



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, 2011

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



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For the fiscal year ended June 30, 2011

**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 11, 2011

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, 2011. This CAFR report is intended to meet and/or exceed all legal reporting requirements that are borne by this jurisdiction.

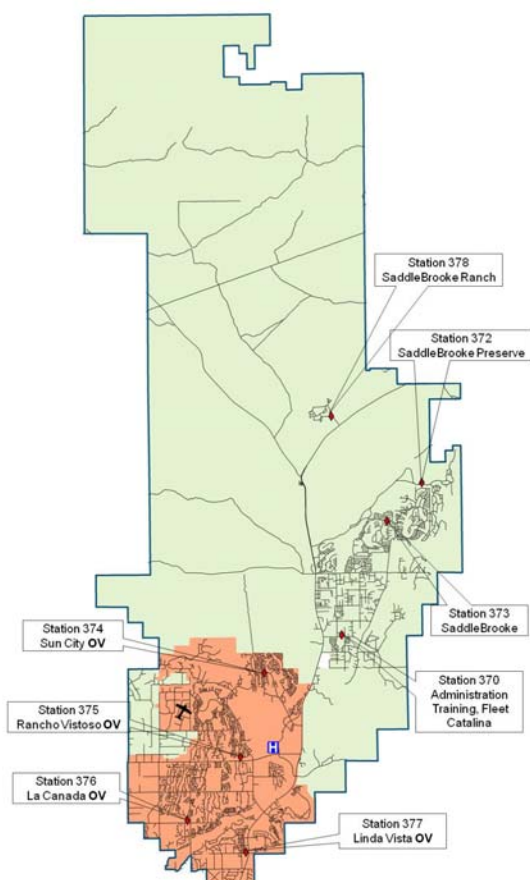
Furthermore, the responsibility for the completeness, fairness, and accuracy of the data presented and all accompanying disclosures rests with the District. To provide a reasonable basis for making these representations, the District's management has established a comprehensive internal control framework 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 serve 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 in 1996. The most recent annexation was completed in the spring of 2011 and included approximately 6-square miles of mixed-use property comprised of suburban ranch parcels, vacant parcels, and a private airport. The 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 has 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 operates seven (7) fire stations and one (1) 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 (151) 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 1:4500 residents.

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.

The District tax rate of \$1.59 is lower than all other comparable southern Arizona fire districts and well below the State imposed ceiling limit of \$3.25. Despite the deteriorating property values, the District was able to maintain a stable tax rate for the third consecutive year and this was primarily attributed to an expansion of its boundaries via annexation in southern Oro Valley. Had this annexation not taken place, the District would have realized a net decrease in taxable valuation.

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. It is important to note that the ambulance revenue during this fiscal year surpassed projections because the District revised a contractual agreement with Southwest Ambulance and resumed transport services throughout the entire fire district. The District believes that its ambulance transport services provide tangible and intangible value that transcends the stated value within the financial report. Therefore, the District will continue to focus on enhancing its medical and transport services through training, education and technology that affords an effective and fiscally responsible pre-hospital environment.

Local Economy and Outlook

Local, regional and national reports suggest that the property tax burden has increased at a disproportionate rate to that of the income of many taxpayers. This can be readily identified through the *Personal Income Report* that was released by the Bureau of Economic Analysis (BEA). This report tracked the 2007/8 income data across the United States and concluded that Arizona experienced a paltry 0.4% growth in personal income and ranks 50th in the nation. Additionally, the BEA ranked the Tucson metropolitan region as 319 out of 365 national metropolitan regions for personal income change in 2010. Compounding this issue is the realization that Arizona continues to be adversely impacted with foreclosures that have further eroded the market and assessed valuation base.

The District property valuation changes have not been as adversely impacted as other areas of the local region. However, future valuation declines are anticipated for the next several years because property tax valuations lag market valuation changes over multiple years. Additionally, property tax appeals result in a multi-year tax valuation “freeze” that further erodes the aggregate taxable valuation of the District.

The District is considered a “bedroom community” because of the large percentage, approximately 82%, of residential and active adult properties. This poses a unique challenge to the region because it has historically relied upon residential construction as a source of growth. Small businesses have been adversely impacted with deteriorating revenue and this has resulted in a regressive business environment. Consequently, the District continues to explore initiatives that promote a business friendly environment.

The District's major employers include local government, Honeywell, the Hilton El Conquistador Resort, Mirival Resort, Roche Medical Systems, and Oro Valley Hospital. The biotechnology industry has provided the greatest potential for economic growth within the District and this is evidenced by the recent expansion of Roche, Sanofi Aventis, and the University of Arizona's BIO 5 research program. The Roche expansion is a result of the foreign trade zone that was approved by the Town of Oro Valley in the fall of 2010.

While population growth has been recently stymied, future growth is anticipated in the southern Pinal county region as we experience economic recovery. This will be accomplished through expansion of active adult communities and multi-family residential developments that have positioned themselves as market leaders in residential housing.

Long Term Financial Planning

To better prepare for the uncertain future, the District has adopted a new financial policy that is referred to as the *Principles of Sound Financial Management* (PSOFM). This document provides the fiscal framework for 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. These measures will position the District to better manage the varied complexities of its service oriented business and qualify/quantify its actions. A three-year strategic plan continues to be the guiding document and reference within the annual budget. This plan establishes the vision and direction that is required for the District growth and operation. The Strategic plan is reviewed annually and will receive a comprehensive update in FY2012/13.

Major Initiatives

During the fiscal year ending June 30, 2011, the District completed several major initiatives that have enhanced the efficiency and operation of our core responsibility – emergency service. Our newest fire station located on Linda Vista Blvd (Station #377) was completed to the Silver LEED construction standard, a complete renovation of Station 374 located on Rancho Vistoso Blvd., and the installation of a 3 story training tower located at our training facilities on Golder Ranch Dr.

The major initiatives also accomplished during the year include: reorganization of operational services, resumption of ambulance transport services in Oro Valley (this includes the acquisition of two fully provisioned ambulance units) and the annexation of a County Island area to provide continuation of emergency services

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.

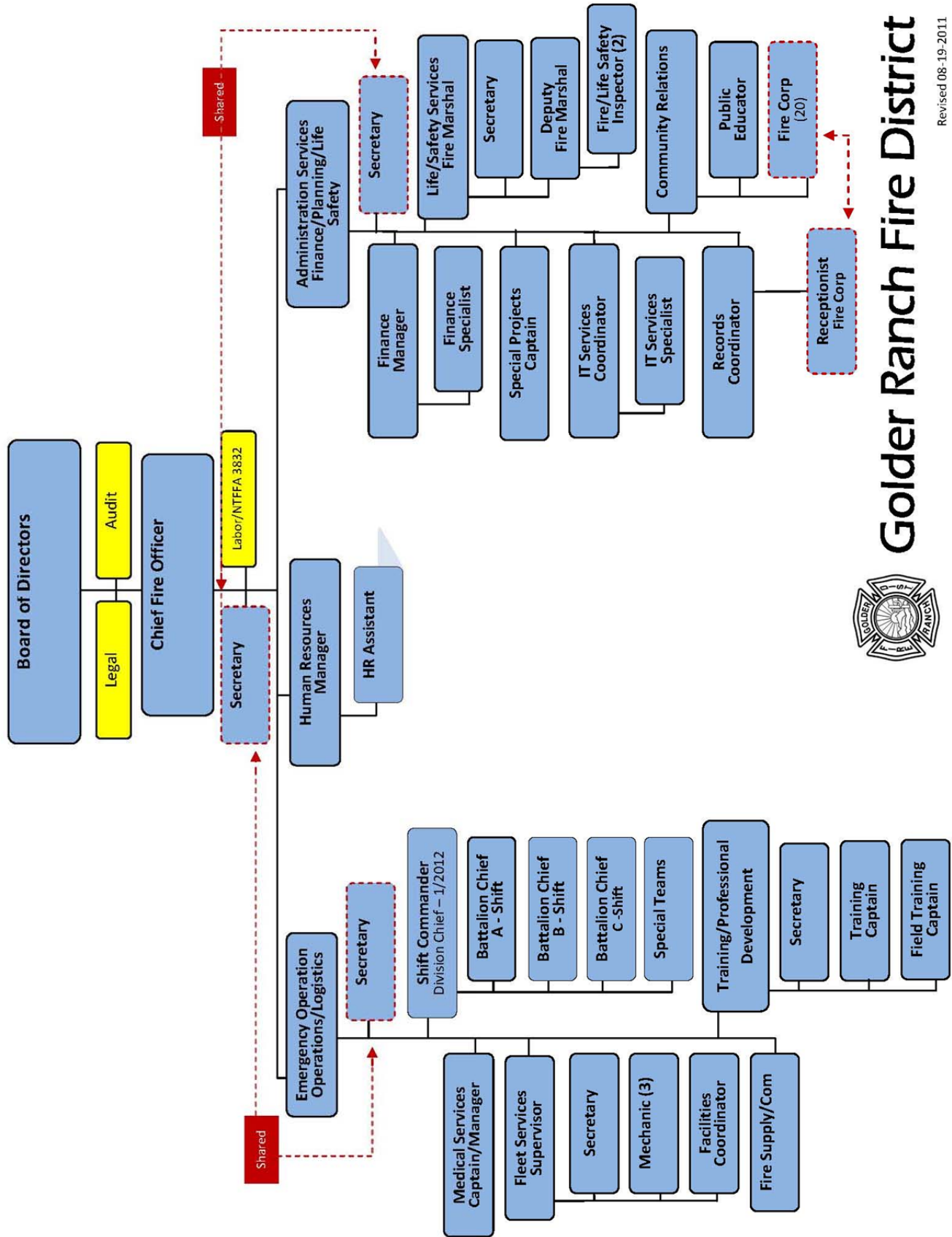
Respectfully Submitted,

A handwritten signature in dark ink, appearing to read "Randy Karrer". The signature is fluid and cursive, with the first name "Randy" being more prominent than the last name "Karrer".

Randy Karrer
Fire Chief

A handwritten signature in dark ink, appearing to read "Dave Christian". The signature is fluid and cursive, with the first name "Dave" being more prominent than the last name "Christian".

Dave Christian, CPA
Finance Manager



Golden 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:

		<i><u>Term Expires</u></i>
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

FINANCIAL SECTION

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HEINFELD, MEECH & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS



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, 2011, 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, 2011, 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.

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the year ended June 30, 2011, which represents a change in accounting principle.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2011, 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 14 and budgetary comparison information on pages 46 and 47 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.
Certified Public Accountants

November 11, 2011

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, 2011. 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 \$12,303,227. Of this amount, \$6,999,454 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 increased by \$1,150,189 primarily due to increased revenues from emergency medical transports and cost savings found through operational efficiencies and cost avoidance.
- As of the close of the current fiscal year, the District's had a combined ending fund balance of \$6,406,639, a decrease of \$531,464 in comparison with the 2010 fiscal year end. Most of this fund balance is either legally restricted or committed by the District Board of Directors.
- The General Fund budget for 2011 was based on the total property tax assessed values of approximately \$858 Million and a mil rate of \$1.59.
- During the fiscal year, the District received the following grant monies: \$50,000 PSSP (Public Safety Stabilization Project) Grant administered by the Governor's Office of Economic Recovery, \$184,968 for SAFER Grant, \$14,007 for Hydrant Block Grant & \$82,701 for Haz Mat Grant.
- Significant capital asset additions during the fiscal 2011 ended June 30, 2011 included station 377 located at 355 E. Linda Vista for \$2,631,357; a remodel of station 374 located at 1130 E. Rancho Vistoso Blvd for \$418,703; a three story training tower located at the

3845 Golder Ranch Dr. for \$267,790; two new fully provisioned ambulances were acquired for \$364,000 and a KME Ladder Tender for 434,868.

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 23. 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 22-28) 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 29.

Government Wide Financial Analysis

The District's combined net assets increased from \$11,153,038 to \$12,303,227 from June 30, 2010 to June 30, 2011. As noted earlier, net assets may serve over time as one useful indicator of the District's financial condition.

The largest portion (50%) 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 fiscal year ended June 30, 2011 represents the first year GAAP financial statements have been prepared; as such only the current year is being presented. Comparative statements will be presented in future years.

The following table presents a summary of the District's net assets at the year ended June 30, 2011.

	Governmental Activities	
	2011	
Assets		
Current and Other Assets		7,766,384
Capital Assets		19,115,905
Total Assets	\$	26,882,289
LIABILITIES		
Current Liabilities		1,543,536
Non-Current Liabilities		13,035,526
Total Liabilities	\$	14,579,062
NET ASSETS		
Invested in Capital Assets net of debt		6,159,328 50%
Restricted for debt service		1,375,940 11%
Unrestricted		4,767,959 39%
Total Net Assets	\$	12,303,227 100%

Governmental Activities

Governmental activities increased the District's net assets by \$1,150,189. The key elements in the change in fund balance were due to:

- Increases in emergency medical transports resulted in substantially more revenue than budgeted.
- Cost savings found through operational efficiencies and cost avoidance.

The costs of all governmental activities for the year ended June 30, 2011 was \$16,676,677. Property taxes and Fire District Assistance Taxes provided \$15,704,039 or 88% of total

revenues. Additional revenues were realized from grants, interest and fees for services. Emergency medical transports amounted to \$1,261,956 or 7% of total revenues.

	Governmental Activities
	2011
<i>Changes in Net Assets</i>	
Revenues:	
Program Revenues	
Charges for Services	\$ 1,697,113
Operating grants and contribution	356,185
General Revenues:	
Property taxes	15,704,039
Interest Income	32,752
Miscellaneous	36,777
TOTAL REVENUES	\$ 17,826,866
Expenditures/expenses:	
Public Safety	\$ 16,084,321
Interest on long-term debt	592,356
TOTAL EXPENSES	\$ 16,676,677
Change in Net Assets	\$ 1,150,189
Net Assets - July 1	11,153,038
Net Assets - June 30	\$ 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 \$6,406,639, which is slightly below last year's total of \$6,938,103.

While the General Fund and the Debt Services Fund both had increases (\$576,550 aggregated) in fund balance at June 30, 2011, the use of all remaining funds from the Capital Projects Fund resulted in a decrease of \$1,108,014.

Since the governmental funds financial statement of revenues, expenditures and changes in fund balances focuses on the current financial resources of the District, all capital outlay are considered expenditures in the current period, regardless of the length of their useful lives. As a result, the Capital Projects Fund reported a decrease in fund balance. This is the primary reason for a deficit reported in the governmental fund financials while a surplus is reported in the Government Wide financials (which does not utilize the current resource method of cost recognition).

<u>Golder Ranch Fire District Governmental Funds - Fund Balances</u>				
MAJOR FUNDS	2011		2010	
	Amount	%	Amount	%
General Fund	5,908,818	92%	5,430,336	78%
Debt Service Fund	497,555	8%	399,487	6%
Capital Projects Fund	266	0%	1,108,280	16%
Total Fund Balance	6,406,639	100%	6,938,103	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 and the residual proceeds from those Bonds.

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 is used to account for the capital improvement projects that were funded by the 2005 and 2007 GADA bond issues. In fiscal 2011, the Capital Projects Fund was completely exhausted after the completion of Station #377 (355 E. Linda Vista) and the construction of the Training Tower located on the main Golder Ranch FD training facility (3845 E. Golder Ranch Dr). Once a capital project has been completed, the book value of the asset is reported in the government-wide financial statements where it will be reported net of depreciation.

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 2011.

Golder Ranch FD General Fund 2011 Budget to Actuals			
	<u>Actuals</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Ambulance Fees	1,261,956	920,000	341,956
Grants	356,185	664,430	(308,245)
Property Taxes	14,253,696	14,100,000	153,696
Other Rev & Financing Sources	857,286	342,000	515,286
Total Revenues & Financing Sources	16,729,123	16,026,430	702,693
EXPENSES			
Public Safety	15,007,047	15,294,595	287,548
Capital Outlay	945,537	786,536	(159,001)
Debt Service	298,057	301,109	3,052
Contingency	-	600,000	600,000
Total expenses	16,250,641	16,982,240	731,599
CHANGES IN FUND BALANCE			
Increase (Decrease) in Fund Balance	478,482	(955,810)	1,434,292
Beginning Fund Balance	5,430,336	955,810	
Ending Fund Balance	5,908,818	-	5,908,818

While the District collected far less Grant Revenue than anticipated, all other revenues exceeded budgetary expectations. Actual costs were less than budget due to operational efficiencies as well as less program expenditures than anticipated.

Capital Assets

At the end of 2011, the District had \$23,464,679 invested in land, buildings, apparatus, vehicles and equipment. 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>2011</u>
Land not depreciated	1,815,318
Buildings and improvements	15,647,767
Vehicles & Apparatus	6,001,594
Accumulated Depreciation	(4,348,774)
Net Capital Assets	19,115,905

Major capital projects for 2011 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 2012 will be \$992,488.

Additional information regarding capital assets can be found in the Notes to the Financial Statements on page 38.

Long-Term Liabilities

At the end of fiscal 2011, the District had total debt outstanding of \$12,956,577, a reduction of \$438,439 from the end of fiscal 2010.

Outstanding Debt as of June 30,			
<u>Governmental Type Activities</u>	<u>2011</u>	<u>2010</u>	<u>Change</u>
General Obligation Bonds	11,565,000	12,105,000	(540,000)
Capital Leases	1,391,577	1,290,016	101,561
Total Obligations	12,956,577	13,395,016	(438,439)

Additional information regarding the long and short term District obligations can be found in the notes to the Financials Statements on pages 38 through 40.

TAX RATES

Property values in the District rose from fiscal 2010 to 2011, exemplifying the lag effect of property tax valuations trailing market valuation. However, that trend ended abruptly for 2012 with a sharp decline of 5% in the net assessed value (NAV). According to the Arizona Fire District Association Financial Advisory Committee, we will not see a year-over-year sustainable property value increase until Fiscal 2014 or 2015. In other words, property tax revenues for The District will continue to decline or remain the same for the next three to four years.

<i>Governmental Type Activities</i>					
	<u><i>FY 2010</i></u>	<u><i>FY 2011</i></u>	<u><i>% Change</i></u>	<u><i>FY 2012</i></u>	<u><i>% Change</i></u>
Total Parcel Count	26,733	30,445	12%	30,706	1%
Total Net Assessed Value	\$ 772,000,437	\$ 858,226,530	10%	\$ 818,308,662	-5%
Average Assessed Value District Wide	28,878	28,189	-2%	26,650	-6%
Average Levy / Parcel District Wide	\$ 459	\$ 448	-2%	\$ 424	-6%

In January 2011, the Arizona Senate passed SB1279 that effectively eliminated \$200,000 from The District's fiscal 2012-2013 Budget by capping the Fire District Assistance Tax at \$400K.

The challenge that The District must face for the next three years is how to continue providing the same high level of Fire and Emergency services to the tri-city communities of SaddleBrooke, Catalina and Oro Valley while dealing with declining or flat in property tax revenues. The District strives to be an ever increasing value to the tri-city community by providing world class public safety services. Because of Golder Ranch Fire District, property owners enjoy an Insurance Services Office (ISO) grading of class 3, which attempts to keep homeowner insurance premiums low. In 2011, property tax revenues constituted 88% of districts overall revenues. Going forward, The District will be looking for alternative sources of revenues that will reduce The District's dependence on property taxes as its primary source of revenues.

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.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

**GOLDER RANCH FIRE DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011**

Governmental
Activities

ASSETS

Current assets:

Cash and equivalents	\$ 6,163,085
Cash held by paying agent	836,369
Accounts receivable	359,636
Property taxes receivable	407,294
Total current assets	<u>7,766,384</u>

Noncurrent assets:

Capital assets, non-depreciable	1,815,318
Capital assets, depreciable (net)	17,300,587
Total noncurrent assets	<u>19,115,905</u>
Total assets	<u>26,882,289</u>

LIABILITIES

Current liabilities:

Accounts payable	157,853
Accrued payroll and employee benefits	106,333
Accrued interest	276,369
Compensated absences	138,859
Capital lease payable	304,122
Bonds payable	560,000
Total current liabilities	<u>1,543,536</u>

Noncurrent liabilities:

Compensated absences	943,071
Capital lease payable	1,087,455
Bonds payable	11,005,000
Total non-current liabilities	<u>13,035,526</u>
Total liabilities	<u>14,579,062</u>

NET ASSETS

Restricted for:

Invested in capital assets, net of related debt	6,159,328
Debt service	1,375,940

Unrestricted	4,767,959
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Total net assets	<u>\$ 12,303,227</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, 2011**

Functions/Programs		<u>Program Revenues</u>		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Public Safety - Emergency services	\$13,297,795	\$ 1,697,113	\$ 356,185	\$11,244,497)
Public Safety - Administration	2,755,640			(2,755,640)
Public Safety - Community safety services	30,886			(30,886)
Interest on long-term debt	592,356			(592,356)
Total governmental activities	<u>\$16,676,677</u>	<u>\$ 1,697,113</u>	<u>\$ 356,185</u>	<u>(14,623,379)</u>
General revenues:				
Taxes:				
Property taxes				15,704,039
Investment income				32,752
Miscellaneous				<u>36,777</u>
Total general revenues				<u>15,773,568</u>
Changes in net assets				1,150,189
Net assets, beginning of year				<u>11,153,038</u>
Net assets, end of year				<u>\$12,303,227</u>

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, 2011**

	General	Debt Service	Capital Projects
<u>ASSETS</u>			
Cash and equivalents	\$ 5,677,246	\$ 485,573	\$ 266
Cash held by paying agent		836,369	
Accounts receivable	359,636		
Property taxes receivable	374,304	32,990	
Total assets	<u>\$ 6,411,186</u>	<u>\$ 1,354,932</u>	<u>\$ 266</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 157,853	\$	\$
Accrued payroll and employee benefits	106,333		
Deferred revenue	238,182	21,008	
Bonds payable		560,000	
Bond interest payable		276,369	
Total liabilities	<u>502,368</u>	<u>857,377</u>	
Fund balances:			
Restricted for:			
Debt Service		497,555	
Capital Projects			266
Committed for:			
Reserves and stabilization	5,133,944		
Unassigned:	774,874		
Total fund balances	<u>5,908,818</u>	<u>497,555</u>	<u>266</u>
Total liabilities and fund balances	<u>\$ 6,411,186</u>	<u>\$ 1,354,932</u>	<u>\$ 266</u>

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

Total
Governmental
Funds

\$ 6,163,085
836,369
359,636
407,294

\$ 7,766,384

\$ 157,853

106,333
259,190
560,000
276,369

1,359,745

497,555
266

5,133,944
774,874

6,406,639

\$ 7,766,384

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**GOLDER RANCH FIRE DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011**

Total governmental fund balances	\$ 6,406,639
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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	\$ 23,464,679	
Less accumulated depreciation	<u>(4,348,774)</u>	19,115,905

Some property tax revenues will not be available to pay for current period expenditures and, therefore, are deferred in the funds.	259,190
--	---------

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

Compensated absences payable	(1,081,930)	
Bonds payable	(11,005,000)	
Capital leases payable	<u>(1,391,577)</u>	<u>(13,478,507)</u>

Net assets of governmental activities	<u>\$ 12,303,227</u>
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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, 2011**

	General	Debt Service	Capital Projects
Revenues:			
Property taxes	\$ 14,253,696	\$ 1,205,634	\$
Intergovernmental	356,185		
Charges for services	1,689,127		
Investment income	25,352	5,172	2,228
Rents	7,986		
Miscellaneous	36,777		
Total revenues	<u>16,369,123</u>	<u>1,210,806</u>	<u>2,228</u>
Expenditures:			
Current -			
Public Safety - Emergency services	12,220,521		
Public Safety - Administration	2,755,640		
Public Safety - Community safety services	30,886		
Capital outlay	945,537		1,110,242
Debt service -			
Principal retirement	258,439	560,000	
Interest and fiscal charges	39,618	552,738	
Total expenditures	<u>16,250,641</u>	<u>1,112,738</u>	<u>1,110,242</u>
Excess (deficiency) of revenues over expenditures	<u>118,482</u>	<u>98,068</u>	<u>(1,108,014)</u>
Other financing sources (uses):			
Capital lease	360,000		
Total other financing sources (uses)	<u>360,000</u>		
Changes in fund balances	<u>478,482</u>	<u>98,068</u>	<u>(1,108,014)</u>
Fund balances, beginning of year	5,430,336	399,487	1,108,280
Fund balances, end of year	<u>\$ 5,908,818</u>	<u>\$ 497,555</u>	<u>\$ 266</u>

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

Total
Governmental
Funds

\$ 15,459,330
356,185
1,689,127
32,752
7,986
36,777

17,582,157

12,220,521
2,755,640
30,886
2,055,779

818,439
592,356

18,473,621

(891,464)

360,000

360,000

(531,464)

6,938,103

\$ 6,406,639

**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, 2011**

Net changes in fund balances - total governmental funds **\$ (531,464)**

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	\$ 2,027,263	
Less current year depreciation	<u>(847,894)</u>	1,179,369

Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	244,709
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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	258,439	
Bond principal retirement	<u>560,000</u>	818,439

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.	(200,864)
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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>(360,000)</u>
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Change in net assets in governmental activities **\$ 1,150,189**

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 Treasurer. 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.

CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2011, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that compromise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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

Notes to the Basic Financial Statements – FY2010/11 Comprehensive Annual Financial Report

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 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. The average actual General Fund Revenues for the preceding three fiscal years is \$12,834,860.

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 at the fund level. 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, 2011:

	Average Maturities	Fair Value
Cash on Hand		\$ 200
Deposits with Local Financial Institutions		78,218
<u>Cash Equivalent (Pima & Pinal County Treasurer)</u>	198 Days	<u>6,921,036</u>
Total Cash and Cash Equivalent:		\$ 6,999,454

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, 2011, deposits with financial institutions have a bank value of \$532,684 and a book value of \$78,218. The difference of \$454,467 represents deposits in transit, outstanding checks, and other reconciling items at year-end. At June 30, 2011, 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, 2011 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	12,830,858	2,816,909	-	15,647,767
<u>Vehicles and apparatus</u>	<u>5,588,539</u>	<u>413,055</u>	-	<u>6,001,594</u>
Total Capital Assets	20,234,715	3,229,964	-	23,464,679
Less accumulated depreciation				
Buildings and improvements	1,210,623	396,764	-	1,607,387
<u>Vehicles and apparatus</u>	<u>2,290,257</u>	<u>451,130</u>	-	<u>2,741,387</u>
Total accumulated depreciation	3,500,880	847,894		4,348,774
Capital assests, net of depreciation	\$ 16,733,835	\$ 2,382,070	\$ -	\$ 19,115,905

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,	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2012	\$ 560,000	\$ 526,588	\$ 1,086,588
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
2017-2021	3,885,000	1,496,375	5,381,375
2022-2026	4,605,000	451,763	5,056,763
Total	\$ 11,565,000	\$ 1,948,138	\$ 13,513,138

Capital Leases

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 were as follows:

Year Ending June 30:	<i>Governmental Activities</i>
2012	\$ 345,424
2013	260,353
2014	261,681
2015	263,046
2016	206,918
2017-2018	176,700
Total minimum lease payments	\$ 1,514,122
Less: amount representing interest	122,545
Present value of minimum lease payments	1,391,577
Due within one year	\$ 304,112

The Assets acquired through capital lease are as follows:

	<i>Governmental Activities</i>
Asset:	
Vehicles, furniture and equipment	2,382,179
Less: Accumulated depreciation	367,603
Net:	<u>\$ 2,014,576</u>

Changes in Long-term Liabilities

Long term liability activity for the year ended June 30, 2011 was as follows:

<i>Governmental Activities</i>	<i>Outstanding July 1, 2010</i>	<i>Additions</i>	<i>Deletions</i>	<i>Outstanding June 30, 2011</i>	<i>Due Within One Year</i>
Series 2005A GO Bonds	\$ 7,725,000	\$ -	\$ 365,000	\$ 7,360,000	\$ 375,000
Series 2007A G O Bonds	4,380,000	-	175,000	4,205,000	185,000
Capital Leases Payable	1,290,016	360,000	258,439	1,391,577	304,112
Compensated Absences	881,066	588,183	387,319	1,081,930	138,859
	\$ 14,276,082	\$ 948,183	\$ 1,185,758	\$ 14,038,507	\$ 1,002,971

LINE OF CREDIT

The District has a line of credit for \$800,000 with Bank of America which is secured by property taxes of the District. No amounts were drawn on the line during the fiscal year, thus the outstanding balance as of June 30, 2011 was \$0.

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.

COMMITMENTS

As of June 30, 2011, the District had entered into an agreement to purchase a used engine and to refurbish its engine #15. The total amount of the agreement is approximately \$350,000. The total expended on this contract as of June 30, 2011 was \$0.

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, 2011, active ASRS members were required by statute to contribute at the actuarially determined rate of 9.85% (9.60% for retirement and 0.25% 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 9.85% (9.01% for retirement, 0.59% for health insurance premium, and 0.25% for long-term disability) of the members' annual covered payroll.

The District's contributions for the fiscal years ending 2011, 2010 and 2009, all of which were equal to the required contributions, were as follows respectively: \$99,554, \$87,166 and \$83,991.

Agent Plan

For the year ended June 30, 2011, active PSPRS members were required by statute to contribute 7.65% of the members' annual covered payroll, and the District was required to contribute 12.64%, the aggregate of which is the actuarially required amount.

Actuarial Methods and Assumptions

The contribution requirements for the year ended June 30, 2011 were established by the June 30, 2009 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 2011 contribution requirements, are as follows:

Actuarial valuation date: June 30, 2009

Actuarial cost method: Projected unit credit

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

Remaining amortization period 27 years for unfunded actuarial accrued liability
20 years for excess

Asset valuation method: 7-year smoothed market value

Investment rate of return: 8.50%

Inflation: 5.50%-8.50%

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>
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, 2010 follow. The actuarial assumptions were the same as those presented for the 2009 valuation presented on the prior page.

PENSION - Excluding Health Insurance Subsidy

	<i>Actuarial Value of Plan Assets</i>	<i>Actuarial Accrued Liability</i>	<i>Funding Liability</i>	<i>Funded Ratio</i>	<i>Annual Covered Payroll</i>	<i>Unfunded Liability expressed as a percentage of covered Payroll</i>
2010	14,098,985	16,639,214	2,540,229	84.7%	6,900,213	36.8%
2009	12,003,677	13,924,757	1,921,080	86.2%	6,159,493	31.2%
2008	10,152,081	12,839,097	2,687,016	79.1%	6,218,507	43.2%

HEALTH INSURANCE SUBSIDY

	<i>Actuarial Value of Plan Assets</i>	<i>Actuarial Accrued Liability</i>	<i>Funding Liability</i>	<i>Funded Ratio</i>	<i>Annual Covered Payroll</i>	<i>Unfunded Liability expressed as a percentage of covered Payroll</i>
2010	-	525,907	525,907	0.0%	6,900,213	7.6%
2009	-	462,859	462,859	0.0%	6,159,493	7.5%
2008	-	402,848	402,848	0.0%	6,218,507	6.5%

**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, 2011**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Property taxes	\$ 14,100,000	\$ 14,253,696	\$ 153,696
Intergovernmental	664,430	356,185	(308,245)
Charges for services	1,172,000	1,689,127	517,127
Investment income	25,000	25,352	352
Rents		7,986	7,986
Miscellaneous	65,000	36,777	(28,223)
Total revenues	<u>16,026,430</u>	<u>16,369,123</u>	<u>342,693</u>
Expenditures:			
Current -			
Public Safety - Emergency services	12,464,584	12,220,521	244,063
Public Safety - Administration	2,814,761	2,755,640	59,121
Public Safety - Community safety services	15,250	30,886	(15,636)
Contingency	600,000		600,000
Capital outlay	786,536	945,537	(159,001)
Debt service -			
Principal retirement	286,947	258,439	28,508
Interest and fiscal charges	14,162	39,618	(25,456)
Total expenditures	<u>16,982,240</u>	<u>16,250,641</u>	<u>731,599</u>
Excess (deficiency) of revenues over expenditures	<u>(955,810)</u>	<u>118,482</u>	<u>1,074,292</u>
Other financing sources (uses):			
Capital lease		360,000	360,000
Total other financing sources (uses)		<u>360,000</u>	<u>360,000</u>
Change in fund balances	<u>(955,810)</u>	<u>478,482</u>	<u>1,434,292</u>
Fund balances, July 1, 2010	955,810	5,430,336	4,474,526
Fund balances, June 30, 2011	<u>\$</u>	<u>\$ 5,908,818</u>	<u>\$ 5,908,818</u>

See accompanying notes to this schedule.

**GOLDER RANCH FIRE DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011**

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The adopted budget of the District is prepared on a basis of accounting 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, 2011**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Property taxes	\$	\$ 1,205,634	\$ 1,205,634
Investment income		5,172	5,172
Total revenues		1,210,806	1,210,806
Expenditures:			
Debt service -			
Principal retirement		560,000	(560,000)
Interest and fiscal charges		552,738	(552,738)
Total expenditures		1,112,738	(1,112,738)
Change in fund balances		98,068	98,068
Fund balances, July 1, 2010		399,487	399,487
Fund balances, June 30, 2011	\$	\$ 497,555	\$ 497,555

**GOLDER RANCH FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Investment income	\$	\$ 2,228	\$ 2,228
Total revenues		2,228	2,228
Expenditures:			
Capital outlay		1,110,242	(1,110,242)
Total expenditures		1,110,242	(1,110,242)
Change in fund balances		(1,108,014)	(1,108,014)
Fund balances, July 1, 2010		1,108,280	1,108,280
Fund balances, June 30, 2011	\$	\$ 266	\$ 266

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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.

Fiscal year 2011 is the first year GAAP financial statements and a comprehensive annual financial report has been prepared 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>
Invested in Capital Assets, Net of	
Related debt	6,159,328
Restricted	1,375,940
Unrestricted	<u>4,767,959</u>
Total Primary Government Net Assets	<u>12,303,227</u>

Source: District financial records.

Golder Ranch Fire District

Changes in Net Assets

(Accrual Basis)

	<i>Fiscal Year</i>
	<i>2011</i>
EXPENSES	
Governmental Activities:	
Public Safety-Fire Protection	\$ 16,084,321
Interest on Long Term Debt	592,356
<i>Total Primary Government Expenses</i>	<i>16,676,677</i>
PROGRAM REVENUES	
Governmental Activities:	
Charges for Services	1,697,113
Operating grants & contributions	356,185
<i>Total Primary Government Revenues</i>	<i>2,053,298</i>
<i>Total Primary Government Net Expenses</i>	<i>(14,623,379)</i>
General Revenues & Other Changes in Net Assets	
Property Taxes	15,704,039
Investment Income	32,752
Miscellaneous	36,777
<i>Total Primary Government</i>	<i>15,773,568</i>
Change in Net Assets	
<i>Total Primary Government</i>	<i>\$ 1,150,189</i>

Source: District financial records.

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

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

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>
REVENUES	
Taxes	\$ 15,459,330
Investment Income	32,752
Charges for Services	1,689,127
Grants & Donations	356,185
Rents	7,986
Miscellaneous	<u>36,777</u>
<i>Total Revenues</i>	<u>17,582,157</u>
EXPENDITURES	
Current	
Public Safety	15,007,047
Capital Outlay	2,055,779
Debt Service:	
Principal	818,439
Interest	<u>592,356</u>
<i>Total Expenditures</i>	<u>18,473,621</u>
<i>Excess (Deficiency) of Revenues</i>	<u>(891,464)</u>
OTHER FINANCING SOURCES	
Proceeds from Debt Issuances	<u>360,000</u>
<i>Total Other Financing Sources</i>	<u>360,000</u>
Net Change in Fund Balance	<u><u>\$ (531,464)</u></u>
 <i>Debt Service as a percentage of noncapital expenditures</i>	 9.40%

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 of AV
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%
2002	1,388,332,577	157,516,353	11,395,611	146,120,742	93%

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
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 2010 and FY 2001

Taxpayer	<i>Fiscal Year</i>					
	<i>2011</i>			<i>2001*</i>		
	Locally Assessed Real Property	Rank	Percent of Assessed Value	Estimated Assessed Value	Rank	Percent of Assessed Value
ORO VALLEY HOSPITAL LLC	10,138,851	1	1%			
CHH TUCSON PARTNERSHIP LP	6,000,000	2	1%			
TUCSON MATHER PLAZA LLC	5,240,941	3	1%			
VENTANA MEDICAL SYSTEMS INC	4,298,424	4	1%			
HONEYWELL INTERNATIONAL INC	4,073,082	5	1%			
MIRAVAL RESORT TUCSON LLC	3,779,034	6	0%			
CASAS ADOBES BAPTIST CHURCH	3,769,252	7	0%			
VESTAR OVM LLC	6,330,224	8	1%			
PRIME ORO VALLEY LLC	2,120,000	9	0%			
SANOFI-AVENTIS US INC	1,639,185	10	0%			
Total	784,025,192		6%	-		0%

Source: Pima County Assessor's Office.

*Data from 2001 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
2011	14,198,710	(107,617)	14,091,093	13,790,766	97.9%	-	13,790,766	97.9%
2010	12,836,018	(91,216)	12,744,802	12,445,524	97.7%	82,338	12,527,862	98.3%
2009	12,577,636	(25,591)	12,552,045	12,154,647	96.8%	376,289	12,530,936	99.8%
2008	9,024,965	(947)	9,024,018	8,738,964	96.8%	279,848	9,018,812	99.9%
2007	7,704,138	(40)	7,704,098	7,495,278	97.3%	206,318	7,701,596	100.0%
2006*	2,072,075	(16)	2,072,059	2,066,122	99.7%	5,938	2,072,059	100.0%
2005*	1,695,796	(324)	1,695,472	1,693,254	99.9%	2,218	1,695,472	100.0%
2004	-	-	-	-	0.0%	-	-	0.0%
2003	-	-	-	-	0.0%	-	-	0.0%
2002	-	-	-	-	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 five years.
Over time ten full years will be presented

Golder Ranch Fire District
Computation of Leal Debt Margin
(June 30, 2011)

	<i>Fiscal Year</i>									
	<i>2002</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>
Net Assessed Value	146,120,742	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
Debt Limit Rate (Article IX, Sect 8)	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Debt limit	8,767,245	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
Less Bond & Lease Obligations	(372,344)	(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)
Additional Debt Capacity	8,394,901	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
Debt Capacity as a percent of Total Debt Limit	95.8%	95.8%	97.3%	42.7%	50.6%	40.0%	54.7%	69.4%	71.0%	26.4%

Source: District financial records.

Golder Ranch Fire District
Direct and Overlapping Governmental Activities Debt

<i>Jurisdiction</i>	Net Direct Debt Outstanding at 6/30/2010	Percentage Applicable to district (based on 2010 NAV)	Amount Applicable to District
Pima County	820,305,000	6.66%	54,664,495
Pima County Community College District	18,490	6.66%	1,232
Amphitheater Unified School District No. 10	59,870,000	22.50%	13,470,750
Pinal County	165,967,000	5.60%	9,286,636
Subtotal, overlapping debt			77,423,113
Direct:			
Golder Ranch Fire District			12,956,577
Total Direct and Overlapping Debt			90,379,690

Source: Pinal and Pima County Treasurer CAFR, June 30, 2010 and District financial records.

* Outstanding debt as of June 30, 2010 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
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%
2002	-	-	-	0.0%	-	0.0%	519,283	519,283	11.01	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
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%
2001	47,172	1,421,609,224	30,137	4.3%

Sources: Pima County Association of Governments, University of Arizona

* Fiscal year ending 2010 is the most recent information available.

Golder Ranch Fire District

Principal Employers

(FY 2010 and FY 2001)

Employer	<i>Fiscal Year</i>					
	<i>2010</i>			<i>2001</i>		
	Employees	Rank	Percent of Total District	Employees	Rank	Percent of Total District
Ventana Medical Systems	803	1	17%			
Honeywell Aerospace	630	2	14%			
Amphitheater Public Schools	577	3	12%	175	5	1%
Oro Valley Hospital	549	4	12%			
Hilton El Conquistador Golf & Tennis Resort	400	5	9%	500	1	4%
Town of Oro Valley	367	6	8%	277	2	2%
Mirival Resorts	348	7	7%			
Wal-Mart Supercenter	321	8	7%			
Fry's Food & Drug Store	279	9	6%	214	4	2%
Home Depot	140	10	3%	121	7	1%
Long Realty	126	11	3%			
Target	121	12	3%	130	6	1%
El Conquistador Country Club				250	3	2%
Vanguard Automation				110	8	1%
Securplane				110	9	1%
Oro Valley Country Club				95	10	1%
Total	4,661		24%	1,982		15%

Source: Town of Oro Valley 2010 CAFR, Pima County Association of Governments, Mirival Resorts HR

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

	<i>Fiscal Year</i>									
	<i>2002</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>
Fire and Rescue	54	59	71	72	83	88	104	106	110	124
Administrative and Support	12	13	14	15	20	24	23	24	27	29
Total	66	72	85	87	103	112	127	130	137	153

Source: District records.

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

Function	<i>Fiscal Year</i>									
	<i>2002</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>
Public Safety										
Emergency Medical Service Calls	2,564	2,721	2,916	3,259	3,414	2,956	3,157	3,208	3,612	4,202
Fire Responses	139	81	88	128	118	140	136	111	115	240
Other Responses (including hazardous condition, public service)	378	423	460	600	644	892	794	1,842	774	1,699
Miscellaneous - including good intent	1,082	1,383	1,596	1,802	2,234	3,050	3,000	2,177	3,009	2,309
Total	4,163	4,608	5,060	5,789	6,410	7,038	7,087	7,338	7,510	8,450

Source: District records.

Golder Ranch Fire District

Capital Assets by Function

(Last Ten Fiscal Years)

FUNCTION	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Number of Stations	4	4	4	4	4	4	5	6	7	8
Equipment										
Aerial/Truck/Platform	1	1	2	2	2	2	2	2	2	2
Brush Rig	3	3	3	3	4	4	4	4	5	5
Cars	6	8	9	12	12	14	15	17	17	17
Elevated Waterway										
HazMat										
Medic Unit	3	4	5	6	6	6	6	6	6	8
Mobile Command Unit										1
Pumper/Engine	3	4	4	4	6	6	6	6	8	8
Rehab Unit				1	1	1	1	1	1	1
Mass Casualty/MMRS								1	1	1
Squad/Rescue										
Technical Rescue						1	1	1	1	1
Water Tender	2	3	3	3	3	3	3	4	4	4
total rolling stock	18	23	26	31	34	37	38	42	45	48

Source: District records.