340,262	168.02	0.5%
2005	-	-	-	0.0%	-	0.0%	254,616	254,616	4.70	0.0%
2004	-	-	-	0.0%	-	0.0%	371,898	371,898	7.15	0.0%
2003	-	-	-	0.0%	-	0.0%	161,050	161,050	3.16	0.0%

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 - Countywide
2011	59,044	2,233,173,098	37,822	6.0%
2010	61,554	2,288,326,039	37,176	9.0%
2009	61,051	2,253,536,959	36,912	8.3%
2008	60,718	2,191,454,980	36,092	5.1%
2007	60,105	2,121,867,959	35,303	3.7%
2006	58,405	2,012,345,962	34,455	4.0%
2005	55,589	1,859,627,913	33,453	4.6%
2004	54,164	1,766,842,391	32,620	4.6%
2003	51,979	1,651,977,585	31,782	5.3%
2002	50,974	1,582,836,195	31,052	5.6%

Sources: Pima County Association of Governments, University of Arizona

* Fiscal year ending 2011 is the most recent information available.

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

<i>Census Year</i>								
<i>2010</i>					<i>2000</i>			
<u>Community</u>	<u>Population</u>	<u>Percentage of population >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	41,011	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								
	59,044		220.17	268.2	37,975		135.17	280.9

Golder Ranch Fire District

Principal Employers

(FY 2012 and FY 2003)

Employer	<i>Fiscal Year</i>					
	<i>2012</i>			<i>2003</i>		
	Employees	Rank	Percent of Total District	Employees	Rank	Percent of Total District
Ventana Medical Systems	1,350	1	8%	350	2	
Honeywell Aerospace	750	2	4%			
Amphi Schools	733	3	4%	175	5	1%
Oro Valley Hospital	600	4	4%			
Hilton El Conquistador Golf & Tennis Resort	458	5	3%	460	1	4%
Town of Oro Valley	404	6	2%	300	3	2%
Mirival Resorts	404	7	2%			
Wal-Mart Supercenter	330	8	2%			
Fry's Food & Drug Store	244	9	1%	214	4	2%
Spendido At Rancho Vistoso	190	10	1%			
Target	170	11	1%	130	7	1%
Kohls	100	12	1%			
*total estimated employee population	17,058		24%	1,982		15%

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

*based on an assumed 28.89% of total population

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

	<i>Fiscal Year</i>									
	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
Fire and Rescue	59	71	72	83	88	104	106	110	124	127
Administrative and Support	13	14	15	20	24	23	24	27	29	27
Total	72	85	87	103	112	127	130	137	153	154

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

Function	<i>Fiscal Year</i>									
	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
Public Safety										
Emergency Medical Service Calls	2,721	2,916	3,259	3,414	2,956	3,157	3,208	3,612	4,202	4,367
Fire Responses	81	88	128	118	140	136	111	115	240	172
Other Responses (including hazardous condition, public service)	423	460	600	644	892	794	1,842	774	1,699	3,905
Miscellaneous - including good intent	1,383	1,596	1,802	2,234	3,050	3,000	2,177	3,009	2,309	529
Total	4,608	5,060	5,789	6,410	7,038	7,087	7,338	7,510	8,450	8,973

Source: District records.

Golder Ranch Fire District

Capital Assets by Function

(Last Ten Fiscal Years)

FUNCTION	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety										
Number of Stations	4	4	4	4	4	5	6	7	8	8
Equipment										
Aerial/Truck/Platform	1	2	2	2	2	2	2	2	2	2
Brush Rig	3	3	3	4	4	4	4	5	5	5
Cars	8	9	12	12	14	15	17	17	17	19
Elevated Waterway										
HazMat										
Medic Unit	4	5	6	6	6	6	6	6	8	8
Mobile Command Unit									1	1
Pumper/Engine	4	4	4	6	6	6	6	8	8	10
Rehab Unit			1	1	1	1	1	1	1	1
Mass Casualty/MMRS							1	1	1	1
Squad/Rescue										
Technical Rescue					1	1	1	1	1	1
Water Tender	3	3	3	3	3	3	4	4	4	4
total rolling stock	23	26	31	34	37	38	42	45	48	52

Source: District records