



GOLDER RANCH FIRE DISTRICT

★ ARIZONA ★

COMPREHENSIVE ANNUAL FINANCIAL REPORT
for the fiscal year ended June 30, 2020



GOLDER RANCH FIRE DISTRICT

Proudly serving the communities of Oro Valley, Catalina and SaddleBrooke



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2020

**Golder Ranch Fire District
3885 E. Golder Ranch Dr.
Tucson, AZ 85739
Phone 520-825-9001
Fax 520-825-8043
www.grfdaz.gov**

Prepared by the Finance Department of Golder Ranch Fire District

Randy Karrer, Fire Chief
Tom Brandhuber, Assistant Fire Chief
David Christian CPA, Finance Manager
Jean Oliver, Financial Specialist
Jamie Oswald, Financial Specialist
Mary Bequette, EMS Billing Supervisor
Susan Hileman, EMS Billing Specialist

GOLDER RANCH FIRE DISTRICT

YEAR ENDED JUNE 30, 2020

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GOLDER RANCH FIRE DISTRICT

YEAR ENDED JUNE 30, 2020

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INTRODUCTORY SECTION



GOLDER RANCH FIRE DISTRICT

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

November 17, 2020

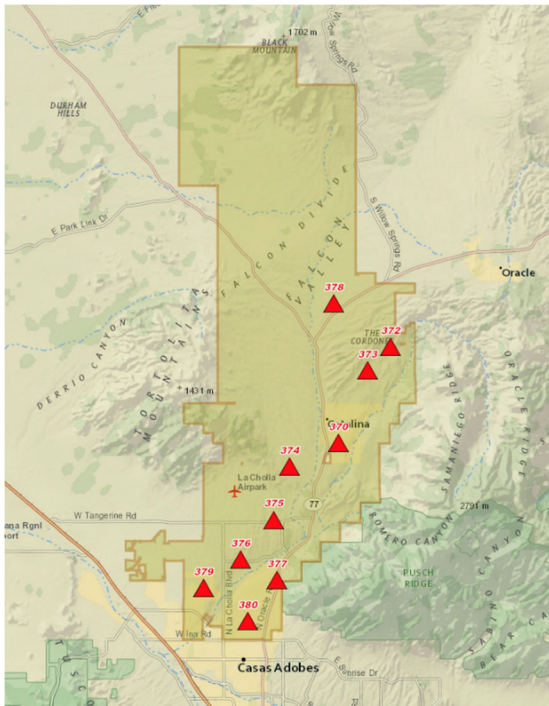
To: Golder Ranch Fire District Board of Directors and Citizens:

The following is the Comprehensive Annual Financial Report (CAFR) of the Golder Ranch Fire District for the fiscal year ending June 30, 2020. This CAFR report is intended to meet and exceed all legal reporting requirements that are borne by this jurisdiction. Furthermore, the responsibility for the completeness, fairness and accuracy of the data presented and all accompanying disclosures rests with the District. To provide a reasonable basis for making these representations, the District's management has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse; and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

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

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

District Profile



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

Since its inception, the geographical boundaries of the District have expanded through various annexations, mergers, and in July 2017 consolidation with the Mountain Vista Fire District. The consolidation added 2 fire stations, an administration building, numerous equipment and apparatus as well as a substantial increase in the District's

service area. Golder Ranch Fire District's total net assessed value (NAV) is now \$1.22B, which is one of the highest value of any fire district in the state of Arizona for FY 2020.

The current district fire boundaries are approximately 241 square miles and the ambulance transport boundaries are approximately 394 square miles. These boundaries are geographically located within the Town of Oro Valley, in Northern Pima County, and Southern Pinal County. The District is predominantly comprised of residential properties, commercial and retail occupancies, light industrial business, and a limited urban/commercial corridor. The District's estimated population is 120,000 residents, or an average population density of 498 per square mile. The population of the District resides primarily in the three communities of Oro Valley, Catalina and Saddlebrooke.

The District currently own and/or operates ten (10) fire stations, one (1) fleet services facility, one (1) training facility and two (2) administration buildings. Services are rendered by a full-time staff of two hundred and sixty-three (263) employees and a Fire Corp group comprised of approximately eight volunteers.

The District is focused on providing the taxpayers with the highest level of services through an efficient and effective all-hazards response model. Services include fire, medical, technical rescue, wildfire suppression, hazardous materials mitigation, fire inspection, fire investigation, code enforcement, public education, life-safety classes, desert creature removal, smoke alarm assistance, lockout assistance and much more. Medical emergencies account for the majority of reported incidents within the District. Accordingly, all front-line fire and medical response vehicles are staffed with firefighters that are trained as paramedics and/or emergency medical technicians. The

District continues to implement operational improvements in order to accomplish strategic goals and exceed community expectations.

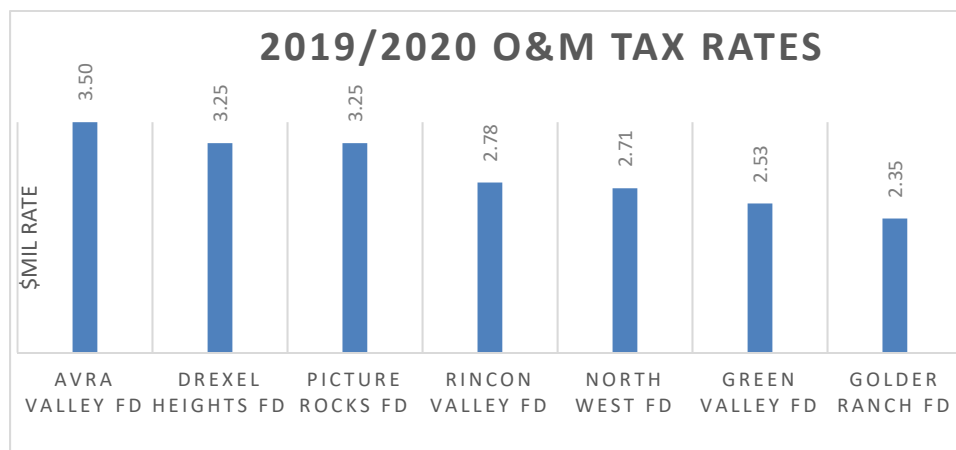
District Budget

Golder Ranch Fire District is considered a political subdivision of the State of Arizona and is authorized to levy an ad valorem property tax for the services it provides. This tax is assessed on all non-exempt real and personal property located within the geographical boundaries of the District and serves as its primary funding source.

For the fiscal year ended June 30, 2020 the District O&M tax rate was \$2.35 per \$100 of assessed value and is lower than all other comparable Southern Arizona fire districts and well below the State imposed ceiling limit of \$3.25. The District also set ¢9 per \$100 of assessed value to service its general obligation bonds.

For the current 2020 fiscal year the District saw an increase in assessed valuations from \$1.163 billion to \$1.220 billion. This net assessed value coupled with the \$2.41 aggregate mil rate provided a levy of \$29,777,694.

Even with a slight increase in the mil rate, the District's levy is still a remarkably good value for the level of services provided. The District has historically been at or near the lowest for the Tucson Metropolitan area. For the 2020 fiscal year, GRFD continues to have the lowest tax rate of the region's largest full-service fire districts and the lowest tax rate among districts offering ambulance transports.



Local Economy and Outlook

COVID-19

After more than nine years of economic expansion, Arizona's economy and the Nation's as a whole has entered into a recession in the first quarter of calendar 2020. Due to the COVID-19 pandemic the Arizona economy contracted 3.6% in the first quarter of 2020, while nationally, the economy shrank 5%. The second quarter estimates show the effect of an economy in free fall retreating a staggering 33%. The unemployment rate nationally has risen to a peak of 11.1% with Arizona trailing that at 10%. Since peaking in April, the unemployment rate has fallen to 5.9% in Arizona, with other western states still posting very high unemployment; Nevada – 13.2%, California – 11.4% and New Mexico at 11.3% among the highest.

The road to economic recovery will most likely look like one of three scenarios. A 'V' shaped recovery where the bottom of the V was April of 2020 and the recovery being rapid and sustained. The second possible scenario looks more like a 'W' shaped recovery where the 4th quarter 2020 sees another decline due to a second outbreak and subsequent statewide shutdown. Economic recovery in a W shaped scenario really begins in earnest sometime in the first quarter of 2021. The final, and most likely scenario is a Nike swoosh shaped recovery where economic indicators rise steadily but more slowly through 2021.

Arizona Outlook

The biggest economic sectors hit by the effects of the Covid pandemic has been Pima County hospitality industry declining as much as 72% during April 2020. While hospitality and retail have been seen the largest economic decline, one bright spot in the local economy has been housing. New home starts have seen a substantial increase in 2019 and 2020. New home construction has been steadily increasing, even throughout the pandemic. The number of new home permits increased by 66.4% in July 2020 and 19% in August for Pima County.

2020 Bond Sale

In November 2019, the voters of GRFD authorized \$26.6 Million in bonds to be sold for a variety of infrastructure projects. These projects included Station 375 remodel, construction of two new fire stations, new communications and safety infrastructure, property enhancements and the refinancing of existing long-term debt.

On March 26, 2020 the District sold \$6.9 Million in bonds at a premium of \$1.241Million at an all-in true interest cost of 2.72%. The proceeds have been used to refinance two long-term loans that were assumed by the District as part of the consolidation process with the former Mountain Vista Fire District, fund station alerting enhancements and remodel Station 375.

Long Term Financial Planning

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

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

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

Major Initiatives and Long-Term Planning

EMS

The EMS Division faced a dynamic year adapting to changes in prehospital emergency medical care. Working with our medical director during the first half of the fiscal year, the division implemented new administrative guidelines which outline the care provided by our paramedics. In the second half of 2020 we navigated the COVID-19 pandemic. The pandemic brought on changes in clinical care that our providers adapted to and challenges in procuring personal protective equipment. Our system adapted to the challenges and met expectations of our residents, the state health department and the health departments of Pinal and Pima counties.

Training

The Training Division proved to be another busy year in 2020. GRFD Training in collaboration with NWFD hosted an eight-week Battalion Chief Certification Program of which five personnel from each respective district enrolled, participated and completed with aspirations to be future leaders of our organizations. Training conducted a promotional process for the position of Captain. This year GRFD and our automatic aid partners developed, implemented and delivered several training packages i.e. company readiness drills (CRD's) and an historic Southern Arizona Automatic Aid Response Council (SAAARC) readiness drill to include TFD, NWFD and GRFD. GRFD training has continued to test our Probationary Firefighters for proficiency in preparation of graduating from probation status to firefighter in November 2020. GRFD hosted an Act-Up Captains Class. GRFD certified 20

members in Blue Card. Blue Card is a command training and certification system that trains company and command officers in how to standardize and manage major incidents. GRFD has gained four new Blue Card instructors at the Battalion and Deputy Chief positions. GRFD currently has 95 members and 11 Instructors certified in Blue Card.

Operations and Special Operations

The focus for the Operations Division for the last fiscal year was improving communication. First, a detailed analysis of our radio coverage on the Pima County Wireless Integrated Network (PCWIN), was conducted to determine the quality of coverage. Historically, Golder Ranch Fire District (GRFD) relied on a VHF radio system for handheld and vehicle mounted communications during emergency incidents. As the rest of the region was navigating towards the 800 MHz PCWIN system for primary radio communication, the District needed to determine any areas in need of remediation and work collaboratively with PCWIN on solutions. With the analysis and remediation in progress, Operations began ensuring all front-line apparatus had mobile radios that could access this system. This need was mitigated through cooperation with Pima County by obtaining and installing the needed equipment on all front line and select reserve apparatus. With these projects complete, GRFD joined the other agencies in the region in migrating to the PCWIN platform for incident communications.

One project that carried over from the previous fiscal year was expansion of our automatic aid agreement with Northwest Fire to include the Tucson Fire Department. After many meetings, training sessions, and drill with all three agencies, we successfully went live with several event types in our expanded automatic agreement. Of these event types, the largest and most significant are our special team responses such as hazardous materials (Haz Mat) and technical rescue (TRT). Haz Mat and TRT event types went live for automatic aid just before the monsoon season began and was immediately beneficial for the residents of all three agencies. This could not have been accomplished without clear, collaborative communication between the Operations Division of each agency, and their respective command staffs.

Fire & Life Safety

The Fire and Life Safety (FLS) Division has seven fulltime staff members. Supervised by the fire marshal, there are four fire inspectors and two deputy fire marshals who participated in approximately 1,100 inspection activities in FY 2020. Through education and enforcement over 400 violations were addressed which resulted in reducing hazardous conditions in both public facilities and private residences. FLS staff members have reviewed approximately 200 sets of construction blueprints ensuring fire code compliance in all new buildings and structures. This included reviews of all fire protection systems such as automatic fire sprinklers, fire alarms and automatic fire suppression systems.

The FLS staff members, as certified fire investigators, also completed 16 fire investigations and assisted with several other investigations, including wildfires, throughout the state. GRFD has partnered with the Northwest Fire District, through a regionalization plan, to jointly investigate fires in both jurisdictions. To date, 14 fires have been

investigated as a team. When responsible parties are prosecuted, FLS members prepare detailed reports of the investigations to be presented in a court of law and render opinions as expert witnesses.

FLS staff members, as certified fire instructors, continue to serve the State of Arizona at a high level in the field of fire science, teaching and coordinating classes at the annual Arizona Wildland Incident Management Academy in Prescott, AZ and at the annual Arizona Fire School in Mesa, AZ. Fire investigation, fire inspector certification, and fire code enforcement related courses are provided to all agencies interested in these disciplines.

FLS staff members routinely develop the local fire code. Currently, GRFD has adopted the International Fire Code 2018 edition with local amendments as approved through the Arizona Office of State Fire Marshal. The adapted fire code requires all new commercial buildings to include automatic fire sprinklers which assist in reducing the experienced fire loss throughout the fire district. GRFD currently has achieved an ISO protection Class rating of (2) two.

Health & Safety

The Health and Safety Division oversees a range of activities including employee physical fitness, medical surveillance, facility safety, apparatus specification, personal protective equipment, training, incident safety and exposure. Remaining on task for each of these disciplines is important for injury reduction and overall employee safety. Health and Safety will continue to develop an all-encompassing peer support team through training and education that strives to listen, mentor, and provide support to those who are experiencing professional or life difficulties.

Public Relations

The community relations division is comprised of public relations, public education and public information. The charge of this division is to communicate with the public on behalf of the fire district. In order to accomplish that mission, multiple mediums and platforms are utilized. Public Relations manages the District social networking platforms which include Facebook, Twitter, and Instagram. These platforms are used to share information about district current events, fire prevention, community safety and media stories. Public education is utilized formally in the schools within the fire district's jurisdiction with annual visits to classrooms to teach fire prevention and drowning prevention. In the last fiscal year, public education and community outreach took on a different set of dynamic challenges in the way that the fire district communicates with students and stakeholders. Due to the Coronavirus Pandemic, community relations shifted to virtual interactions through Zoom primarily. Zoom has been a great tool that allows the community relations division to speak to home owners associations, second grade classrooms, rotary clubs, local chambers and area hospitals; just to name a few. Additionally, this fiscal year the fire district played an instrumental role in the mitigation of the Bighorn Fire. Primarily the fire district supported the fire suppression efforts by sending Golder Ranch Wildland Firefighters when requested and were also asked to staff a Public Information Officer (PIO) position for the Bighorn Fire with the district's full time PIO. The fourteen day assignment that was staffed by the Fire District's PIO allowed District residents to remain informed with timely

updates about potential evacuations and fire behavior. Although many new obstacles were presented, the existing strong relationships with community members proved to be of great benefit.

Human Resources

In support of Golder Ranch Fire District's mission, vision, and values, it is the objective of the Human Resources Department to support the organization in meeting its goals through its most valuable resource—its PEOPLE. The Human Resources department is committed to the fair selection and development of our diverse workforce. The human resources department will act as a catalyst to enable all District employees to contribute at optimum levels toward the success of Golder Ranch Fire District.

Human Resources' strategic goal is to develop and manage value-added human resources policies and programs, and provide expert consultation, services and solutions in an efficient and customer-focused manner; and to enable our employees to meet our stakeholders' needs.

Board Services

The Board Services Division is responsible for a variety of administrative duties for the Golder Ranch Fire District, including elections, annexations, public records, records retention, and front-desk customer service, whether on the phone or in person. Board Services was essential in ensuring the 2019 bond election was successful. Board Services met all publication and posting requirements. Board Services worked closely with the Pima and Pinal County elections staff to provide the official ballot language in English and Spanish and facilitate the publishing and mailing of the required voter information publicity pamphlet. Board Services ensured the pamphlets included all of the required information including, the argument letters for and against the bond, all projects, projected costs, and voter information. Board Services facilitated and ensured the pamphlets were printed correctly and mailed to every household with a registered voter within the fire district. Board Services fulfilled over 230 public records requests over the year. There were also over 40 boxes that had met their retention period. Board Services reviewed all of the documents, had the records destroyed, and completed a destruction certificate for each box. The Board Services department also provided the Secretary of State's Library of Archives Golder Ranch Fire District's essential records, as required every five years. This required that each department head, review all the department's records, define which records were essential, and then record where the essential records would be stored. It is the responsibility of the Board Services Division to ensure that the District complies with all Open Meeting Laws, including posting agendas and providing minutes for the governing board meetings. This past year Board Services was challenged to keep the governing board meetings open to the public while limiting in-person attendance due to the COVID-19 pandemic, which hit in early March. The public still had access to the online agenda and the supporting information in the board packets and was able to attend the meetings virtually via Zoom.

IT Department

Golder Ranch Fire District Information Technology (GRFDIT) is a dedicated public safety information technology department servicing the need of the Golder Ranch fire district and others. GRFD is part of a Fire Consortium, which includes Northwest, Picture Rocks, Avra Valley, Mountain Lemmon, and Three Points Fire Districts. Golder Ranch also works with the City of Tucson on dispatch related projects providing services to surrounding districts including Green Valley Fire, Rincon Valley Fire, and Corona de Tucson Fire.

The IT section is responsible for servicing all hardware and software issues within the district. All mobile data and related applications are also the responsibility of the IT department. The majority of our servers are Microsoft Windows-based in an active directory environment. Our clients are mainly Windows-based with some Apple and Linux users. We also maintain Linux servers and open source applications. Our network is fiber, Wi-Fi, and microwave-based, with Cisco devices as endpoints. We maintain our own LAN, firewalls, internet, intranet, VPN, and VoIP phone system. We also host services for Avra Valley, Mountain Lemmon, Three Points Fire, Green Valley Fire, Rincon Valley Fire, and Corona de Tucson Fire. Our organization runs 24/7, 365 days a year.

Our current major project includes the following:

Replacement of Zoll Crew Scheduler with Kronos Workforce TeleStaff automated scheduling solution. Installation of Ruckus SmartZone controller virtual appliance and Wireless Access Point devices. Installation of new servers VMware host servers. Installation of USDD station alerting system.

Logistics

The Logistics Division at Golder Ranch is comprised of three different areas: Fleet, Facilities Maintenance, and Fire Supply/Procurement. Fleet handles preventative maintenance and repair on apparatus and vehicles which include fire engines, aerial apparatus, ambulances, Wildland trucks, and staff vehicles. All eight mechanics are Emergency Vehicle Technician (EVT) and Automotive Service Excellence (ASE) certified and regularly participate in continuing education to maintain proficiency and improve their knowledge on current industry trends. This high level of education and ability means vehicles receive excellent service in a timely manner which decreases out of service time and increases vehicle longevity. In addition, Golder Ranch Fleet provides maintenance and repair on vehicles of the Oro Valley Police Department, a neighboring governmental entity that recognizes the high level of professionalism such highly trained mechanics provide.

There are two staff members in Facilities/Maintenance who oversee maintenance and repair on the buildings and grounds which include 10 fire stations, two administration buildings, a Fleet facility, and a Training complex. Additionally, the members of Facilities/Maintenance coordinate and oversee many of the improvement projects which occur across Golder Ranch. Some of these projects include increased security in the entry lobbies of Administration and Fire and Life Safety LS, improved ventilation in apparatus bays of fire stations, adding a turnout room to station 374, and covered parking solar panels. Along with these projects, Facilities/Maintenance schedules

regular maintenance for appliances and other systems across the District as a means to decrease repair cost and increase their lifespan.

Fire Supply/Procurement has one employee who assists suppression personnel acquire the supplies, gear, and tools needed for firefighting tasks. This includes researching current industry trends and offering opportunities for suppression to test new gear as a means to provide informed recommendations for future purchases. Golder Ranch is currently planning to upgrade SCBA packs and systems across the District, and Supply had a large role in gathering information from suppliers and feedback from suppression members to ensure an informed decision could be made.

Capital Improvement

During the fiscal year of 2020 several capital improvement projects were begun. Probably the biggest project undertaken (paid for with Bond dollars) has been the station 375 remodel. Originally constructed in 2001, this station has been in need of renovation for some time. The remodel will increase the livable floor space, permit more natural lighting and bring numerous safety enhancements. In addition to the station 375 remodel, a new ambulance, type 6 engine, and various passenger trucks were added to the fleet.



Awards & Acknowledgment

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2019. In order to be awarded this certificate, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

This certificate is valid for a period of one year only. We believe that this current comprehensive annual financial report continues to meet the programs' requirements and we will be submitting it to GFOA to determine its eligibility for the fiscal year 2019-20.

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".

Randy Karrer
Fire Chief

A handwritten signature in dark ink, appearing to read "Dave Christian".

Dave Christian, CPA
Finance Manager



Government Finance Officers Association

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

Presented to

**Golder Ranch Fire District
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2019

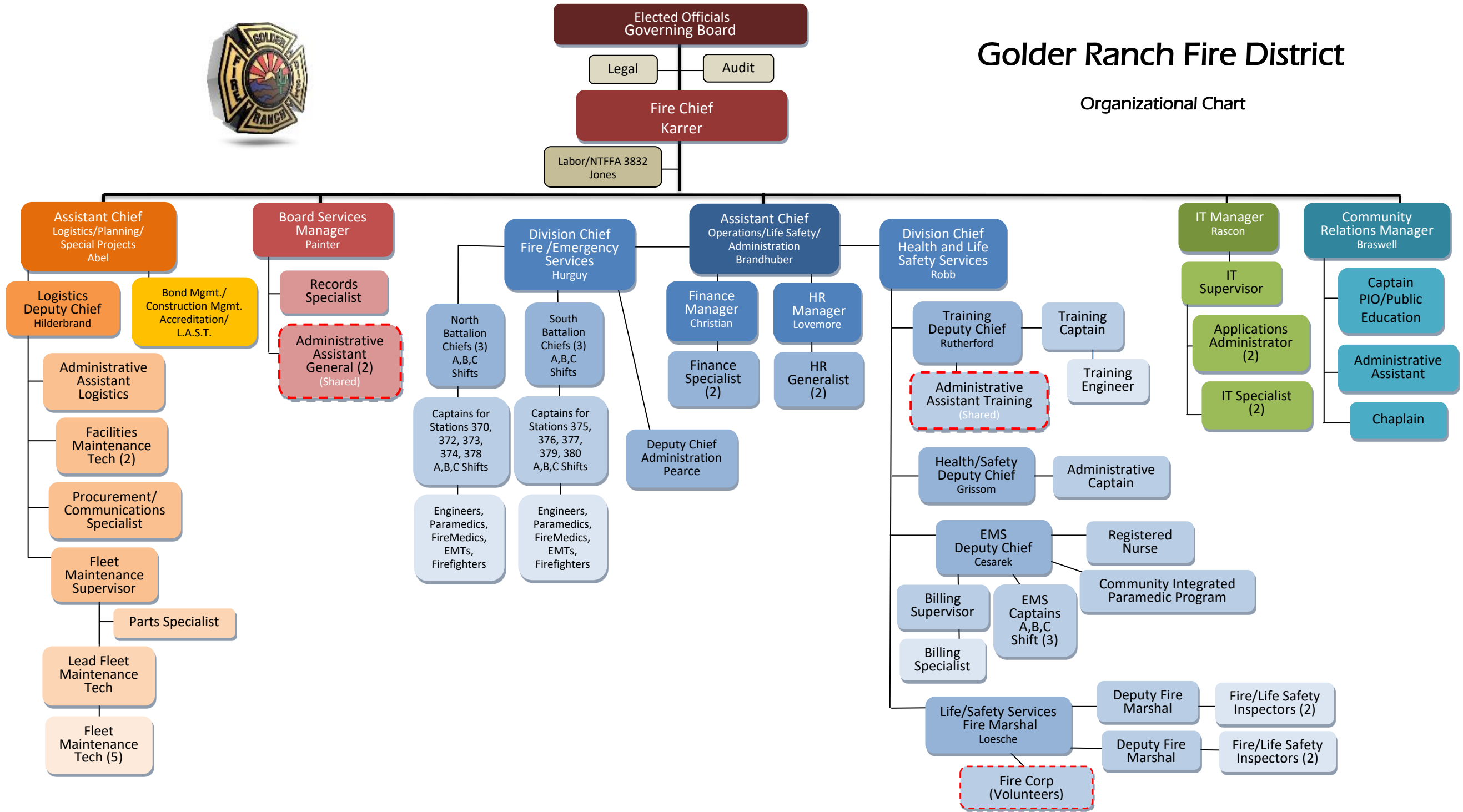
Christopher P. Morrell

Executive Director/CEO



Golder Ranch Fire District

Organizational Chart





GOLDER RANCH FIRE DISTRICT

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

LIST OF ELECTED AND APPOINTED OFFICIALS

BOARD OF DIRECTORS:

		<u>Term Expires</u>
Chairperson	Vicki Cox Golder	November 2022
Vice Chair	Richard Hudgins	November 2024
Clerk	Wally Vette	November 2024
Board Member	Albert Pesqueira	November 2022
Board Member	Steve Brady	November 2024

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

Independent Auditors' Report

Governing Board and Management
Golder Ranch Fire District
Tucson, Arizona

We have audited the accompanying financial statements of the governmental activities and each major fund of Golder Ranch Fire District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Golder Ranch Fire District, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Golder Ranch Fire District's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2020, on our consideration of Golder Ranch Fire District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Golder Ranch Fire District's internal control over financial reporting and compliance.

Beach Fleishman PC

Tucson, Arizona
November 17, 2020

Management's Discussion and Analysis (MD&A)
(Required Supplementary Information)



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, 2020. This discussion and analysis is intended to be an easily readable breakdown of the District's financial activities based on currently known facts, decisions and conditions. Readers are encouraged to consider the information presented here in conjunction with the financial statements as a whole, which will follow this narrative.

Financial Highlights

- At the close of the fiscal year ended June 30, 2020, the District's had a combined ending fund balance of \$14,740,910 an increase of \$3,242,410 from the 2019 fiscal year end. The entire fund balance is legally restricted or committed by the District Board of Directors.
- On March 26, 2020 the District sold \$6,900,000 of bonds at a premium of \$1,241,088. The proceeds of this bond sale were used to begin construction on the Station 375 remodel and fund various capital projects intended to promote fire fighter health and safety.
- The General, Debt Service, and Capital Projects Fund budget for 2020 was based on property tax, secondary net assessed value of approximately \$1.22B (District wide) at an aggregate rate of \$2.44/\$100 of assessed value.
- Additions to the fleet during the fiscal 2020 included the purchase of an ambulance and several passenger vehicles as well as capital improvement projects that will improve fire fighter health and safety.

Overview of the Financial Statements

This annual report consists of two parts: management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include The *Statement of Net Position* and the *Statement of Activities* (on pages 29 and 30) 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 31. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds individually.

The Statement of Net Position and the Statement of Activities- *Government Wide*

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

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

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

Fund Financial Statements

The fund financial statements (pages 31 - 34) provide detailed information about the General Fund and Debt Service Fund specifically. All of the District's basic services are reported in the General Fund, which focuses on how money flows into and out of those funds and the balances left at year-end that are available. The fund is reported using an accounting method called modified accrual accounting. This method measures cash and all other financial assets that can be readily converted to cash. The General Fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds in a reconciliation included with the financial statements.

The District adopts an annual appropriated budget for the various funds. 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 35.

Government Wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$6,658,411 at the close of the most recent fiscal year, which is a decrease from \$7,679,508.

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

The following table presents a summary of the District's net position at the years ended June 30th 2019 and 2020 respectively.

	Governmental Activities			
	As of June 30, 2020		As of June 30, 2019	
ASSETS				
Current and Other Assets	14,587,598		13,585,436	
Capital Assets	27,608,561		24,778,898	
Total Assets	\$ 42,196,159		\$ 38,364,334	
Deferred Outflows of Resources	10,586,012		11,772,985	
LIABILITIES				
Current Liabilities	6,045,117		5,091,366	
Non-Current Liabilities	38,462,441		34,621,817	
Total Liabilities	\$ 44,507,558		\$ 39,713,183	
Deferred Inflows of Resources	1,616,202		2,744,628	
NET POSITION				
Net Investment in Capital Assets	13,453,568	202%	12,172,501	159%
Restricted for debt service	465,973	7%	387,052	5%
Restricted for capital outlay	-	0%	-	0%
Unrestricted	(7,261,130)	-109%	(4,880,045)	-64%
Total Net Position	\$ 6,658,411	100%	\$ 7,679,508	100%

Total Assets increased from fiscal 2019 due to a significant investment in long term capital projects, such as station remodel and acquisition of safety and communication infrastructure. These projects were financed largely with the issuance of bonds which conversely increased the Total Liabilities from fiscal 2019 by nearly the same amount.

Governmental Activities

Governmental activities decreased the District's net position by (\$1,021,097). The biggest factor of this change was due to the increase in capital expenditure and decrease in grant revenues, specifically the decrease in the SAFR Grant.

The costs of all governmental activities for the year ended June 30, 2020 was \$37,227,187. Property and Fire District Assistance Taxes provided \$30,560,207 or 84% of total revenues. Additional revenues were realized from interest and fees for services. Fees for ambulance transports and wild land billing amounted to \$4,750,885 or 13% of total revenues.

Changes in Net Position	Governmental Activities	
	2020	2019
Revenues:		
Program Revenues		
Charges for Services	\$ 4,750,885 13%	\$ 5,240,197 15%
Operating grants and contributions	624,167 2%	952,998 3%
General Revenues:		
Property taxes	30,560,207 84%	29,195,901 82%
Interest Income	209,986 1%	178,250 0%
Miscellaneous	60,845 0%	125,129 0%
TOTAL REVENUES	\$ 36,206,090	\$35,692,475
Expenditures/expenses:		
Public Safety	\$ 36,952,273	\$33,648,043
Interest on long-term debt	274,914	345,221
TOTAL EXPENSES	\$ 37,227,187	\$33,993,264
Change in Net Position	\$ (1,021,097)	\$ 1,699,211
Net Position - July 1	7,679,508	5,980,297
Net Position - June 30	\$ 6,658,411	\$ 7,679,508

Financial Analysis of the Districts Funds

As the District completed the year, its governmental funds (as presented in the balance sheet on page 30) reported a combined fund balance of \$14,740,910 which is an increase from last year's balance of \$3,242,410.

The General Fund increased by \$684,076 while the Debt Services fund increased by \$78,921 and the multiyear capital improvement plan increased by 2,479,413 owing to the sale of general obligation bonds.

Golder Ranch Fire District Governmental Funds - Fund Balances

MAJOR FUNDS	2020		2019	
	Amount	%	Amount	%
General Fund	12,115,819	82%	11,431,743	99%
Debt Service Fund	465,973	3%	387,052	3%
Capital Projects Fund	2,159,118	15%	(320,295)	-3%
Total Fund Balance	14,740,910	100%	11,498,500	100%

General Fund.

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

Debt Service Fund.

This fund is used to account for the property tax collections and servicing of general obligation debt associated with the 2015, 2017, and 2020 GADA bonds. The debt service fund has its own source of revenue with a restricted property tax levy.

Capital Improvement Projects Fund (CIP)

The Capital Projects Fund is used to provide funding for long lived assets and real property improvement projects. Beginning with the 2019 budget the District has been committing a portion of the General Fund every year to finance the multi-year CIP.

General Fund Budgetary Highlights

Pursuant to ASRS 48-805 The District adopts an annual budget for the General Fund and sets a levy for the Debt Service Fund. This budget is used to determine the funding requirements for The District. The following chart shows results of the budget to actual comparison for fiscal 2020.

At the time the 2019-2020 budget was approved, the District could not know the outcome of the approval of the sale of District bonds. As such, the District did not budget for the proceeds from the bond sale. Voter approval for the sale of bonds was secured in November 2019 and the subsequent April saw the sale of \$6.9 million of bonds at a premium. The proceeds from this transaction is the primary reason for the deviation from the 2020 budget.

Golder Ranch FD Governmental Funds - Gen Fund Balances

	<u>Actuals</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Property Taxes	29,386,776	29,489,030	(102,254)
Intergovernmental	1,141,226	227,769	913,457
Charges for Services	4,319,159	4,552,179	(233,020)
Investment Income	181,969	150,000	31,969
Other Rev & Financing Sources	60,845	391,867	(331,022)
Total Revenues & Financing Sources	35,089,975	34,810,845	279,130
EXPENSES			
Public Safety	31,907,084	29,986,727	210
Capital Outlay	1,190,684	2,364,905	1,174,221
Debt Service	5,967,522	2,159,213	(3,808,309)
Bond Issuance	190,131	-	(190,131)
Contingency	-	300,000	300,000
Total expenses	39,255,421	34,810,845	(4,444,576)
Other financing sources (net)			
Proceeds from the sale of bonds	4,849,522	-	(4,849,522)
Transfer in	-	-	-
Total other financing sources (uses)	4,849,522	-	(4,849,522)
CHANGES IN FUND BALANCE			
Increase (Decrease) in Fund Balance	684,076	-	684,076
Beginning Fund Balance	11,431,743	-	-
Ending Fund Balance	12,115,819	-	12,115,819

Actual revenues were slightly more than expected and actual expenditures were lower than expectation.

Capital Position

At the end of FY 2020 the District had \$42,767,176 invested in land, buildings, apparatus, vehicles and equipment before consideration of accumulated depreciation. Land is held in the District's books at cost or in the case of donated land, at fair market value as determined by the donor. All buildings and rolling stock are held on the books at cost.

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

<u>Governmental Type Activities</u>	<u>2020</u>	<u>2019</u>
Land not depreciated	3,062,318	3,062,318
Buildings and improvements	23,351,461	23,158,097
Vehicles, Apparatus & Equipment	16,353,397	14,556,165
Accumulated Depreciation	(17,801,809)	(16,005,917)
Net Capital Assets	24,965,367	24,770,663

Major capital projects for 2020 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 2020 will be \$2,364,905. Additionally, the proceeds from the sale of bonds were used to add additional funding to the CIP.

Additional information regarding capital assets can be found in the Notes to the Financial Statements on page 46 - 47.

Long-Term Liabilities

At the end of fiscal 2020, the District had total debt outstanding of \$14,073,897, an increase of \$1,401,981 from the end of fiscal 2019.

Outstanding Debt as of June 30,			
<u>Governmental Type Activities</u>	<u>2020</u>	<u>2019</u>	<u>Change</u>
General Obligation Bonds	11,545,000	5,558,000	5,987,000
Unamortized Bond Premium	1,228,293	-	1,228,293
Capital Leases	1,300,604	7,113,916	(5,813,312)
Total Obligations	14,073,897	12,671,916	1,401,981

Additional information regarding the long and short term District obligations can be found in the notes to the Financials Statements on pages 47 through 49.

ASSESSED VALUES

Fiscal 2020 saw an increase from 2019 limited property valuation as a result of the increases in the property valuations district wide of 5%. While the aggregate Mil rate remained constant at \$2.35 the levy rose by the same percent as the net assessed value.

Governmental Type Activities

	<u>2020</u>		<u>2019</u>	<u>% Change</u>
GRFD NAV	1,220,397,348	\$	1,163,449,886	5%
LEVY	28,679,338		27,341,073	5%
<hr/>				
AVG COMBINED MIL RATE	2.35		2.35	0%

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

GOLDER RANCH FIRE DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2020

	Governmental activities
Assets	
Current assets:	
Cash and investments	\$ 12,983,393
Property taxes receivable	787,825
Accounts receivable, net	402,197
Due from governmental entities	414,183
Total current assets	<u>14,587,598</u>
Noncurrent assets:	
Capital assets, non-depreciable	3,410,155
Capital assets, depreciable (net)	21,555,212
Cash and investments, restricted	2,503,094
Net pension/OPEB assets	140,100
Total noncurrent assets	<u>27,608,561</u>
Total assets	<u>42,196,159</u>
Deferred outflows of resources	
Deferred charge on refunding	59,004
Deferred outflows related to pensions/OPEB	10,527,008
Total deferred outflows of resources	<u>10,586,012</u>
Liabilities	
Current liabilities:	
Accounts payable	281,562
Accrued payroll and related benefits	1,157,878
Claims payable	189,085
Compensated absences payable	2,872,000
Accrued interest	11,471
Leases payable	601,121
Bonds payable	932,000
Total current liabilities	<u>6,045,117</u>
Noncurrent liabilities:	
Compensated absences payable	1,231,368
Leases payable	699,483
Bonds payable	11,841,293
Net pension/OPEB liabilities	24,690,297
Total noncurrent liabilities	<u>38,462,441</u>
Total liabilities	<u>44,507,558</u>
Deferred inflows of resources	
Deferred inflows related to pensions/OPEB	1,616,202
Total deferred inflows of resources	<u>1,616,202</u>
Net position	
Net investment in capital assets	13,453,568
Restricted - Debt service	465,973
Unrestricted	(7,261,130)
Total net position	<u>\$ 6,658,411</u>

See notes to financial statements.

GOLDER RANCH FIRE DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

Functions/programs:	Expenses	Program revenues		Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Governmental activities
Governmental activities:				
Public safety - emergency services	\$ 28,031,675	\$ 4,750,885	\$ 624,167	\$ (22,656,623)
Public safety - administration	8,920,598	-	-	(8,920,598)
Interest on long-term debt	<u>274,914</u>	<u>-</u>	<u>-</u>	<u>(274,914)</u>
Total governmental activities	<u>\$ 37,227,187</u>	<u>\$ 4,750,885</u>	<u>\$ 624,167</u>	<u>(31,852,135)</u>
General revenues:				
Property taxes				30,560,207
Investment income				209,986
Miscellaneous				<u>60,845</u>
Total general revenues				<u>30,831,038</u>
Changes in net position				(1,021,097)
Net position, beginning of year				<u>7,679,508</u>
Net position, end of year				<u>\$ 6,658,411</u>

See notes to financial statements.

GOLDER RANCH FIRE DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2020

	General	Debt service	Capital projects	Total governmental funds
Assets:				
Cash and investments	\$ 12,522,989	\$ 460,404	\$ -	\$ 12,983,393
Property taxes receivable	760,738	27,087	-	787,825
Accounts receivable, net	402,197	-	-	402,197
Due from governmental entities	414,183	-	-	414,183
Due from other funds	343,976	-	-	343,976
Cash and investments, restricted	<u>-</u>	<u>-</u>	<u>2,503,094</u>	<u>2,503,094</u>
Total assets	<u>\$ 14,444,083</u>	<u>\$ 487,491</u>	<u>\$ 2,503,094</u>	<u>\$ 17,434,668</u>
Liabilities:				
Accounts payable	\$ 281,562	\$ -	\$ -	\$ 281,562
Accrued payroll and related benefits	1,157,878	-	-	1,157,878
Claims payable	189,085	-	-	189,085
Accrued interest	11,471	-	-	11,471
Due to other funds	<u>-</u>	<u>-</u>	<u>343,976</u>	<u>343,976</u>
Total liabilities	<u>1,639,996</u>	<u>-</u>	<u>343,976</u>	<u>1,983,972</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	611,268	21,518	-	632,786
Unavailable revenue - ambulance	77,000	-	-	77,000
Unavailable revenue - intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>688,268</u>	<u>21,518</u>	<u>-</u>	<u>709,786</u>
Fund balances:				
Restricted	-	465,973	2,159,118	2,625,091
Committed	11,244,200	-	-	11,244,200
Unassigned	<u>871,619</u>	<u>-</u>	<u>-</u>	<u>871,619</u>
Total fund balances	<u>12,115,819</u>	<u>465,973</u>	<u>2,159,118</u>	<u>14,740,910</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,444,083</u>	<u>\$ 487,491</u>	<u>\$ 2,503,094</u>	<u>\$ 17,434,668</u>

GOLDER RANCH FIRE DISTRICT

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

JUNE 30, 2020

Total fund balances - governmental funds	\$ 14,740,910
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	24,965,367
Some receivables are not available to pay for current period expenditures and, therefore, are reported as deferred inflows in the funds.	709,786
Deferred charges related to the issuance of refunding bonds are amortized over the life of the associated bond issue in the government-wide financial statements, but are not reported in the funds.	59,004
Net pension/OPEB assets held in trust for future benefits are not available for District operations and, therefore, are not reported in the funds.	140,100
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated absences payable	(4,103,368)
Leases payable	(1,300,604)
Bonds payable	(11,545,000)
Unamortized premium	(1,228,293)
Net pension/OPEB liability	(24,690,297)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions/OPEB	10,527,008
Deferred inflows of resources related to pensions/OPEB	<u>(1,616,202)</u>
Net position of governmental activities	<u>\$ 6,658,411</u>

GOLDER RANCH FIRE DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2020

	<u>General</u>	<u>Debt service</u>	<u>Capital projects</u>	<u>Total governmental funds</u>
Revenues:				
Property taxes	\$ 29,386,776	\$ 1,092,077	\$ -	\$ 30,478,853
Intergovernmental	1,141,226	-	-	1,141,226
Charges for services	4,319,159	-	-	4,319,159
Investment income	181,969	18,594	9,423	209,986
Miscellaneous	<u>60,845</u>	<u>-</u>	<u>-</u>	<u>60,845</u>
Total revenues	<u>35,089,975</u>	<u>1,110,671</u>	<u>9,423</u>	<u>36,210,069</u>
Expenditures:				
Public safety:				
Emergency services	24,204,439	-	-	24,204,439
Administration	7,702,645	-	-	7,702,645
Capital outlay	1,190,684	-	821,576	2,012,260
Debt service:				
Principal	5,813,313	913,000	-	6,726,313
Interest	154,209	118,750	-	272,959
Bond issuance costs	<u>190,131</u>	<u>-</u>	<u>-</u>	<u>190,131</u>
Total expenditures	<u>39,255,421</u>	<u>1,031,750</u>	<u>821,576</u>	<u>41,108,747</u>
Revenues over (under) expenditures	(4,165,446)	78,921	(812,153)	(4,898,678)
Other financing sources:				
Proceeds from bond issuance	<u>4,849,522</u>	<u>-</u>	<u>3,291,566</u>	<u>8,141,088</u>
Total other financing sources	<u>4,849,522</u>	<u>-</u>	<u>3,291,566</u>	<u>8,141,088</u>
Net change in fund balances	684,076	78,921	2,479,413	3,242,410
Fund balances, beginning of year	<u>11,431,743</u>	<u>387,052</u>	<u>(320,295)</u>	<u>11,498,500</u>
Fund balances, end of year	<u><u>\$ 12,115,819</u></u>	<u><u>\$ 465,973</u></u>	<u><u>\$ 2,159,118</u></u>	<u><u>\$ 14,740,910</u></u>

GOLDER RANCH FIRE DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

Net change in fund balances - governmental funds \$ 3,242,410

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	1,990,596
Depreciation expense	(1,795,892)

Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(3,980)
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District pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the statement of activities.

Pension/OPEB contributions	3,776,722
Pension/OPEB expense	(5,267,094)

Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Increase in compensated absences	(1,547,129)
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the statement of net position. In the current year, the amount consists of:

General obligation bond proceeds	(8,141,088)
Principal paid	6,726,313
Amortization of deferred bond items	(14,750)
Amortization of premium	<u>12,795</u>

Change in net position of governmental activities	<u>\$ (1,021,097)</u>
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GOLDER RANCH FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

1. Description of organization and summary of significant accounting policies:

The accounting policies of Golder Ranch Fire District (the District) conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units as promulgated by the Governmental Accounting Standards Board (GASB).

Reporting entity:

Established in 1977, Golder Ranch Fire District is an Arizona Special Taxing District operating under Arizona Revised Statutes Title 48, Chapter 5. The District provides a range of fire protection and emergency services, emergency medical services, ambulance transport and community assistance to the residents of unincorporated Pima and Pinal Counties, Town of Oro Valley and the communities of Catalina and SaddleBrooke.

The power and authority given to the District is vested in a Board of Directors, each member being elected for a four-year term. The Board of Directors has the statutory authority to adopt and modify the budget, levy taxes, control all assets, including facilities and properties, authorize borrowing or long-term debt issuances, sign contracts and develop the service programs to be provided. The responsibility and accountability 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 basic financial statements include both government-wide financial statements 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 government-wide financial statements include a statement of net position and a statement of activities.

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 classified as program revenues, are presented as general revenues.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

1. Description of organization and summary of significant accounting policies (continued):

Measurement focus, basis of accounting and financial statement presentation:

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

The governmental fund financial statements are accounted for using a current financial resources measurement focus, whereby only current assets and current liabilities generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balances present increases and decreases in those net current assets. These funds use the modified accrual basis of accounting whereby revenues are recorded only when susceptible to accrual (both measurable and available). "Measurable" means that the amount of the transaction can be determined. "Available" is defined as being collectible within the current period or soon enough thereafter (60 days) to be used to liquidate liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

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

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

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

1. Description of organization and summary of significant accounting policies (continued):

Measurement focus, basis of accounting and financial statement presentation (continued):

The District reports the following major governmental funds:

The General Fund is the primary operating fund of the District. It accounts for all financial resources of the District, except those required to be accounted for in another fund, either legally or by Board direction. The principal revenue source is property taxes. Primary expenditures are for public safety.

The Capital Projects Fund accounts for financial resources that are restricted, committed or assigned for the acquisition or construction of major capital assets. Bond proceeds restricted for the acquisition or construction of major capital assets are included in this fund.

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.

Estimates:

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Cash and investments:

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 and Pinal County Investment Pools, are carried at cost, which approximates fair value, and are classified as a cash equivalents. Fair value of the investments in these pools is the same as the value of the pool shares.

Investment income is comprised primarily of interest earnings.

Cash and investments, restricted:

Certain proceeds of the District's long-term debt are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited to the acquisition and construction of capital assets.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

1. Description of organization and summary of significant accounting policies (continued):

Fair value measurements:

Fair value is defined as the price to sell an asset or transfer a liability between market participants in an orderly exchange in the principal or most advantageous market for that asset or liability. The fair value for the commingled funds and qualifying alternative investments is determined based on the investment's net asset value as a practical expedient. Considerable judgment is required in interpreting market data used to develop the estimates of fair value. Accordingly, the estimates presented in the financial statements are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and estimation methodologies may have a material effect on the estimated fair value.

Receivables:

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

Revenue from emergency medical and transportation services are recognized as charges for services. These charges for services are reported at their estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement allowances with third-party payers, provisions for bad debt and uncompensated care. The allowance for doubtful accounts, including contractual adjustments, at June 30, 2020 is approximately \$466,888. Amounts not collected by the District within 60 days subsequent to year-end are recorded as deferred inflows of resources in the fund financial statements.

Deferred outflows and inflows of resources:

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as a revenue in future periods.

Prepaid items:

Payments to vendors for services that will benefit future accounting periods are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

1. Description of organization and summary of significant accounting policies (continued):

Capital assets:

Capital assets are stated at cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the date of donation. Normal maintenance and repairs are charged to expense 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	Not depreciated
Buildings and improvements	10 to 40 years
Vehicles, furniture and equipment	5 to 18 years

Compensated absences:

It is the District's policy 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 typically been used to liquidate the liability for compensated absences in prior years.

Long-term debt:

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts, are amortized over the life of the bonds using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

1. Description of organization and summary of significant accounting policies (continued):

Postemployment benefits:

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

Interfund activity:

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources (uses) in governmental funds.

Fund balance:

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

- **Nonspendable** – The nonspendable 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.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

1. Description of organization and summary of significant accounting policies (continued):

Fund balance (continued):

- Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of formal action it employed to previously commit those accounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process by resolution of the Board of Directors. Constraints imposed on the use of committed amounts are imposed by the Board of Directors through formal action, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned – Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Directors or a District official delegated that authority by District Charter, through a formal board action.
- Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

The Board has established the following reserve funds:

- Emergency Reserve – By Board resolution, the District maintains an “Emergency Reserve” in the General Fund of ten percent (10%) of the average actual General Fund revenues for the preceding three fiscal years. The Emergency Reserve is for unexpected, large-scale events where damage in excess of \$250,000 is incurred and immediate, remedial action must be taken to protect the health and safety of residents (e.g. floods, fires, storm damage). Any usage of Emergency Reserves must be appropriated or ratified by the Board of Directors, through formal Board resolution.
- Operating Reserve – By Board resolution, the District maintains an additional General Fund “Operating Reserve” with an upper goal of an additional twenty percent (20%) of the average actual General Fund revenues for the preceding three fiscal years. The Operating Reserve is intended to be a reserve for unexpected events whose impact exceeds \$500,000. Any use of the Operating Reserve funds must be approved by the Board of Directors and include a repayment

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

1. Description of organization and summary of significant accounting policies (continued):

Fund balance (continued):

plan that projects to restore the Operating Reserve to the twenty percent (20%) level within two fiscal years following the fiscal year in which the event occurred.

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

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

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

	<u>General fund</u>	<u>Debt service fund</u>	<u>Capital projects fund</u>
Fund balances:			
Restricted:			
Debt service	\$ -	\$ 465,973	\$ -
Bond construction projects	-	-	2,159,118
Committed:			
Emergency reserve	2,811,050	-	-
Operating reserve	5,622,100	-	-
Budget stabilization reserve	2,811,050	-	-
Unassigned	<u>871,619</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 12,115,819</u></u>	<u><u>\$ 465,973</u></u>	<u><u>\$ 2,159,118</u></u>

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

1. Description of organization and summary of significant accounting policies (continued):

Net position:

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

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

Budgetary information:

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

Stewardship, compliance and accountability:

At year-end, the District did not have any funds with expenditures that exceeded the budgets.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

2. Cash and investments:

The District maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the statement of net position as part of cash and investments. Cash and investments are comprised of the following at June 30, 2020:

Deposits:

Operating accounts	\$ 1,715,944
Petty cash	350
Bond proceeds, restricted for capital purchases	1,289,317

Investments:

Pima County Treasurer investment pool	11,256,071
Pinal County Treasurer investment pool	11,101
Pima County Treasurer investment pool - bond proceeds, restricted for capital purchases	<u>1,213,704</u>
	<u>\$ 15,486,487</u>

The Arizona Revised Statutes authorize the District to invest public monies in the State or County Treasurer's investment pool; interest-bearing savings accounts, certificates of deposit and repurchase agreements in eligible depositories; bonds or other obligations of the United States government that are guaranteed as to principal and interest by the United States government; and bonds of the State of Arizona's counties, cities, towns, school districts and special districts as specified by statute.

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, 2020, deposits with financial institutions have a book value of \$3,005,611 and a bank balance of \$3,242,834. The difference of \$237,223 represents deposits in transit, outstanding checks, and other reconciling items at June 30, 2020. At June 30, 2020, \$1,703,517 of the District's deposits was insured or covered by collateral held by the pledging financial institution in the District's name.

Investments:

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

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

2. Cash and investments (continued):

Investments (continued):

The District's investments at June 30, 2020 were as follows:

	<u>Rating</u>	<u>Rating agency</u>	<u>Average maturities</u>	<u>Amount</u>
Local Government investment pools	Unrated	Not applicable	270 days	\$ 12,480,876

The fair value of the investment pool is discussed in note 3.

Interest rate risk - Interest rate risk is the risk that changes in interest rates will adversely affect an investment's fair value. 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 June 30, 2020, the District's investment in the County Treasurer investment pools did not receive a credit rating from a national rating agency.

Custodial credit risk - the District's investment in the County Treasurers' investment pools represents a proportionate interest in the pools' portfolio; however, the District's portion is not identified with specific investments and is not subject to custodial credit risk.

3. Fair value:

The District measures and categorizes its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines establish a three-tier hierarchy of inputs to valuation techniques used to measure fair value, as follows:

Level 1 - Inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 - Inputs, other than quoted market prices included within Level 1, are observable, either directly or indirectly.

Level 3 - Inputs are unobservable and significant to the fair value measurement.

Other investments at fair value - Investments for which fair value is measured at net asset value per share (or its equivalent). Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

3. Fair value (continued):

At June 30, 2020, the fair value of investments measured on a recurring basis is as follows:

	Fair value	Other investments at fair value	Level 1	Level 2	Level 3
External investment pools:					
Local Government investment pools	\$ 12,480,876	\$ 12,480,876	\$ -	\$ -	\$ -

The fair value of a participant's portion in the Pima County Treasurer's investment pool and the Pinal County Treasurer's investment pool approximates the value of that participant's pool shares and the participant's shares are not identified with specific investments. The investment pools are not registered with the Securities and Exchange Commission as an investment company and there is no regulatory oversight of their operations. There are no unfunded commitments or redemption restrictions related to these investments.

The Pima County Treasurer's investment pool invests primarily in the State Treasurer's Local Government Investment Pool, corporate bonds, U.S. Treasury notes, and agency bonds.

4. Capital assets:

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning balance	Increases	Decreases	Ending balance
Capital assets, not depreciated:				
Land	\$ 3,062,318	\$ -	\$ -	\$ 3,062,318
Construction in progress	-	347,837	-	347,837
Total capital assets, not depreciated	3,062,318	347,837	-	3,410,155
Capital assets, depreciated:				
Buildings and improvements	23,158,097	14,028	-	23,172,125
Vehicles, furniture and equipment	14,556,165	1,628,731	-	16,184,896
Total capital assets, depreciated	37,714,262	1,642,759	-	39,357,021

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

4. Capital assets (continued):

	Beginning balance	Increases	Decreases	Ending balance
Less accumulated depreciation for:				
Buildings and improvements	(6,489,722)	(634,355)	-	(7,124,077)
Vehicles, furniture and equipment	(9,516,195)	(1,161,537)	-	(10,677,732)
Total accumulated depreciation	(16,005,917)	(1,795,892)	-	(17,801,809)
Total capital assets, depreciated, net	21,708,345	(153,133)	-	21,555,212
Total capital assets, net	<u>\$ 24,770,663</u>	<u>\$ 194,704</u>	<u>\$ -</u>	<u>\$ 24,965,367</u>

5. General obligation bonds:

Series 2015 and Series 2016:

General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District has outstanding general obligation bonds payable from a \$5,310,000 refunded issuance of callable 10-year bonds dated January 22, 2015 with interest rates of 2.05% and a \$2,932,000 refunded issuance of callable 10-year bonds dated December 28, 2016 with interest rates of 2.25%.

Series 2020:

The District, pursuant to a special bond election, received voter approval to issue up to \$26,600,000 in general obligation debt to finance various capital improvements and to pay off capital leasing obligations. The 2020 General Obligation Bonds were issued by the District in the amount of \$6,900,000. The interest rate ranges from 3% - 4% and the bonds mature July 1, 2044. During the fiscal year ended June 30, 2020, the District paid off \$4,824,778 of capital lease obligations.

The general obligation 2020 bonds were issued with a premium of \$1,241,088 that is being amortized over the life of the debt.

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.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

5. General obligation bonds (continued):

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

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 932,000	\$ 435,736	\$ 1,367,736
2022	951,000	345,780	1,296,780
2023	970,000	325,614	1,295,614
2024	1,013,000	305,040	1,318,040
2025	619,000	292,416	911,416
2026 - 2030	1,705,000	1,215,750	2,920,750
2031 - 2035	1,590,000	948,000	2,538,000
2036 - 2040	1,925,000	605,000	2,530,000
2041 - 2045	<u>1,840,000</u>	<u>187,400</u>	<u>2,027,400</u>
	<u>\$ 11,545,000</u>	<u>\$ 4,660,736</u>	<u>\$ 16,205,736</u>

6. Capital leases:

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

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

Vehicles, furniture and equipment	\$ 2,768,185
Less accumulated depreciation	<u>1,329,659</u>
	<u>\$ 1,438,526</u>

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

6. Capital leases (continued):

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

Year ending <u>June 30,</u>	
2021	\$ 631,081
2022	258,588
2023	258,588
2024	<u>215,839</u>
Total minimum lease payments	1,364,096
Less amount representing interest	<u>63,492</u>
Net present value of minimum lease payments	1,300,604
Less current portion	<u>601,121</u>
	<u><u>\$ 699,483</u></u>

7. Changes in noncurrent liabilities:

A summary of the changes in noncurrent liabilities for the year ended June 30, 2020 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Bonds payable:					
Series 2015 GO Bonds	\$ 3,074,000	\$ -	\$ (589,000)	\$ 2,485,000	\$ 604,000
Series 2016 GO Bonds	2,484,000	-	(324,000)	2,160,000	328,000
Series 2020 GO Bonds	<u>-</u>	<u>6,900,000</u>	<u>-</u>	<u>6,900,000</u>	<u>-</u>
Total bonds payable	5,558,000	6,900,000	(913,000)	11,545,000	932,000
Unamortized premium	-	1,241,088	(12,795)	1,228,293	-
Capital leases payable	7,113,921	-	(5,813,317)	1,300,604	601,121
Net pension liability	22,964,185	1,710,849	-	24,675,034	-
Net OPEB liability	147,672	-	(132,409)	15,263	-
Compensated absences payable	<u>2,556,239</u>	<u>3,355,587</u>	<u>(1,808,458)</u>	<u>4,103,368</u>	<u>2,872,000</u>
	<u><u>\$ 38,340,017</u></u>	<u><u>\$ 13,207,524</u></u>	<u><u>\$ (8,679,979)</u></u>	<u><u>\$ 42,867,562</u></u>	<u><u>\$ 4,405,121</u></u>

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

8. 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.

The District has established a self-insured health care program for employees, employees' spouses, and their dependents. Payments are made to Blue Cross and Blue Shield for 100 percent of services and have a maximum of \$1,000 per enrolled person on a contract year basis. During the year ended June 30, 2020, the District General Fund paid claims in the amount of \$1,555,127. All claims handling procedures are performed by a third-party claims administrator. The District purchased reinsurance that limits exposure of any single claim to \$75,000 and \$1.5 million in the aggregate.

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

	Claims payable beginning of year	Current year claims and changes in estimates	Claims payments	Claims payable at end of year
2019 - 2020	\$ 169,042	\$ 1,575,170	\$ (1,555,127)	\$ 189,085
2018 - 2019	92,811	1,622,759	(1,546,528)	169,042

9. Commitments and contingencies:

Intergovernmental agreements:

The District is party to a variety of intergovernmental agreements entered into in the ordinary course of business pursuant to which it may be obligated to provide services outside of its geographic boundaries and/or receive assistance from other parties. As part of these agreements, the District is obligated to indemnify other parties for certain liabilities that arise out of, or relate to, the subject matter of the agreements.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

9. Commitments and contingencies (continued):

Operating leases:

The District leases ambulance equipment, vehicles and office equipment under the provisions of long-term lease agreements classified as operating leases for accounting purposes. Rental expenditures under the terms of the operating leases totaled \$124,987 for the year ended June 30, 2020. The operating leases have remaining noncancelable lease terms and provide renewal options.

The future minimum rental payments required under the operating leases at year-end were as follows:

Year ending <u>June 30,</u>	
2021	\$ 82,770
2022	45,832
2023	24,653
2024	14,311
2025	<u>2,946</u>
	<u><u>\$ 170,512</u></u>

Legal proceedings:

From time to time, the District may be party to certain pending or threatened lawsuits arising out of or incident to the ordinary course of business for which it carries general liability and other insurance coverages. In the opinion of management and based upon consultation with legal counsel, resolution of any pending or threatened lawsuits will not have a material adverse effect on the District's financial statements.

COVID-19:

The COVID-19 outbreak in the United States has caused business disruption. The extent of the COVID-19 impact on operational and financial performance will depend on certain developments, including duration and spread of the outbreak, impact on District residents, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial statements is uncertain.

10. Pension and other postemployment benefits:

The District contributes to the Arizona State Retirement System (ASRS) and the Public Safety Personnel Retirement System (PSPRS). These plans are component units of the State of Arizona.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

10. Pension and other postemployment benefits (continued):

At June 30, 2020, the District reported on the Statement Net Position and Statement of Activities the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

	<u>Governmental activities</u>
Net pension/OPEB assets	\$ 140,100
Net pension/OPEB liability	24,690,297
Deferred outflows of resources	10,527,008
Deferred inflows of resources	1,616,202
Pension/OPEB expense	5,267,094

The District's accrued payroll and related benefits includes approximately \$194,000 of outstanding pension and OPEB contribution amounts payable to the plan for the year ended June 30, 2020.

The District reported \$3,776,722 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

Arizona State Retirement System (ASRS):

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

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

Initial membership date:		
	<u>Before July 1, 2011</u>	<u>On or after July 1, 2011</u>
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* any years age 65

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

10. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

	Initial membership date:	
	Before July 1, 2011	On or after July 1, 2011
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

* with actuarially reduced benefits

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

Health insurance premium benefits are available to retired and disabled members with five years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with five to nine years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

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

Contributions - In accordance with State statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2020, statute required active ASRS members to contribute at the actuarially determined rate of 12.11% (11.94% for retirement and 0.17% for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.11% (11.45% for retirement, 0.49% for health insurance premium benefit, and 0.17% for long-term disability) of the active members' annual covered payroll.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

10. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

The District's contributions for the year ended June 30, 2020 were as follows:

	<u>Contributions</u>
Pension	\$ 267,474
Health insurance premium	11,446
Long-term disability	3,972

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

Pension and OPEB assets/liabilities - At June 30, 2020, the District reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability.

	<u>Net pension/OPEB (asset) liability</u>
Pension	\$ 3,356,953
Health insurance premium benefit	(6,533)
Long-term disability	15,263

The net asset and net liabilities were measured as of June 30, 2019. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2018, to the measurement date of June 30, 2019. The District's proportion of the net asset or net liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The District's proportion measured as of June 30, 2019, and the change in proportions measured as of June 30, 2018, were:

	<u>Proportion</u>	<u>Increase (decrease)</u>
Pension	0.02307 %	0.00063
Health insurance premium benefit	0.02364 %	0.00077
Long-term disability	0.02343 %	0.00094

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

10. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

Pension/OPEB expense - For the year ended June 30, 2020, the District recognized pension and OPEB expense for ASRS as follows:

	<u>Expense</u>
Pension	\$ 612,792
Health insurance premium benefit	8,221
Long-term disability	4,591

Deferred outflows/inflows of resources - At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	<u>Pension</u>		<u>Health insurance premium benefit</u>		<u>Long-term disability</u>	
	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 60,644	\$ 631	\$ -	\$ 7,809	\$ 1,803	\$ -
Net difference between projected and actual earnings on pension plan investments	-	75,453	-	8,496	-	326
Changes in assumptions	14,190	133,680	12,848	-	2,283	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	224,275	-	118	16	1,216	-
Contributions subsequent to the measurement date	<u>267,474</u>	<u>-</u>	<u>11,446</u>	<u>-</u>	<u>3,972</u>	<u>-</u>
	<u>\$ 566,583</u>	<u>\$ 209,764</u>	<u>\$ 24,412</u>	<u>\$ 16,321</u>	<u>\$ 9,274</u>	<u>\$ 326</u>

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

10. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase of the net asset and a reduction of the net liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year ending <u>June 30,</u>	<u>Pension</u>	Health insurance premium benefit	<u>Long-term disability</u>
2021	\$ 144,165	\$ (2,800)	\$ 558
2022	(60,538)	(2,800)	558
2023	(14,490)	825	877
2024	20,208	1,605	935
2025	-	(185)	814
Thereafter	-	-	1,234
	<u>\$ 89,345</u>	<u>\$ (3,355)</u>	<u>\$ 4,976</u>

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

Actuarial valuation date	June 30, 2018
Actuarial roll forward date	June 30, 2019
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Projected salary increases	2.7% - 7.2% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pension and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

10. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.5% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected geometric real rate of return</u>
Equity	50 %	6.09 %
Credit	20 %	5.36 %
Interest rate sensitive bonds	10 %	1.62 %
Real estate	20 %	5.85 %
	<u>100 %</u>	

Discount rate - The discount rate used to measure the ASRS total pension/OPEB liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the District's proportionate share of the ASRS net pension/OPEB (asset) liability to changes in the discount rate - The following table presents the District's proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.5%, as well as what the District's proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

10. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

	1% decrease (6.5%)	Current discount rate (7.5%)	1% increase (8.5%)
Net pension liability	\$ 4,777,722	\$ 3,356,953	\$ 2,169,556
Net health insurance premium liability (asset)	\$ 33,093	\$ (6,533)	\$ (40,296)
Net long-term disability liability	\$ 16,892	\$ 15,263	\$ 13,684

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

Public Safety Personnel Retirement System (PSPRS):

Plan description - District employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool), which are not further disclosed because of their relative insignificance to the District's financial statements.

The PSPRS issues a publicly available financial report that include financial statements and required supplementary information. The report is available on the PSPRS website at www.psprs.com.

Benefits provided - The PSPRS provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefit terms. Certain retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

10. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

	Initial membership date:		
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017	On or after July 1, 2017
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5	15 years of credited service, age 52.5*; 15 or more years of service, age 55
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years	Highest 60 consecutive months of last 15 years
Benefit percent:			
Normal retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%	
Accidental disability retirement	50% or normal retirement, whichever is greater		
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater		
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20		
Survivor benefit:			
Retired members	80% to 100% of retired member’s pension benefit		
Active member	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job		

* with actuarially reduced benefits

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

10. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

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

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents.

Employees covered by benefit terms - At June 30, 2020, the following employees were covered by the agent plans' benefit terms:

	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	22	22
Inactive employees entitled to but not yet receiving benefits	22	11
Active employees	<u>182</u>	<u>182</u>
	<u>226</u>	<u>215</u>

Contributions - State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with State statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates are a percentage of active members' annual covered payroll. Contribution rates for the year ended June 30, 2020 are indicated below:

Active members - pension	7.65% - 11.65%
District:	
Pension	23.03 %
Health insurance	0.38 %

In addition, the District is required to contribute at the actuarially determined rate of 9.30% of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the PSPRS would typically fill and of employees participating in the PSPRS Tier 3 Risk Pool and PSPDCRP members in addition to the District's required contributions to the PSPRS Tier 3 Risk Pool and PSPDCRP.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

10. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

The District's contributions to the pension and OPEB plans for the year ended June 30, 2020 were:

	<u>Contributions</u>
Pension	\$ 3,399,372
Health insurance	56,090

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

Liability - At June 30, 2020, the District reported net pension liability of \$21,318,081 and a net OPEB (asset) liability of \$(116,952). The net assets and net liabilities were measured as of June 30, 2019, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2019, reflect changes of actuarial assumptions to decrease the investment rate of return from 7.4% to 7.3% and update the mortality rates.

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

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.75% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.3% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

10. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected geometric real rate of return</u>
U.S. equity	16 %	4.75 %
Non-U.S. equity	14 %	5.00 %
Private equity	12 %	8.40 %
Private credit	16 %	5.36 %
Real estate	10 %	4.50 %
GTS	12 %	4.01 %
Real assets	9 %	6.75 %
Fixed income	5 %	3.00 %
Risk parity	4 %	4.01 %
Short-term investments	2 %	0.25 %
	<u>100 %</u>	

Discount rate - At June 30, 2019, the discount rate used to measure the total pension/OPEB liability was 7.30%, which was a decrease of 0.1 from the discount rate used as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

10. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

Changes in the net pension liability -

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) - (b)
Balances at June 30, 2019	<u>\$ 61,117,219</u>	<u>\$ 41,282,624</u>	<u>\$ 19,834,595</u>
Adjustment to beginning of year	-	(25,741)	25,741
Changes for the year:			
Service cost	3,287,055	-	3,287,055
Interest on the total pension liability	4,693,500	-	4,693,500
Differences between expected and actual experience in the measurement of the pension liability	(525,159)	-	(525,159)
Changes of assumptions	1,477,194	-	1,477,194
Contributions - employer	-	3,844,207	(3,844,207)
Contributions - employee	-	1,381,209	(1,381,209)
Net investment income	-	2,289,859	(2,289,859)
Benefit payments, including refunds of employee contributions	(1,957,201)	(1,957,201)	-
Administrative expense	-	(40,787)	40,787
Other changes	<u>-</u>	<u>357</u>	<u>(357)</u>
Net changes	<u>6,975,389</u>	<u>5,517,644</u>	<u>1,457,745</u>
Balances at June 30, 2020	<u><u>\$ 68,092,608</u></u>	<u><u>\$ 46,774,527</u></u>	<u><u>\$ 21,318,081</u></u>

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

10. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

Changes in the net OPEB liability -

	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB liability (asset) (a) - (b)
Balances at June 30, 2019	<u>\$ 1,279,033</u>	<u>\$ 1,143,112</u>	<u>\$ 135,921</u>
Adjustment to beginning of year	-	25,741	(25,741)
Changes for the year:			
Service cost	45,641	-	45,641
Interest on the total OPEB liability	97,498	-	97,498
Differences between expected and actual experience in the measurement of the OPEB liability	(275,940)	-	(275,940)
Changes of assumptions	14,537	-	14,537
Contributions - employer	-	47,374	(47,374)
Net investment income	-	62,584	(62,584)
Benefit payments, including refunds of employee contributions	(14,276)	(14,276)	-
Administrative expense	<u>-</u>	<u>(1,080)</u>	<u>1,080</u>
Net changes	<u>(132,540)</u>	<u>94,602</u>	<u>(227,142)</u>
Balances at June 30, 2020	<u>\$ 1,146,493</u>	<u>\$ 1,263,455</u>	<u>\$ (116,962)</u>

Sensitivity of the District's net pension/OPEB (asset) liability to changes in the discount rate - The following table presents the District's net pension/OPEB (assets) liabilities calculated using the discount rate noted above, as well as what the District's net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.3%) or 1 percentage point higher (8.3%) than the current rate:

	1% decrease (6.3%)	Current discount rate (7.3%)	1% increase (8.3%)
District's net pension liability	\$ 32,838,800	\$ 21,318,081	\$ 12,119,039
District's net OPEB (asset) liability	\$ 42,671	\$ (116,962)	\$ (249,847)

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

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

10. Pension and other postemployment benefits (continued):

Public Safety Personnel Retirement System (PSPRS) (continued):

Expense - For the year ended June 30, 2020, the District recognized the following as pension and OPEB expense:

	<u>Expense</u>
Pension	\$ 4,697,997
Health insurance	(16,073)

Deferred outflows/inflows of resources - At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	<u>Pension</u>		<u>Health</u>	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 1,804,733	\$ 1,014,722	\$ 849	\$ 312,155
Changes in assumptions	3,863,506	-	13,321	49,415
Net difference between projected and actual earnings on plan investments	707,572	-	5,610	-
Contributions subsequent to the measurement date	<u>3,399,372</u>	<u>-</u>	<u>56,090</u>	<u>-</u>
	<u>\$ 9,775,183</u>	<u>\$ 1,014,722</u>	<u>\$ 75,870</u>	<u>\$ 361,570</u>

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

<u>Year ending June 30,</u>	<u>Pension</u>	<u>Health</u>
2021	\$ 996,237	\$ (37,634)
2022	587,066	(37,633)
2023	845,439	(29,676)
2024	809,582	(30,667)
2025	605,630	(35,305)
Thereafter	<u>1,517,135</u>	<u>(170,875)</u>
	<u>\$ 5,361,089</u>	<u>\$ (341,790)</u>

Required Supplementary Information

GOLDER RANCH FIRE DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND**

YEAR ENDED JUNE 30, 2020

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Property taxes	\$ 28,163,544	\$ 28,163,544	\$ 29,386,776	\$ 1,223,232
Intergovernmental	793,946	793,946	1,141,226	347,280
Charges for services	4,644,410	4,644,410	4,319,159	(325,251)
Investment income	150,000	150,000	181,969	31,969
Miscellaneous	<u>60,000</u>	<u>60,000</u>	<u>60,845</u>	<u>845</u>
Total revenues	<u>33,811,900</u>	<u>33,811,900</u>	<u>35,089,975</u>	<u>1,278,075</u>
Expenditures:				
Public safety:				
Emergency services	25,145,410	25,145,410	24,204,439	940,971
Administration	7,441,033	7,441,033	7,702,645	(261,612)
Capital outlay	-	-	1,190,684	(1,190,684)
Debt service:				
Principal	1,039,962	1,039,962	5,813,313	(4,773,351)
Interest	185,495	185,495	154,209	31,286
Debt issuance costs	<u>-</u>	<u>-</u>	<u>190,131</u>	<u>(190,131)</u>
Total expenditures	<u>33,811,900</u>	<u>33,811,900</u>	<u>39,255,421</u>	<u>5,443,521</u>
Revenues under expenditures	-	-	(4,165,446)	(4,165,446)
Other financing sources:				
Proceeds from bond issuance	<u>-</u>	<u>-</u>	<u>4,849,522</u>	<u>4,849,522</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>4,849,522</u>	<u>4,849,522</u>
Change in fund balance	-	-	684,076	684,076
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>11,431,743</u>	<u>11,431,743</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,115,819</u>	<u>\$ 12,115,819</u>

GOLDER RANCH FIRE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - COST SHARING PLAN (ASRS)

YEAR ENDED JUNE 30, 2020

(schedule to be built prospectively from 2015; 2014 - 2011 information not available)

Reporting date (Measurement date)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	2013 (2012)	2012 (2011)	2011 (2010)
District's proportion of the net pension liability	0.023 %	0.022 %	0.020 %	0.018 %	0.017 %	0.015 %	- %	- %	- %	- %
District's proportionate share of the net pension liability	\$ 3,356,953	\$ 3,129,590	\$ 3,067,318	\$ 2,871,485	\$ 2,625,582	\$ 2,319,839	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,345,241	\$ 2,394,661	\$ 1,921,633	\$ 166,230	\$ 1,552,663	\$ 1,518,869	\$ -	\$ -	\$ -	\$ -
District's proportionate share of the net pension liability as a percentage of its covered payroll	143 %	131 %	160 %	172 %	169 %	153 %	- %	- %	- %	- %
Plan fiduciary net position as a percentage of total pension liability	73 %	73 %	70 %	67 %	68 %	69 %	- %	- %	- %	- %

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

GOLDER RANCH FIRE DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - AGENT RETIREMENT PLAN (PSPRS)

YEAR ENDED JUNE 30, 2020

(schedule to be built prospectively from 2015; 2014 - 2011 information not available)

Reporting date (Measurement date)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	2013 (2012)	2012 (2011)	2011 (2010)
Total pension liability										
Service cost	\$ 3,287,055	\$ 3,033,033	\$ 2,463,426	\$ 1,893,767	\$ 1,665,435	\$ 1,631,075	\$ -	\$ -	\$ -	\$ -
Interest	4,693,500	4,179,191	3,531,633	2,926,935	2,662,254	2,320,648	-	-	-	-
Benefit changes	-	-	338,676	4,530,962	-	53,327	-	-	-	-
Difference between expected and actual experience	(525,159)	(619,413)	2,862,034	(589,166)	(320,149)	29,015	-	-	-	-
Assumption changes	1,477,194	-	1,124,342	1,944,844	-	1,270,274	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,957,201)	(869,270)	(1,566,333)	(812,716)	(687,217)	(1,252,497)	-	-	-	-
Net change in total pension liability	6,975,389	5,723,541	8,753,778	9,894,626	3,320,323	4,051,842	-	-	-	-
Total pension liability, beginning	61,117,219	55,393,678	46,639,900	36,745,274	33,424,951	29,373,109	-	-	-	-
Total pension liability, ending (a)	\$ 68,092,608	\$ 61,117,219	\$ 55,393,678	\$ 46,639,900	\$ 36,745,274	\$ 33,424,951	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position										
Contributions - employer	\$ 3,844,207	\$ 3,929,939	\$ 2,446,935	\$ 1,857,235	\$ 1,462,125	\$ 1,320,493	\$ -	\$ -	\$ -	\$ -
Contributions - employee	1,381,209	1,287,889	1,428,130	1,168,274	1,043,183	892,042	-	-	-	-
Pension plan net investment income	2,289,859	2,538,757	3,640,691	162,509	916,962	2,861,697	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,957,201)	(869,270)	(1,566,333)	(812,716)	(687,217)	(1,252,497)	-	-	-	-
Hall/Parker settlement	-	(1,622,681)	-	-	-	-	-	-	-	-
Administrative expense	(40,787)	(39,340)	(33,014)	(23,784)	(22,759)	(23,047)	-	-	-	-
Other	357	7,424	676,374	136,088	(18,717)	54,389	-	-	-	-
Net change in fiduciary net position	5,517,644	5,232,718	6,592,783	2,487,606	2,693,577	3,853,077	-	-	-	-
Plan fiduciary net position, beginning	41,282,624	36,049,906	29,457,123	26,969,517	24,275,940	20,422,863	-	-	-	-
Adjustment to beginning of year	(25,741)	-	-	-	-	-	-	-	-	-
Plan fiduciary net position, ending (b)	\$ 46,774,527	\$ 41,282,624	\$ 36,049,906	\$ 29,457,123	\$ 26,969,517	\$ 24,275,940	\$ -	\$ -	\$ -	\$ -
Net pension liability (asset), ending (a) - (b)	\$ 21,318,081	\$ 19,834,595	\$ 19,343,772	\$ 17,182,777	\$ 9,775,757	\$ 9,149,011	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position as a percentage of total pension liability	68.69 %	67.55 %	65.08 %	63.16 %	73.40 %	72.63 %	- %	- %	- %	- %
Covered valuation payroll	\$ 13,570,844	\$ 13,813,062	\$ 9,669,855	\$ 9,616,923	\$ 7,834,709	\$ 7,044,295	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered valuation payroll	157.09 %	143.59 %	200.04 %	178.67 %	124.77 %	129.88 %	- %	- %	- %	- %

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

See accompanying notes to required supplementary information.

GOLDER RANCH FIRE DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

YEAR ENDED JUNE 30, 2020

(schedule to be built prospectively from 2015; 2014 - 2011 information not available)

Reporting date (Measurement date)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	2013 (2012)	2012 (2011)	2011 (2010)
ASRS - Pension										
Statutorily required contribution	\$ 267,474	\$ 262,397	\$ 261,018	\$ 207,152	\$ 180,786	\$ 169,085	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>267,474</u>	<u>262,397</u>	<u>261,018</u>	<u>207,152</u>	<u>180,786</u>	<u>169,085</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,337,951	\$ 2,345,241	\$ 2,394,661	\$ 1,921,633	\$ 1,666,230	\$ 1,552,663	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	11.44 %	11.19 %	10.90 %	10.78 %	10.85 %	10.89 %	- %	- %	- %	- %
PSPRS - Pension										
Actuarially determined contribution	\$ 3,399,372	\$ 3,972,703	\$ 3,240,966	\$ 1,669,984	\$ 1,600,256	\$ 1,239,451	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>3,399,372</u>	<u>3,972,703</u>	<u>3,240,966</u>	<u>1,669,984</u>	<u>1,600,256</u>	<u>1,239,451</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 15,379,028	\$ 13,570,844	\$ 13,813,062	\$ 9,669,855	\$ 9,616,923	\$ 7,834,709	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	22.10 %	26.40 %	23.46 %	17.27 %	16.64 %	15.82 %	- %	- %	- %	- %

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

GOLDER RANCH FIRE DISTRICT

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS - AGENT RETIREMENT PLAN (PSPRS)

YEAR ENDED JUNE 30, 2020

(schedule to be built prospectively from 2018; 2017 - 2011 information not available)

Reporting date (Measurement date)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	2013 (2012)	2012 (2011)	2011 (2010)
Total OPEB liability										
Service cost	\$ 45,641	\$ 44,258	\$ 35,780	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total OPEB liability	97,498	91,047	90,698	-	-	-	-	-	-	-
Benefit changes	-	-	16,830	-	-	-	-	-	-	-
Difference between expected and actual experience	(275,940)	(55,773)	(39,217)	-	-	-	-	-	-	-
Assumption changes	14,537	-	(68,340)	-	-	-	-	-	-	-
Benefit payments	(14,276)	(17,485)	(20,376)	-	-	-	-	-	-	-
Net change in total OPEB liability	(132,540)	62,047	15,375	-	-	-	-	-	-	-
Total OPEB liability, beginning	1,279,033	1,216,986	1,201,611	-	-	-	-	-	-	-
Total OPEB liability, ending (a)	\$ 1,146,493	\$ 1,279,033	\$ 1,216,986	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position										
Contributions - employer	\$ 47,374	\$ 38,459	\$ 39,810	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - employee	-	-	-	-	-	-	-	-	-	-
Net investment income	62,584	73,472	109,600	-	-	-	-	-	-	-
Benefit payments	(14,276)	(17,485)	(20,376)	-	-	-	-	-	-	-
Administrative expenses	(1,080)	(1,118)	(970)	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net change in fiduciary net position	94,602	93,328	128,064	-	-	-	-	-	-	-
Plan fiduciary net position, beginning	1,143,112	1,049,784	921,720	-	-	-	-	-	-	-
Adjustment to beginning of year	25,741	-	-	-	-	-	-	-	-	-
Plan fiduciary net position, ending (b)	\$ 1,263,455	\$ 1,143,112	\$ 1,049,784	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability (asset), ending (a) - (b)	\$ (116,962)	\$ 135,921	\$ 167,202	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position as a percentage of total OPEB liability	110.20 %	89.37 %	86.26 %	- %	- %	- %	- %	- %	- %	- %
Covered valuation payroll	\$ 13,570,844	\$ 13,813,062	\$ 9,669,855	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability as a percentage of covered valuation payroll	(0.86)%	0.98 %	1.73 %	- %	- %	- %	- %	- %	- %	- %

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

GOLDER RANCH FIRE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - COST SHARING PLAN (ASRS)

YEAR ENDED JUNE 30, 2020

(schedule to be built prospectively from 2018; 2017 - 2011 information not available)

ASRS Health insurance premium benefit

Reporting date (Measurement date)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	2013 (2012)	2012 (2011)	2011 (2010)
District's proportion of the net OPEB (asset)	0.023 %	0.023 %	0.020 %	- %	- %	- %	- %	- %	- %	- %
District's proportionate share of the net OPEB (asset)	\$ (6,533)	\$ (8,235)	\$ (10,877)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,345,241	\$ 2,394,661	\$ 1,921,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	(0.28)%	(0.34)%	(0.57)%	- %	- %	- %	- %	- %	- %	- %
Plan fiduciary net position as a percentage of total OPEB (asset)	102 %	102 %	104 %	- %	- %	- %	- %	- %	- %	- %

ASRS Long-term disability

Reporting date (Measurement date)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	2013 (2012)	2012 (2011)	2011 (2010)
District's proportion of the net OPEB liability	0.023 %	0.022 %	0.020 %	- %	- %	- %	- %	- %	- %	- %
District's proportionate share of the net OPEB liability	\$ 15,263	\$ 11,751	\$ 7,166	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,345,241	\$ 2,394,661	\$ 1,921,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.65 %	0.49 %	0.37 %	- %	- %	- %	- %	- %	- %	- %
Plan fiduciary net position as a percentage of total OPEB liability	73 %	78 %	84 %	- %	- %	- %	- %	- %	- %	- %

See accompanying notes to required supplementary information.

GOLDER RANCH FIRE DISTRICT

SCHEDULE OF OPEB CONTRIBUTIONS

YEAR ENDED JUNE 30, 2020

(schedule to be built prospectively from 2018; 2017 - 2011 information not available)

ASRS Health insurance premium benefit

Reporting fiscal year	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 11,446	\$ 10,796	\$ 10,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>11,446</u>	<u>10,796</u>	<u>10,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,337,951	\$ 2,345,241	\$ 2,394,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	0.49 %	0.46 %	0.44 %	- %	- %	- %	- %	- %	- %	- %

ASRS Long-term disability

Reporting fiscal year	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 3,972	\$ 3,756	\$ 3,831	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>3,972</u>	<u>3,756</u>	<u>3,831</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,337,951	\$ 2,345,241	\$ 2,394,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	0.17 %	0.16 %	0.16 %	- %	- %	- %	- %	- %	- %	- %

PSPRS Health insurance premium benefit

Actuarially determined contribution	\$ 56,090	\$ 52,657	\$ 58,168	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>56,090</u>	<u>52,657</u>	<u>58,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 15,379,028	\$ 13,570,844	\$ 13,813,062	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	0.36 %	0.34 %	0.42 %	- %	- %	- %	- %	- %	- %	- %

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

See accompanying notes to required supplementary information.

GOLDER RANCH FIRE DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2020

1. Budgetary basis of accounting:

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

2. Pension and OPEB plan schedules:

Actuarially determined contribution rates:

Actuarial determined contribution rates for PSPRS are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent-of-pay, closed
Remaining amortization period as of the 2018 actuarial valuation	19 years for unfunded, 20 years for overfunded
Asset valuation method	7-year smoothed market; 80%/120% corridor
Actuarial assumptions:	
Investment rate of return	PSPRS members with initial membership date before July 1, 2017: In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%. PSPRS members with initial membership on or after July 1, 2017: 7%
Salary increase	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0% - 8.0% to 3.5% - 7.5%. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5% - 8.5% to 4.0% - 8.0%. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0% - 9.0% to 4.5% - 8.5%.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5%. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0%. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5%.

GOLDER RANCH FIRE DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

YEAR ENDED JUNE 30, 2020

2. Pension and OPEB plan schedules (continued):

Actuarially determined contribution rates (continued):

Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females).

Factors that affect trends:

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. Also, the District refunded excess employee contributions to PSPRS members. PSPRS allowed the District to reduce its actual employer contributions for the refund amounts. As a result, the District's pension contributions were less than the actuarially or statutorily determined contributions for 2018 and 2019.

**Combining and Individual Fund Financial
Statements and Schedules**

GOLDER RANCH FIRE DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - DEBT SERVICE**

YEAR ENDED JUNE 30, 2020

	<u>Budgeted amounts</u>		<u>Variance with final</u>
	<u>Original</u>		<u>budget</u>
	<u>& Final</u>	<u>Actual</u>	<u>positive (negative)</u>
Revenues:			
Property taxes	\$ 1,098,358	\$ 1,092,077	\$ (6,281)
Investment income	-	18,594	18,594
Other	<u>(66,450)</u>	<u>-</u>	<u>66,450</u>
Total revenues	<u>1,031,908</u>	<u>1,110,671</u>	<u>78,763</u>
Expenditures:			
Debt service:			
Principal	913,000	913,000	-
Interest	<u>118,908</u>	<u>118,750</u>	<u>158</u>
Total expenditures	<u>1,031,908</u>	<u>1,031,750</u>	<u>158</u>
Net change in fund balance	-	78,921	78,921
Fund balance, beginning of year	<u>-</u>	<u>387,052</u>	<u>387,052</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 465,973</u>	<u>\$ 465,973</u>

GOLDER RANCH FIRE DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - CAPITAL PROJECTS FUND**

YEAR ENDED JUNE 30, 2020

	<u>Budgeted amounts</u> Original & Final	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:			
Property taxes	\$ 1,315,794	\$ -	\$ (1,315,794)
Investment earnings	<u>-</u>	<u>9,423</u>	<u>9,423</u>
Total revenues	<u>1,315,794</u>	<u>9,423</u>	<u>(1,306,371)</u>
Expenditures:			
Capital outlay	<u>4,939,823</u>	<u>821,576</u>	<u>4,118,247</u>
Total expenditures	<u>4,939,823</u>	<u>821,576</u>	<u>4,118,247</u>
Revenues under expenditures	(3,624,029)	(812,153)	2,811,876
Other financing sources:			
Transfers in	2,877,029	-	(2,877,029)
Proceeds from bond issuance	-	3,291,566	3,291,566
Proceeds from issuance of capital leases	<u>747,000</u>	<u>-</u>	<u>(747,000)</u>
Total other financing sources	<u>3,624,029</u>	<u>3,291,566</u>	<u>(332,463)</u>
Net change in fund balance	-	2,479,413	2,479,413
Fund balance, beginning of year	<u>-</u>	<u>(320,295)</u>	<u>(320,295)</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 2,159,118</u>	<u>\$ 2,159,118</u>

STATISTICAL SECTION

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 trend information to help the reader understand how the District's financial performance and financial activities have changed over time.

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

GOLDER RANCH FIRE DISTRICT

NET POSITION BY COMPONENT

(Accrual Basis)

	Fiscal year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net investments in capital assets	\$ 13,453,568	\$ 12,172,501	\$ 11,489,341	\$ 9,236,846	\$ 7,672,389	\$ 7,191,068	\$ 6,640,717	\$ 6,516,444	\$ 6,200,701	\$ 6,159,328
Restricted	465,973	387,052	393,625	311,946	352,779	954,221	528,150	548,897	539,464	1,375,940
Unrestricted	<u>(7,261,130)</u>	<u>(4,880,045)</u>	<u>(6,331,545)</u>	<u>(11,938,989)</u>	<u>(4,523,981)</u>	<u>(3,981,422)</u>	<u>5,020,475</u>	<u>4,810,433</u>	<u>4,992,071</u>	<u>4,767,959</u>
Total primary government net position	<u>\$ 6,658,411</u>	<u>\$ 7,679,508</u>	<u>\$ 5,551,421</u>	<u>\$ (2,390,197)</u>	<u>\$ 3,501,187</u>	<u>\$ 4,163,867</u>	<u>\$ 12,189,342</u>	<u>\$ 11,875,774</u>	<u>\$ 11,732,236</u>	<u>\$ 12,303,227</u>

Source: District financial records.

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

GOLDER RANCH FIRE DISTRICT

CHANGES IN NET POSITION

(Accrual Basis)

	Fiscal year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities:										
Public Safety-Fire Protection	\$ 36,952,273	\$ 33,648,043	\$ 28,086,591	\$ 28,391,504	\$ 21,837,480	\$ 18,460,962	\$ 17,274,232	\$ 16,997,459	\$ 16,290,428	\$ 16,084,321
Interest on long-term debt	<u>274,914</u>	<u>345,221</u>	<u>407,258</u>	<u>383,790</u>	<u>309,662</u>	<u>412,387</u>	<u>506,040</u>	<u>559,094</u>	<u>577,720</u>	<u>592,356</u>
Total primary government expenses	<u>37,227,187</u>	<u>33,993,264</u>	<u>28,493,849</u>	<u>28,775,294</u>	<u>22,147,142</u>	<u>18,873,349</u>	<u>17,780,272</u>	<u>17,556,553</u>	<u>16,868,148</u>	<u>16,676,677</u>
Program revenues:										
Governmental activities:										
Charges for services	4,750,885	5,240,197	4,479,411	3,759,813	3,314,268	3,295,320	2,538,435	2,126,243	1,507,073	1,697,113
Operating grants & contributions	<u>624,167</u>	<u>952,998</u>	<u>321,564</u>	<u>625,157</u>	<u>506,456</u>	<u>315,056</u>	<u>131,249</u>	<u>443,254</u>	<u>371,530</u>	<u>356,185</u>
Total primary government revenues	<u>5,375,052</u>	<u>6,193,195</u>	<u>4,800,975</u>	<u>4,384,970</u>	<u>3,820,724</u>	<u>3,610,376</u>	<u>2,669,684</u>	<u>2,569,497</u>	<u>1,878,603</u>	<u>2,053,298</u>
Total primary government net expenses	<u>(31,852,135)</u>	<u>(27,800,069)</u>	<u>(23,692,874)</u>	<u>(24,390,324)</u>	<u>(18,326,418)</u>	<u>(15,262,973)</u>	<u>(15,110,588)</u>	<u>(14,987,056)</u>	<u>(14,989,545)</u>	<u>(14,623,379)</u>
General revenues & other changes in net position										
Property taxes	30,560,207	29,195,901	27,061,849	18,247,838	17,424,433	17,022,813	15,371,055	15,002,161	14,377,019	15,704,039
Investment income	209,986	178,250	64,706	40,069	37,175	28,328	30,977	52,011	24,417	32,752
Miscellaneous	<u>60,845</u>	<u>125,129</u>	<u>89,435</u>	<u>211,033</u>	<u>202,130</u>	<u>40,841</u>	<u>22,124</u>	<u>76,422</u>	<u>17,118</u>	<u>36,777</u>
Total primary government	<u>30,831,038</u>	<u>29,499,280</u>	<u>27,215,990</u>	<u>18,498,940</u>	<u>17,663,738</u>	<u>17,091,982</u>	<u>15,424,156</u>	<u>15,130,594</u>	<u>14,418,554</u>	<u>15,773,568</u>
Change in net position										
Total primary government	<u>\$ (1,021,097)</u>	<u>\$ 1,699,211</u>	<u>\$ 3,523,116</u>	<u>\$ (5,891,384)</u>	<u>\$ (662,680)</u>	<u>\$ 1,829,009</u>	<u>\$ 313,568</u>	<u>\$ 143,538</u>	<u>\$ (570,991)</u>	<u>\$ 1,150,189</u>

Source: District financial records.

GOLDER RANCH FIRE DISTRICT

FUND BALANCES - GOVERNMENTAL FUNDS

(Modified Accrual Basis)

	Fiscal year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General fund										
Committed	\$ 11,244,200	\$ 9,404,028	\$ 7,793,404	\$ 6,767,528	\$ 6,950,492	\$ 6,553,262	\$ 5,511,562	\$ 5,268,087	\$ 5,544,527	\$ 5,133,944
Assigned	-	-	-	-	-	461,157	-	-	-	-
Unassigned	<u>871,619</u>	<u>2,027,715</u>	<u>2,217,191</u>	<u>-</u>	<u>80,635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>774,874</u>
Total general fund	<u>\$ 12,115,819</u>	<u>\$ 11,431,743</u>	<u>\$ 10,010,595</u>	<u>\$ 6,767,528</u>	<u>\$ 7,031,127</u>	<u>\$ 7,014,419</u>	<u>\$ 5,511,562</u>	<u>\$ 5,268,087</u>	<u>\$ 5,544,527</u>	<u>\$ 5,908,818</u>
All other governmental funds										
Restricted	\$ 2,625,091	\$ 387,052	\$ 356,913	\$ 275,964	\$ 316,071	\$ 937,297	\$ 482,794	\$ 529,763	\$ 499,741	\$ 497,821
Unassigned	<u>-</u>	<u>(320,295)</u>	<u>(1,332,040)</u>	<u>(1,171,373)</u>	<u>(601,718)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 2,625,091</u>	<u>\$ 66,757</u>	<u>\$ (975,127)</u>	<u>\$ (895,409)</u>	<u>\$ (285,647)</u>	<u>\$ 937,297</u>	<u>\$ 482,794</u>	<u>\$ 529,763</u>	<u>\$ 499,741</u>	<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)

	Fiscal year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Property taxes	\$ 30,478,853	\$ 29,218,457	\$ 27,099,046	\$ 18,262,016	\$ 17,138,081	\$ 17,156,974	\$ 15,310,805	\$ 14,929,131	\$ 14,400,806	\$ 15,459,330
Investment income	209,986	178,250	64,706	40,069	37,175	28,328	30,977	52,011	24,417	32,752
Charges for services	4,319,159	4,160,970	4,479,411	3,759,813	3,314,268	3,295,320	2,538,435	2,126,243	1,507,073	1,689,127
Intergovernmental	1,141,226	1,955,126	407,221	454,266	526,090	329,620	139,408	400,897	371,530	356,185
Miscellaneous	60,845	125,129	89,435	211,033	202,130	40,841	22,124	76,422	17,118	44,763
Total revenues	<u>36,210,069</u>	<u>35,637,932</u>	<u>32,139,819</u>	<u>22,727,197</u>	<u>21,217,744</u>	<u>20,851,083</u>	<u>18,041,749</u>	<u>17,584,704</u>	<u>16,320,944</u>	<u>17,582,157</u>
Expenditures:										
Current:										
Public Safety	31,907,084	30,537,720	28,999,791	21,546,721	19,008,691	17,261,181	16,246,534	15,878,806	14,910,906	15,007,047
Capital outlay	2,012,260	788,328	1,528,255	1,475,740	2,453,770	471,978	488,724	1,139,495	754,444	2,055,779
Debt service:										
Principal	6,726,313	1,961,099	1,685,938	1,229,192	1,030,778	912,827	640,000	933,525	889,112	818,439
Interest	272,959	330,471	392,508	310,512	294,912	397,637	469,985	559,094	577,720	592,356
Debt issuance cost	190,131	-	-	55,690	-	82,496	-	-	-	-
Payment to the escrow agent	-	-	-	-	-	200,000	-	-	-	-
Total expenditures	<u>41,108,747</u>	<u>33,617,618</u>	<u>32,606,492</u>	<u>24,617,855</u>	<u>22,788,151</u>	<u>19,326,119</u>	<u>17,845,243</u>	<u>18,510,920</u>	<u>17,132,182</u>	<u>18,473,621</u>
Excess (deficiency) of revenues	<u>(4,898,678)</u>	<u>2,020,314</u>	<u>(466,673)</u>	<u>(1,890,658)</u>	<u>(1,570,407)</u>	<u>1,524,964</u>	<u>196,506</u>	<u>(926,216)</u>	<u>(811,238)</u>	<u>(891,464)</u>
Other financing sources (uses):										
Proceeds from debt issuance	8,141,088	-	1,013,268	3,825,825	364,171	5,310,000	-	679,798	448,867	360,000
Payment to escrow agent	-	-	-	(2,808,528)	-	(5,227,504)	-	-	-	-
Proceeds from sale of capital assets	-	13,842	-	-	-	349,900	-	-	-	-
Total other financing sources	<u>8,141,088</u>	<u>13,842</u>	<u>1,013,268</u>	<u>1,017,297</u>	<u>364,171</u>	<u>432,396</u>	<u>-</u>	<u>679,798</u>	<u>448,867</u>	<u>360,000</u>
Net change in fund balance	<u>\$ 3,242,410</u>	<u>\$ 2,034,156</u>	<u>\$ 546,595</u>	<u>\$ (873,361)</u>	<u>\$ (1,206,236)</u>	<u>\$ 1,957,360</u>	<u>\$ 196,506</u>	<u>\$ (246,418)</u>	<u>\$ (362,371)</u>	<u>\$ (531,464)</u>
Debt service as a percentage of noncapital expenditures	<u>17.89 %</u>	<u>6.48 %</u>	<u>6.66 %</u>	<u>6.75 %</u>	<u>6.21 %</u>	<u>8.45 %</u>	<u>6.40 %</u>	<u>8.57 %</u>	<u>8.82 %</u>	<u>8.58 %</u>

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 assessed valuation (actual value)	Total limited assessed valuation (AV)	Total Exemptions	Personal property	Real property	Net limited assessed valuation (NAV)	NAV as a percent of AV	Mil rate
2011	7,009,936,418	883,084,638	24,858,108	35,447,163	822,779,367	858,226,530	97 %	1.59
2012	7,901,108,189	905,241,426	86,932,764	33,798,443	784,510,219	818,308,662	90 %	1.59
2013	7,635,729,690	869,864,390	63,941,284	33,286,885	772,636,221	805,923,106	93 %	1.61
2014	7,294,163,472	828,694,963	62,890,247	31,785,594	734,019,122	765,804,716	92 %	1.82
2015	7,353,451,941	832,900,767	65,448,195	19,674,351	747,778,221	767,452,572	92 %	2.04
2016	7,462,920,408	836,047,970	64,474,173	17,730,345	753,843,452	771,573,797	92 %	2.07
2017	7,846,369,226	865,169,007	61,708,968	16,867,752	786,592,287	803,460,039	93 %	2.09
2018	11,114,698,106	1,194,562,191	81,675,905	41,371,077	1,071,515,209	1,112,886,286	93 %	2.29
2019	11,199,397,485	1,240,416,009	76,966,123	44,193,799	1,119,256,087	1,163,449,886	94 %	2.35
2020	10,675,464,787	1,297,655,239	77,257,891	44,469,435	1,175,927,913	1,220,397,348	94 %	2.35

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

GOLDER RANCH FIRE DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES (per \$100 of assessed value)

(Last Ten Fiscal Years)

<u>Fiscal year</u>	<u>Golder Ranch Fire District - Secondary</u>	<u>Golder Ranch Fire District - Debt Service</u>	<u>Amphitheater Unified School District #10</u>	<u>Pima Community College</u>	<u>Pima County</u>	<u>Pinal County</u>
2011	1.59	0.14	5.05	1.08	4.29	3.67
2012	1.59	0.14	5.40	1.08	3.42	4.00
2013	1.61	0.14	5.92	1.29	3.67	4.07
2014	1.82	0.14	3.81	1.18	4.31	4.15
2015	2.04	0.14	3.97	1.33	4.28	4.06
2016	2.07	0.13	3.60	1.30	4.39	3.87
2017	2.09	0.13	5.49	1.38	4.29	3.87
2018	2.29	0.10	5.63	1.40	4.07	3.87
2019	2.35	0.09	5.45	1.38	4.58	3.79
2020	2.35	0.09	5.45	1.60	4.54	0.79

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

GOLDER RANCH FIRE DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

FY 2020 and FY 2011

Taxpayer	Fiscal year					
	2020			2011*		
	Limited net assessed value	Rank	Percent of District's net limited assessed valuation	Net full cash assessed value	Rank	Percent of District's net full cash assessed valuation
Oro Valley Hospital	9,496,452	1	0.8 %	7,174,782	1	0.8 %
OVM Delaware LLC & Campbell Blacklidge Plaza	7,924,883	2	0.6 %	5,606,939	3	0.7 %
Tucson Mather Plaza (Splendido)	4,158,942	3	0.3 %	5,136,122	4	0.6 %
Honeywell International Inc	3,461,021	4	0.3 %	7,173,330	2	0.8 %
Miraval Resort AZ LLC	3,207,240	5	0.3 %	3,391,868	6	0.4 %
FW Overlook Apartments	2,003,400	6	0.2 %	1,710,000	9	0.2 %
HSL El Conquistador LLC	1,771,022	7	0.1 %	2,540,637	7	0.3 %
Desert Point LLC	1,587,863	8	0.1 %	1,031,942	8	0.1 %
HSL La Reserve Properties	1,200,000	9	0.1 %	3,777,670	5	0.4 %
North Canyons LLC	910,173	10	0.1 %	-	-	- %
Total	1,220,397,348		3 %	858,226,530		6 %

Source: Pima/Pinal County Assessor's website

*Data from 2010 was unavailable at publication

GOLDER RANCH FIRE DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS

**(Accrual Basis)
(Last Ten Fiscal Years)**

Fiscal year	Operating 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	(9,235)	14,189,475	13,785,921	97.2 %	399,147	14,185,068	100.0 %
2012	13,490,968	(8,106)	13,482,862	13,165,412	97.6 %	317,450	13,482,862	100.0 %
2013	13,937,646	(58,913)	13,878,733	12,805,357	92.3 %	1,025,118	13,830,475	99.7 %
2014	15,009,773	(61,076)	14,948,697	14,398,923	96.3 %	519,921	14,918,844	99.8 %
2015	16,733,540	(463)	16,733,077	16,398,624	98.0 %	308,056	16,706,680	99.8 %
2016	16,974,606	(2,021)	16,972,585	16,972,585	97.7 %	345,120	17,317,705	99.7 %
2017	17,836,813	(17,345)	17,819,468	17,588,080	98.7 %	161,517	17,749,597	99.6 %
2018	26,519,024	(139,668)	26,379,356	26,251,961	99.5 %	25,929	26,277,890	99.5 %
2019	28,415,178	(2,095)	28,413,083	27,638,023	97.3 %	405,863	28,043,886	98.7 %
2020	29,777,696	(4,483)	29,773,213	29,343,391	98.6 %	-	29,343,391	98.6 %

Source: Pima and Pinal County Treasurer reports

GOLDER RANCH FIRE DISTRICT

COMPUTATION OF LEGAL DEBT MARGIN

(Last Ten Fiscal Years)

	Fiscal year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net assessed value	1,220,397,348	1,163,449,886	1,112,886,286	803,460,039	771,573,797	767,452,572	765,804,716	805,923,106	818,308,662	858,226,530
Debt limit rate (Article IX, Sect 8)	6 %	6 %	6 %	6 %	6 %	6 %	6 %	6 %	6 %	6 %
Debt limit	73,223,841	69,806,993	66,773,177	48,207,602	46,294,428	46,047,154	45,948,283	48,355,386	49,098,520	51,493,592
Less bond and lease obligations	<u>(12,845,604)</u>	<u>(12,671,916)</u>	<u>(14,633,015)</u>	<u>(9,359,804)</u>	<u>(10,280,171)</u>	<u>(10,854,778)</u>	<u>(11,677,605)</u>	<u>(12,317,605)</u>	<u>(12,364,916)</u>	<u>(12,956,577)</u>
Additional debt capacity	<u>60,378,237</u>	<u>57,135,077</u>	<u>52,140,162</u>	<u>38,847,798</u>	<u>36,014,257</u>	<u>35,192,376</u>	<u>34,270,678</u>	<u>36,037,781</u>	<u>36,733,604</u>	<u>38,537,015</u>
Debt capacity as a percent of total debt limit	17.5 %	18.2 %	21.9 %	19.4 %	22.2 %	23.6 %	25.4 %	25.5 %	25.2 %	25.2 %

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

GOLDER RANCH FIRE DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

<u>Jurisdiction</u>	<u>**Net direct debt outstanding at June 30, 2019</u>	<u>Percentage applicable to District (based on 2019 NAV)</u>	<u>Amount applicable to District</u>
Pima County*	275,990,000	11.79 %	32,526,338
Amphitheater Unified School District No. 10	82,070,000	41.38 %	33,960,566
Town of Oro Valley	10,591,541	100.00 %	10,591,541
Pinal County	187,236,000	6.72 %	<u>12,574,742</u>
Subtotal, overlapping debt			89,653,187
Direct:			
Golder Ranch Fire District			<u>12,845,604</u>
Total direct and overlapping debt			<u><u>102,498,791</u></u>

Source: Pinal and Pima County CAFR, Town of Oro Valley CAFR, June 30, 2019 and District financial records.

*Excludes improvement Districts

** Outstanding debt as of June 30, 2019 is the most recent information available. Includes all long-term debt instruments of the governmental activities, including bonds, notes, certificates of participation, loans and capital leases.

GOLDER RANCH FIRE DISTRICT

OUTSTANDING DEBT BY TYPE

(Last Ten Fiscal Years)

Fiscal year	General obligation bonds						Total outstanding debt			
	General obligation bonds	Debt service monies available	Net bonded debt	Ratio to assessed value	Per capita	Percentage of personal income	Capital leases	Total	Per capita	Percentage of personal income
2011	11,565,000	1,321,211	10,243,789	1.2 %	166.42	0.4 %	1,391,577	12,956,577	189.03	0.5 %
2012	11,005,000	1,341,759	9,663,241	1.2 %	163.66	0.4 %	1,359,916	12,364,916	186.69	0.5 %
2013	10,420,000	1,386,002	9,033,998	1.1 %	152.17	0.4 %	1,897,605	12,317,605	184.13	0.5 %
2014	9,805,000	1,448,051	8,356,949	1.1 %	135.91	0.4 %	1,897,605	11,702,605	166.77	0.5 %
2015	9,165,000	1,575,872	7,589,128	1.0 %	127.64	0.4 %	1,659,778	10,824,778	155.55	0.4 %
2016	8,520,000	1,206,827	7,313,173	0.9 %	118.93	0.3 %	1,760,171	10,280,171	147.56	0.4 %
2017	7,044,000	271,779	6,772,221	0.8 %	110.14	0.3 %	2,315,804	9,359,804	147.80	0.4 %
2018	6,448,000	354,352	6,093,648	0.5 %	67.21	0.2 %	8,185,015	14,633,015	168.41	0.5 %
2019	5,558,000	383,694	5,174,306	0.4 %	52.02	0.1 %	7,113,916	12,671,916	164.16	0.5 %
2020	12,773,293	460,404	12,312,889	0.8 %	120.98	0.3 %	1,300,604	14,073,897	164.94	0.4 %

GOLDER RANCH FIRE DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

(Last Ten Fiscal Years)

<u>Fiscal year</u>	<u>Population</u>	<u>Personal income</u>	<u>Per capita personal income</u>	<u>Unemployment rate - Pima Countywide</u>
2011	59,044	2,233,173,098	37,822	9.1 %
2012	59,368	2,074,552,599	34,944	7.6 %
2013	61,489	2,120,493,144	34,486	7.2 %
2014	59,459	2,107,408,342	35,443	7.3 %
2015	60,678	2,203,830,393	36,320	5.1 %
2016	61,489	2,120,493,144	34,486	5.3 %
2017	80,879	2,886,217,504	35,686	4.4 %
2018	81,056	2,893,501,243	35,698	4.4 %
2019	81,267	2,894,978,243	35,623	4.4 %
2020	83,591	3,141,079,624	37,577	10.6 %

Source: Pima County Association of Governments, University of Arizona

GOLDER RANCH FIRE DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

Community	Census year							
	2020				2010			
	Population	Percentage of population >65 years of age	Land area (square miles)	Persons / square miles	Population	Percentage of population >65 years of age	Land area (square miles)	Persons / square miles
Saddlebrooke	10,530	71.3 %	29.29	359.5	9,614	60.2 %	29.29	328.2
Catalina	8,033	22.1 %	14.11	569.3	7,569	18.7 %	14.11	536.4
Town of Oro Valley	45,853	32.1 %	53.10	863.5	43,521	28.1 %	35.53	1,154.4
Other	19,176	- %	167.00	114.8	850	- %	141.24	6.0
	<u>83,592</u>		<u>263.50</u>	<u>317.2</u>	<u>61,554</u>		<u>220.17</u>	<u>279.6</u>

GOLDER RANCH FIRE DISTRICT

PRINCIPAL EMPLOYERS

FY 2020 and FY 2010

Employer	Fiscal year					
	2020			2010		
	Employees	Rank	Percent of total employment	Employees	Rank	Percent of total employment
Roche Tissue Diagnostics	1,300	1	4 %	803	1	5 %
Honeywell Aerospace	650	2	2 %	-	-	- %
Oro Valley Hospital	605	3	2 %	549	3	4 %
Amphi Schools	502	4	1 %	577	2	4 %
Miraval Resorts	349	5	1 %	320	7	2 %
Town of Oro Valley	302	6	1 %	367	5	2 %
Hilton El Conquistador Resort and Country Club	250	7	1 %	400	4	3 %
Casa de la Luz Hospice	215	8	1 %	-	-	- %
Splendido At Rancho Vistoso	204	9	1 %	-	-	- %
Meggitt Securaplane	157	10	- %	-	-	- %
Walmart	-	-	- %	321	6	2 %
Fry's Food Stores	-	-	- %	279	8	2 %
Home Depot	-	-	- %	150	9	1 %
Target	-	-	- %	121	10	1 %
*Total estimated employee population	<u>34,166</u>		<u>14 %</u>	<u>14,934</u>		<u>26 %</u>

Source: OroValleyAZ.gov, Pima County Association of Governments, Miraval Resorts HR, Arizona Daily Star and Town of Oro Valley FY2019 CAFR

*based on an assumed 40.17% of total population

GOLDER RANCH FIRE DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION

(Last Ten Fiscal Years)

	Fiscal year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Fire and rescue	204	224	220	154	140	135	124	125	127	124
Administrative and support	57	40	41	37	37	31	29	28	27	29
Total	261	264	261	191	177	166	153	153	154	153

Source: District records.

GOLDER RANCH FIRE DISTRICT

OPERATING INDICATORS BY FUNCTION

(Last Ten Fiscal Years)

Function	Fiscal year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public safety										
Emergency medical service calls	9,078	8,729	9,031	6,694	6,324	5,997	5,404	5,233	4,367	4,202
Fire responses	193	216	229	181	186	159	155	194	172	240
Other responses (including hazardous condition, public service)	6,122	6,751	5,894	4,575	4,651	4,309	3,961	3,837	3,905	1,699
Miscellaneous - including good intent	<u>1,112</u>	<u>1,055</u>	<u>1,055</u>	<u>807</u>	<u>766</u>	<u>719</u>	<u>595</u>	<u>493</u>	<u>529</u>	<u>2,309</u>
Total	<u>16,505</u>	<u>16,751</u>	<u>16,209</u>	<u>12,257</u>	<u>11,927</u>	<u>11,184</u>	<u>10,115</u>	<u>9,757</u>	<u>8,973</u>	<u>8,450</u>

Source: District records.

GOLDER RANCH FIRE DISTRICT

CAPITAL ASSETS BY FUNCTION

(Last Ten Fiscal Years)

Function	Fiscal year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public safety										
Number of Stations	10	10	10	7	7	7	7	7	8	8
Equipment:										
Aerial/Truck/Platform	4	4	4	3	2	2	2	2	2	2
Brush Rig	6	6	5	4	4	3	3	3	5	5
Passenger Vehicles	38	38	37	26	24	20	20	21	19	17
Medic Unit	14	13	12	11	10	9	9	9	8	8
Mobile Command Unit	1	1	1	1	1	1	1	1	1	1
Pumper/Engine	15	15	15	11	10	9	8	8	10	8
Rehab Unit	1	1	1	1	1	1	1	1	1	1
Mass Casualty/MMRS	1	1	1	1	1	1	1	1	1	1
Technical Rescue	1	1	1	1	1	1	1	1	1	1
Water Tender	6	6	6	3	3	3	3	3	4	4
Total rolling stock	87	86	83	62	57	50	49	50	52	48

Source: District records.