



GOLDER RANCH FIRE DISTRICT

★ ARIZONA ★

ANNUAL COMPREHENSIVE FINANCIAL REPORT for the fiscal year ended June 30, 2022



GOLDER RANCH FIRE DISTRICT

Proudly serving the communities of Oro Valley, Catalina and SaddleBrooke



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended June 30, 2022

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

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GOLDER RANCH FIRE DISTRICT

YEAR ENDED JUNE 30, 2022

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GOLDER RANCH FIRE DISTRICT

YEAR ENDED JUNE 30, 2022

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INTRODUCTORY SECTION



GOLDER RANCH FIRE DISTRICT

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

November 15, 2022

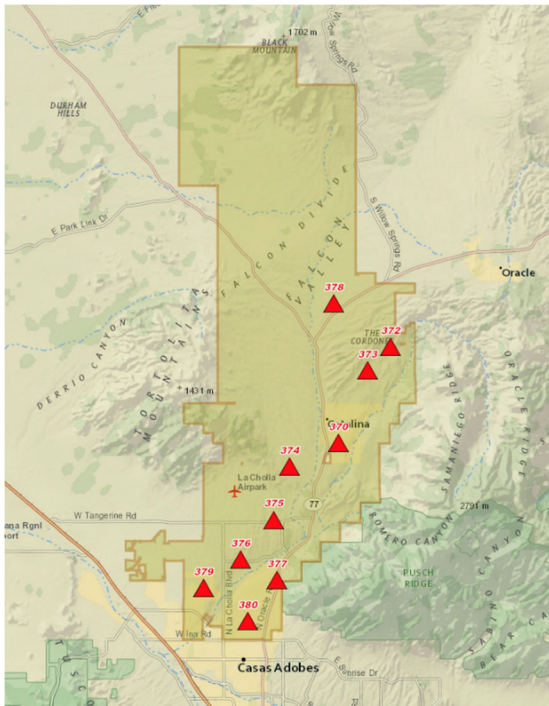
To: Golder Ranch Fire District Board of Directors and Citizens:

The following is the Annual Comprehensive Financial Report (ACFR) of the Golder Ranch Fire District for the fiscal year ending June 30, 2022. This ACFR 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, PLLC accounting 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) now sits at \$1.363B; one of the largest in the State of Arizona for FY 2022.

The current district fire boundaries are approximately 243 square miles and the ambulance transport boundaries are approximately 413 square miles. These boundaries are geographically located within the Town of Oro Valley, in Northern Pima, 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 approximately 100k residents, or an average population density of 370 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.

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

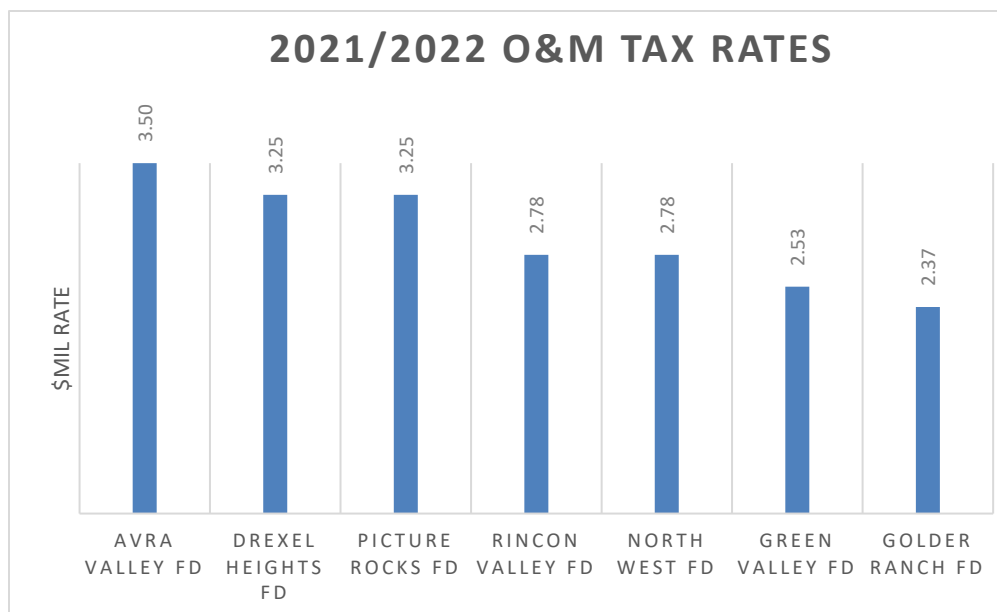
District Budget

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, 2022 the District O&M tax rate was \$2.37 per \$100 of assessed value and is lower than all other comparable Southern Arizona fire districts and well below the State imposed ceiling limit of \$3.25. The District also set ¢14 per \$100 of assessed value to service its general obligation bonds.

For the 2022 fiscal year the District saw an increase in assessed valuations from \$1.289 billion to \$1.364 billion. This net assessed value coupled with the \$2.51 aggregate mil rate provided a levy of \$34,228,315.

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 2022 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

Arizona Outlook

The Southern Arizona 2022 economy continues to improve, albeit at a slower pace than the period immediately after the pandemic. Continued growth in the U.S. economy, under baseline assumptions, sets the stage for continued growth in Arizona, Phoenix, and Tucson. As the chart below shows, the forecast calls for Arizona job growth to decelerate in 2022 and 2023, before a modestly accelerating in 2024. This pattern reflects a complicated mix of factors, including the shift to more normal gains as the pandemic eases and slowing national growth in 2023. The unemployment rate drifts up as job gains slow.

Personal income growth, before adjustment for inflation, slows significantly in 2022, reflecting the end of federal income support related to the pandemic. Growth in retail (plus remote) sales follows a similar pattern, but with a lag. Slowing sales of goods also reflects a renormalization of consumer spending, away from goods and toward travel and tourism related services.

Population gains remain solid in the near term but begin to slow in 2024 as demographic forces begin to take hold. Population gains, even in the short run, are driven primarily by net migration, as natural increase decelerates. Housing permits drop in the near term to a level more consistent with population gains.

	Actual 2021	Forecast		
	2022	2023	2024	
Growth Rate				
Nonfarm Jobs	3.7	3.3	1.9	2.2
Personal Income	7.5	2.7	5.7	6.4
Retail Plus Remote Sales	19.9	6.9	2.1	4.4
Population	1.5	1.5	1.5	1.4
Level				
Unempl. Rate	4.9	3.4	4.4	4.9
Housing Permits	65,334	65,291	59,288	48,116

*George W. Hammond, Economic and Business Research Center,
The University of Arizona 2022*

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 has been 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 had a busy FY 2021/22 as COVID began to fade. The Division focused on finding efficiencies and streamlining processes for our providers in the field. The focuses included, but were not limited to ePCR, continued education, training, professional development, and staff roles and responsibilities.

ePCR - focus groups were created collaboratively with operations, IT, billing, and EMS. In turn, they developed a three-phase process to integrate changes and efficiencies while remaining compliant within the documentation platform.

Continued Education - skills labs were provided by the EMS Division on a quarterly basis focused on trends, knowledge, skills, and abilities. The skills labs have continued to positively impact crew dynamics and communication, which ultimately enhances patient care outcomes.

Training - An EMS component was incorporated into the semi-annual Fire Operations Trainings, called “crew readiness drill’s” (CRD’s), which included a mass casualty incident (MCI). EMS training also incorporated a change by moving away from American Heart Association (AHA) CPR to Applied Resuscitation Education & Specialty Training (AREST) for the purpose of bringing our CPR and ACLS training in house. AREST is a High-Performance Prehospital CPR and Advanced Cardiac Training course that is designed to teach CPR science based and high-performance resuscitation skills to EMS agencies and Fire Departments. GRFD is an Approved Training Center with several licensed instructors and all GRFD providers have been certified.

Professional development - staff, GRFD providers, and the Division Chief attended classes, symposiums, and conferences in the topics of EMS and leadership. These classes and conferences are related to staying current in the ever changing and progressive field of EMS and networking with other like-minded organizations.

EMS staff roles and responsibilities – The EMS Division took a deep dive in to the EMS staff’s roles and responsibilities due to the loss of our Critical Care Coordinator and the overarching responsibilities EMS has in the organization, to ensure GRFD remains current, credible, and progressive with all programs EMS is overseeing. The EMS Organizational Chart has been accepted widely and I am looking forward to seeing the positive affects it has after implementation.

The EMS Division along with Fleet and Logistics were able to deploy three new ambulances to the field. The three ambulances were placed in service at Station 377, 370 and 375.

The EMS Division visited with several crews over the fiscal year to recognize their efforts for cardiac arrests involving code saves. A Code Save is when crews respond to a cardiac arrest and through their efforts were able to gain pulses back which ultimately led to the patient being

discharged neurologically intact. The crews were recognized with Code Save Challenge Coins.



Training

Fiscal year 2022 was busy and productive for the Professional Development Division. A Company Readiness Drill (CRD) with Northwest Fire District focused on vehicle extrication and patient removal, and included real-life practical experience cutting over 60 cars occurred. A 14-week officer preparatory class for aspiring captains that covered skills such as strategy, tactics, leadership, and systems platforms was held. A class focusing on expectations for engineers that included truck checks, pumping evolutions, and small tools maintenance was held for those looking to participate in promotional processes. Outside instructors offering in-person seminars about first responder mental health awareness was provided to captains and chiefs. Members of administration attended outside instruction on the topic of managerial leadership. There were five promotional processes: two captain, two engineer, and one battalion chief. Several members of GRFD were successful in these processes and have advanced their careers in new positions. Future promotional processes will be held as operational needs dictate. There were two hiring processes, one for a transitional academy (six recruits, six weeks long, all paramedic certified) and one for a green academy (28 recruits, 20 weeks long including EMT, currently on-going). In early 2023, Professional Development anticipates another new-recruit academy, an engineer academy, and will hold another battalion chief promotional process

Fire & Life Safety

The Fire and Life Safety (FLS) Division began FY 21-22 with six full-time staff members and has concluded the year with eight full-time staff members. Supervised by the fire marshal, there are five fire inspectors and two deputy fire marshals who participated in approximately 3,000 inspection activities. Through education and enforcement over 1,800 findings were addressed which resulted in reducing hazardous conditions in both public facilities and private residences. FLS staff members have reviewed approximately 745 sets of construction blueprints ensuring fire code compliance in all new and modified buildings and structures. This included reviews of all fire protection systems such as fire alarms systems, detection systems and automatic fire suppression systems. All FLS staff are required to achieve certification as Fire Inspectors through the International Code Council (ICC) the publishers of

the International Fire Code (IFC) and obtain certification through the State of Arizona as Fire Inspector. FLS partners with four building departments as the fire district crosses several jurisdictional boundaries. These include Pima and Pinal Counties and the Towns of Marana and Oro Valley.

FLS staff actively participates in the development review processes attending partnership meetings and has a vigorous fire inspection program for buildings that are modified and newly constructed. All phases of construction are inspected including the installation of new fire service mains and hydrants, fire protection systems, fire protection devices and the overall building itself for fire code compliance.

The FLS staff members, as certified fire investigators, completed 74 fire investigations in FY 21-22. GRFD has partnered with the neighboring Northwest Fire District, through a regionalization plan, to jointly investigate fires in both jurisdictions. FLS members prepare detailed reports of the investigations and when responsible parties are prosecuted for arson, the investigators present 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 local community colleges, 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 also provide basic courses in these disciplines to newly appointed firefighters, promoted captains and promoted battalion chiefs. Courses include fundamentals of building construction and firefighter safety, fire origin and cause and fundamentals of fire protection systems.

GRFD currently has achieved an ISO protection Class rating of two. In the last rating evaluation of the possible 5.50 fire prevention points available in the ISO Fire Suppression Rating Schedule, GRFD has achieved 4.87 points, the highest score in the country for fire prevention activities during that rating time period. The caliber of the FLS staff in maintaining a high degree of professional certification attributed to this score. FLS staff members hold higher degrees in education up to and including master's degrees.

FLS staff members routinely develop the local fire code. Currently, GRFD has adopted the IFC, 2018 edition with local amendments as approved through the Arizona Office of State Fire Marshal. The adopted fire code requires all new commercial buildings to include automatic fire sprinkler systems which assist in reducing the experienced fire loss throughout the fire district. The fire code is adopted on a six-year cycle in order to maintain ISO rating points, where it is required to adopt a fire code that is within five years of the ISO rating date.

The ISO process evaluates the water supplies for jurisdictions and the fire districts abilities to deliver fire flow during fire events. Water supply is approximately 50% of the overall ISO rating. FLS maintains professional relationships with the eight water companies within the boundaries of the fire district. All of these companies are responsive to the needs of the community for providing fire flow through a distribution of fire hydrants. GRFD has bridged gaps between Fire and Life Safety and

Fire Operations through the development of computerized programs for inspecting and maintaining fire hydrants, of which there are approximately 4,553 hydrants throughout the fire district. All hydrants are tested and inspected on an annual basis. GRFD achieved 32.73 points of the available 40.00 points in the ISO rating schedule for water supply.



Health & Safety

The Health and Safety Division has expanded our programs and systems to support the needs of our personnel in the areas of physical and mental wellness, while focusing on the safety of our members and community. The Health and Safety Division is driven to continually improve facility and incident safety, exposure control, apparatus maintenance and specifications, as well as the physical, mental, and medical well-being of our members. Our team is dedicated to provide and support effective training and protection to our organization to ensure the highest level of risk reduction. For the 2022-23 FY, our team will broaden our participation in industry organizations and utilize the full benefits associated with our membership in those organizations to enhance our level of safety and prevention for our members and the community.

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.

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. Golder Ranch Fire District (GRFD) services a 333 square mile area with a population of nearly 100,000 residents in the communities of Oro Valley, Catalina, SaddleBrooke, and southern Pinal County. The District employs approximately 275 uniformed and non-uniformed personnel and is paramilitary in structure. The District's facilities include 10 fire stations, training, fleet, and 3 administrative offices. Our organization runs 24/7, 365 days a year.

GRFD is part of a Fire Consortium, which includes Northwest, Picture Rocks, Avra Valley, Rincon 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.

The IT department is responsible for servicing all hardware and software issues within the district. All mobile data and related applications are 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 connectivity is comprised of fiber, Wi-Fi, and microwave-based connections, with Cisco as our standard vendor for networking equipment. IT is responsible for monitoring and maintenance of the WAN, LAN, firewalls, internet, intranet, VPN, and Cisco VoIP phone system. We also host services for Avra Valley, Mountain Lemmon, Three Points Fire, and Rincon Valley Fire.

Our current major project includes the following: Implementation of Cisco DUO required bringing several different vendors and team members together to implement. Cisco Duo is a technology that enables two-factor authentication to verify a user's identity for a login or other transaction. Multifactor authentication combines two or more independent credentials and was a requirement by our Cybersecurity insurance provider to maintain our current policy and level of coverage.

Deployment of new Dell PowerEdge 740 XD servers to replace the existing hardware end-of-life hardware. Upgrade VMware Vsphere virtualization environment to version 7.0 as part of the virtualization infrastructure upgrade.

Integration of Operative IQ Inventory Software, Asset Management Software, Controlled Substance Tracking Software, Fleet Maintenance Software, and Service Desk Software. This software is used by many departments including EMS, Fleet Logistics, Fire supply, and IT.

Improve the quality of service and lower the overall cost of providing public internet service to all stations and administrative offices. Accomplished by consolidating 10 individual lines of service into a single 200MB business class internet circuit. Implementation of a Ruckus SmartZone controller virtual appliance that allows for this high-quality internet connection to be distributed via/Wireless Access Point devices to all Golder Ranch Fire District-owned locations.

Start deploying Microsoft 365 for the specific chief officers. The new Microsoft 365 E3 License gives extra features versus our current office version.

The IT-GIS now has an analyst who has been very busy assisting with several projects including:

The district accreditation process – several maps showing incidents and demographics data for the entire district as well as each Emergency Service Zone (ESZ). Maps were also created to show breakdowns of incidents for EMS, Fire, HazMat and Technical Rescue within each ESZ.

A public web app project – to be used internally and by the public to learn whether an address falls within district.

District and CON boundary research - to ensure accuracy and update boundaries if needed.

A golf course pre-plan project – to create maps for each golf course to show best access during an emergency to be added to every Mobile Data Terminal (MDT).

Board Services

The Board Services Division is responsible for a variety of administrative duties for the Golder Ranch Fire District, including elections, annexations, preparing board meeting agendas and meeting notices, public records requests, records retention, records destruction and front-desk customer service. It is the responsibility of the Board Services Division to ensure that the District complies with all Open Meeting Laws, including posting agendas and creating board packets. Compiling a Governing Board Meeting packet entails working with department heads to ensure items that are required to go before the Governing Board are placed on an agenda for the board to review and provide action on. Board Services transcribes and posts the minutes for the Governing Board meetings, special sessions, and study sessions. The Division is also responsible for the Public Safety Personnel Retirement System's (PSPRS) Local Pension Board meetings. Preparation for this statutorily required board includes preparing agendas and board packets, transcribing minutes and providing the information to PSPRS regarding new members, normal retirements, disability retirements, survivor benefits, reviewing and accepting the annual actuarial report. Over the past year, Board Services fulfilled over 254 public records requests for medical records, fire reports, incident reports and other miscellaneous documents. The Board Services Division ensures records are retained in compliance with State statute outlined in the Arizona Secretary of State's retention schedules. Once the records meet their retention period, the records are destroyed accordingly. In February there were 39 boxes of records that had met their retention period. Board Services reviewed all of the documents, destroyed the records, and completed a corresponding certificate of destruction which was submitted to the Arizona Secretary of State's Office. As a public service, the Board Services Division provides fingerprinting. Over the course of the past year there were over 727 digital fingerprints performed and sent to the Department of Public Safety for clearance cards. The entire Board Services team is committed to professional development; every member of the team attended different trainings that were offered, whether in person or online, to stay up-to-date on best practices or the latest changes to legislation that would affect the division and the District. Each member of Board Services is also dedicated to maintaining the "family" culture that Golder Ranch Fire District is known for. The Board Services team participates in the family Christmas event every year to make it a memorable event for the entire GRFD family.

Capital Improvement

During the fiscal year of 2022 several capital improvement projects were completed, most notably the station 374 turnout room was completed as well as a number of passenger vehicles, an ambulance and a type 6 engine were added to the fleet. In December of 2021, the District purchased a property located at 1600 N. Hanley Blvd. The

building is approximately 16K square feet and will be renovated to become the District's flag ship administration and Fire Board meeting space.



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, 2021. 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 annual comprehensive financial report continues to meet the programs' requirements and we will be submitting it to GFOA to determine its eligibility for the fiscal year 2021-22.

Acknowledgements

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

Respectfully Submitted,



Randy Karrer
Fire Chief



Dave Christian, CPA
Finance Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Golder Ranch Fire District
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

Golder Ranch Fire District

District Residents

Governing Board

Vicki Cox-Golder, Richard Hudgins,
Wally Vette, Steve Brady, Sandra Outlaw

Fire Chief

Emerg.
Resp/Prof.
Development
Assistant
Chief

Essential
Services
Assistant
Chief

Labor
NTFFA
Local
3832

Planning
Assistant
Chief

Community
Relations
Specialist

Emerg.
Response
Deputy
Chief

Professional
Dev. and EMS
Deputy Chief

Essential
Services
Division
Chief

Finance
Director

Human
Resources
Director

Info
Tech
Director

Planning
Deputy
Chief

ABC
Shift
Battalion
Chiefs

Emergency
Management
Division
Chief

EMS
Division
Chief

Health
and
Safety
Captain

Professional
Dev.
Division
Chief

Essential
Services
Captain

Billing
Supervisor

Budget
Analyst

Finance
Specialist

Finance
Specialist

Board
Services
Specialist

Human
Resources
Supervisor

Records
Specialist

GIS
Specialist

Info Tech
Supervisor

FLS
Fire
Marshal

Logistics
Division
Chief

Admin.
Assistant

ABC
Shift
South
Battalion

ABC
Shift
North
Battalion

Alarm
Room
Captain

Operations
Scheduler

Clinical
Care
Coordinator

EMS Ops
A, B, C
Captain

EMS
Staff
Captain

Admin.
Assistant

Prof.
Dev.
Captain

Billing
Specialist

Billing
Specialist

Human
Resources
Representative

Admin.
Assistant

Human
Resources
Representative
(Part Time)

Applications
Specialist

Info Tech
Specialist

Info Tech
Specialist

Systems
Specialist

FLS
Deputy
Fire
Marshal

Admin.
Assistant

FLS
Deputy
Fire
Marshal

Facilities
Technician

Facilities
Technician

Fleet
Manager

Supply
Specialist

Supply
Specialist

Stations
375, 376,
377, 379,
380

Stations
370, 372,
373, 374,
378

ABC Shift
Captains,
Engineers,
Paramedics,
Firefighters

ABC Shift
Captains,
Engineers,
Paramedics,
Firefighters

Prof.
Dev.
Engineer

Prof. Dev.
Firefighter

Prof. Dev.
Firefighter

FLS
Inspector

FLS
Inspector

FLS
Inspector

FLS
Inspector

FLS
Inspector

Fleet
Lead
Tech

Admin.
Assistant

Parts
Specialist

Fleet
Technicians



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	Sandra Outlaw	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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Golder Ranch Fire District's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Golder Ranch Fire District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Golder Ranch Fire District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Golder Ranch Fire District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Golder Ranch Fire District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 and other post employment benefit (OPEB) plan information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Golder Ranch Fire District's 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.

BeachFleischman PLLC

Tucson, Arizona
November 15, 2022

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, 2022. 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, 2022, the District's had a combined ending fund balance of \$32,978,223 a decrease of \$24,079,803 from the 2021 fiscal year end. The entire fund balance is legally restricted or committed by the District Board of Directors.
- On May 19, 2022 the District sold \$3,000,000 of bonds in a private placement sale. The proceeds of this bond sale were used to fund various capital projects intended to promote fire fighter health and safety, replace and enhance ageing infrastructure, and acquire real property for current and future district needs. This bond sale represents the final sale of bonds that were originally authorized in the November 2019 bond election. At that time \$26.6M of bonds were authorized to be sold.
- On July 1, 2021 The District transferred \$24,930,645 to Public Safety Personnel Retirement Services (PSPRS) to reduce the unfunded public safety pension liability to near zero. These monies were sourced from the sale of Pension certificates of participation (COP) in FY2021.
- In December of 2021, the District purchased a property located at 1600 N. Hanley Blvd. The building is approximately 16K square feet and will be renovated to become the District's flag ship administration and Fire Board meeting space. At June 30, 2022 the District had not yet begun renovating the building.

- Additions to the fleet during the fiscal 2022 included the purchase of an ambulance, a type 6 engine and several passenger vehicles as well as long lived capital 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 31 and 32) 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 33. 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 33 - 36) 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 37.

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 \$9,439,143 at the close of FY2022 which is an increase of \$4,013,500 from the previous 2021 fiscal year.

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 2021 and 2022 respectively.

	Governmental Activities			
	As of June 30, 2022		As of June 30, 2021	
ASSETS				
Current and Other Assets	16,935,721		15,183,760	
Capital Assets	31,362,269		27,095,687	
Cash, Investments restricted	18,987,094		43,877,681	
Total Assets	\$ 67,285,084		\$ 86,157,128	
Deferred Outflows of Resources	35,975,136		15,122,907	
LIABILITIES				
Current Liabilities	7,075,234		6,376,363	
Non-Current Liabilities	77,887,047		88,075,790	
Total Liabilities	\$ 84,962,281		\$ 94,452,153	
Deferred Inflows of Resources	8,858,796		1,402,239	
NET POSITION				
Net Investment in Capital Assets	14,282,862	151%	13,191,964	243%
Restricted for debt service	371,695	4%	298,140	5%
Restricted for pension	3,603,625	0%	-	0%
Unrestricted	(8,819,039)	-93%	(8,064,461)	-149%
Total Net Position	\$ 9,439,143	62%	\$ 5,425,643	100%

Total Assets decreased from fiscal year 2021 due to the transfer of \$24.9M to the PSPRS to reduce the unfunded liability held there to near zero. During the FY2022, the contribution to PSPRS is recorded as deferred outflows of resources, since the contribution was made subsequent to the measurement date of the net pension liability. In FY2023, the net pension liability will be reduced by this additional contribution. The remainder of the proceeds from the sale of COP bonds is held restricted in a code section 117 trust restricted for use to keep the pension fully funded.

Governmental Activities

Governmental activities increased the District's net position by \$4,013,500. The biggest factor of this change was due to the reduction in operating expenses and increase in revenues. Operating expenses in FY 2022 were reduced primarily because of a reduction in capital expenditures.

The Global Pandemic had resulted in numerous supply chain issues which led caused some budgeted capital projects to be delayed or canceled.

Revenues from property taxes increased by \$2.4M as a result of an increase in the requested property tax mil rate. State shared revenues were derived from a statewide proposition passed in FY 2021 that provided a sales tax benefiting public safety organizations. For FY 2021, only a portion of the annual sales tax was provided.

The costs of all governmental activities for the year ended June 30, 2022 was \$37,057,083. Property and Fire District Assistance Taxes provided \$34,970,177 or 85% of total revenues. Fees for ambulance transports and wild land billing amounted to \$5,708,715 or 14% of total revenues.

<i>Changes in Net Position</i>	Governmental Activities	
	2022	2021
Revenues:		
Program Revenues		
Charges for Services	\$ 5,708,715 14%	\$ 5,436,525 14%
Operating grants and contributions	35,715 0%	215,236 1%
General Revenues:		
Property taxes	34,970,177 85%	32,572,287 84%
State shared rev.	585,747 1%	82,523 0%
Investment income (loss)	(292,141) -1%	133,813 0%
Miscellaneous	62,370 0%	250,670 1%
TOTAL REVENUES	\$ 41,070,583	\$ 38,691,054
Expenditures/expenses:		
Public Safety	\$ 35,716,401	\$ 39,252,475
Interest on long-term debt	1,340,682	671,347
TOTAL EXPENSES	\$ 37,057,083	\$ 39,923,822
 Change in Net Assets	 \$ 4,013,500	 \$ (1,232,768)
Net Position - July 1	5,425,643	6,658,411
Net Position - June 30	\$ 9,439,143	\$ 5,425,643

Financial Analysis of the Districts Funds

As the District completed the year, it reported a combined fund balance of \$32,978,223 (as presented in the balance sheet on page 33), which is a decrease from the FY 2021 balance of \$57,058,026. This was primarily due to the transfer of \$24.9M to the PSPRS. The General Fund decreased the most, \$22,523,741 while the Debt Services fund actually increased by \$73,555 and the multiyear capital improvement plan decreased by \$1,629,617 owing to the sale of general obligation bonds and the completion of some capital projects.

Golder Ranch Fire District Governmental Funds - Fund Balances

MAJOR FUNDS	2022		2021	
	Amount	%	Amount	%
General Fund	18,337,077	56%	40,860,818	72%
Debt Service Fund	371,695	1%	298,140	1%
Capital Projects Fund	14,269,451	43%	15,899,068	28%
Total Fund Balance	32,978,223	100%	57,058,026	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. The General Fund increased primarily as a result of the sale of \$28M in COP bonds, the proceeds of which were used in July 2021 to reduce the unfunded actuarial accrued pension obligation.

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, 2020-2022 GO bond issues. 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 as well as selling GO Bonds to finance the multi-year

CIP. The sale of GO Bonds in FY 2022 was the primary reason for the small decrease in the fund balance. Otherwise, the reduction in the fund balance would have been more.

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 report shows results of the budget to actual comparison for fiscal 2022.

Golder Ranch FD Gov Funds - Gen Fund Actual to Budget FY 2022

	<i>Actuals</i>	<i>Budget</i>	<i>Variance</i>
REVENUES			
Property Taxes	33,054,226	31,293,457	1,760,769
Intergovernmental	660,311	-	660,311
Charges for Services	4,963,014	4,866,867	96,147
Investment Income	(348,191)	80,000	(428,191)
Other Rev & Financing Sources	648,117	-	648,117
Total Revenues & Financing Sources	38,977,477	36,240,324	2,737,153
EXPENSES			
Public Safety	57,808,579	62,500,704	4,692,125
Capital Outlay	1,944,499	-	(1,944,499)
Debt Service	2,111,864	2,031,119	(80,745)
Bond Issuance	-	-	-
Contingency	-	300,000	300,000
Total expenses	61,864,942	64,831,823	2,966,881
Other financing sources (net)			
Issuance of Certificates of Participation	-	28,591,499	28,591,499
Issuance of Capital Lease Obligations	-	-	-
Proceeds from sale of capital assets	363,724	-	(363,724)
Total other financing sources (uses)	363,724	28,591,499	28,227,775
CHANGES IN FUND BALANCE			
Increase (Decrease) in Fund Balance	(22,523,741)	-	(22,523,741)
Beginning Fund Balance	40,860,818	-	-
Ending Fund Balance	18,337,077	-	18,337,077

At the time the fiscal 2021 budget was approved, the District could not have known the State of Arizona would approve legislation permitting state fire districts to sell COP bonds to refund pension obligations. As such, the District budgeted for the proceeds from the sale of COP bonds in FY 2022, however they were actually sold in FY2021. The timing of the proceeds

from this transaction is the primary reason for the budget deviation from actual revenues. The actual sale of Pension Bonds was \$28M. This was less than the budgeted proceeds and expenditures of \$28,591,499.

Capital Position

At the end of FY 2022 the District had \$52,661,344 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>2022</u>	<u>2021</u>
Land not depreciated	7,013,639	3,062,318
Buildings and improvements	27,052,072	25,929,961
Vehicles, Apparatus & Equipment	18,595,633	17,535,280
Accumulated Depreciation	(21,299,075)	(19,431,872)
Net Capital Assets	31,362,269	27,095,687

Major capital projects for 2022 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 fiscal year of 2022 was \$6,133,995. 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 50.

Long-Term Liabilities

At the end of fiscal 2022, the District had total debt outstanding of \$58,779,858, an increase of \$582,962 from the end of fiscal 2021.

<u>Governmental Type Activities</u>	<u>Outstanding Debt as of June 30,</u>		
	<u>2022</u>	<u>2021</u>	<u>Change</u>
COP Bonds	27,035,000	28,000,000	(965,000)
General Obligation Bonds	25,542,000	23,493,000	2,049,000
Unamortized Bond Premium	3,960,009	4,134,409	(174,400)
Leases payable	66,748	-	66,748
Financed Purchases	2,176,101	2,569,487	(393,386)
Total Obligations	58,779,858	58,196,896	582,962

Additional information regarding the long and short term District obligations can be found in the notes to the Financials Statements on pages 51 through 54.

ASSESSED VALUES

Fiscal 2022 saw an increase from 2021 limited property valuation as a result of the increases in the property valuations district wide of 6%. The O&M Mil rate increased by 2 cents or 1% which resulted in an increase in the Levy of 7%.

<u>Governmental Type Activities</u>			
	<u>2021</u>	<u>2021</u>	<u>% Change</u>
GRFD NAV	1,363,677,866	1,289,656,788	6%
LEVY	32,319,166	30,306,935	7%
AVG COMBINED MIL RATE	2.37	2.35	1%

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, 2022

	Governmental activities
Assets	
Current assets:	
Cash and investments	\$ 15,446,643
Property taxes receivable	767,044
Accounts receivable, net	571,242
Due from governmental entities	150,792
Total current assets	<u>16,935,721</u>
Noncurrent assets:	
Capital assets, non-depreciable	7,013,639
Capital assets, depreciable (net)	24,348,630
Cash and investments, restricted	18,350,203
Net pension/OPEB assets	636,891
Total noncurrent assets	<u>50,349,363</u>
Total assets	<u>67,285,084</u>
Deferred outflows of resources	
Deferred charge on refunding	29,504
Deferred outflows related to pensions/OPEB	35,945,632
Total deferred outflows of resources	<u>35,975,136</u>
Liabilities	
Current liabilities:	
Accounts payable	482,677
Accrued payroll and related benefits	581,354
Claims payable	365,787
Accrued interest	11,471
Compensated absences payable	2,748,000
Bonds, notes, and leases payable	2,885,945
Total current liabilities	<u>7,075,234</u>
Noncurrent liabilities:	
Compensated absences payable	1,177,275
Bonds, notes, and leases payable	55,893,913
Net pension/OPEB liabilities	20,815,859
Total noncurrent liabilities	<u>77,887,047</u>
Total liabilities	<u>84,962,281</u>
Deferred inflows of resources	
Deferred inflows related to pensions/OPEB	8,858,796
Total deferred inflows of resources	<u>8,858,796</u>
Net position	
Net investment in capital assets	14,282,862
Restricted - debt service	371,695
Restricted - pension	3,603,625
Unrestricted	(8,819,039)
Total net position	<u>\$ 9,439,143</u>

See notes to financial statements.

GOLDER RANCH FIRE DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

		Program revenues		Net (expense) revenue and changes in net position
Functions/programs:	Expenses	Charges for services	Operating grants and contributions	Governmental activities
Governmental activities:				
Public safety - emergency services	\$ 29,196,366	\$ 5,708,715	\$ 35,715	\$ (23,451,936)
Public safety - administration	6,520,035	-	-	(6,520,035)
Interest on long-term debt	<u>1,340,682</u>	<u>-</u>	<u>-</u>	<u>(1,340,682)</u>
Total governmental activities	<u>\$ 37,057,083</u>	<u>\$ 5,708,715</u>	<u>\$ 35,715</u>	<u>\$ (31,312,653)</u>
General revenues:				
Property taxes				\$ 34,970,177
State shared tax revenues				585,747
Investment loss				(292,141)
Miscellaneous				<u>62,370</u>
Total general revenues				<u>35,326,153</u>
Changes in net position				4,013,500
Net position, beginning of year				<u>5,425,643</u>
Net position, end of year				<u>\$ 9,439,143</u>

See notes to financial statements.

GOLDER RANCH FIRE DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2022

	General	Debt service	Capital projects	Total governmental funds
Assets:				
Cash and investments	\$ 15,085,699	\$ 360,944	\$ -	\$ 15,446,643
Property taxes receivable	730,845	36,199	-	767,044
Accounts receivable, net	571,242	-	-	571,242
Due from governmental entities	150,792	-	-	150,792
Due from other funds	366,496	-	-	366,496
Cash and investments, restricted	<u>3,603,625</u>	<u>-</u>	<u>14,746,578</u>	<u>18,350,203</u>
Total assets	<u>\$ 20,508,699</u>	<u>\$ 397,143</u>	<u>\$ 14,746,578</u>	<u>\$ 35,652,420</u>
Liabilities:				
Accounts payable	\$ 372,046	\$ -	\$ 110,631	\$ 482,677
Accrued payroll and related benefits	581,354	-	-	581,354
Claims payable	365,787	-	-	365,787
Accrued interest	11,471	-	-	11,471
Due to other funds	<u>-</u>	<u>-</u>	<u>366,496</u>	<u>366,496</u>
Total liabilities	<u>1,330,658</u>	<u>-</u>	<u>477,127</u>	<u>1,807,785</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	568,312	25,448	-	593,760
Unavailable revenue - ambulance	207,006	-	-	207,006
Unavailable revenue - intergovernmental	<u>65,646</u>	<u>-</u>	<u>-</u>	<u>65,646</u>
Total deferred inflows of resources	<u>840,964</u>	<u>25,448</u>	<u>-</u>	<u>866,412</u>
Fund balances:				
Restricted	3,603,625	371,695	14,269,451	18,244,771
Committed	14,008,756	-	-	14,008,756
Unassigned	<u>724,696</u>	<u>-</u>	<u>-</u>	<u>724,696</u>
Total fund balances	<u>18,337,077</u>	<u>371,695</u>	<u>14,269,451</u>	<u>32,978,223</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,508,699</u>	<u>\$ 397,143</u>	<u>\$ 14,746,578</u>	<u>\$ 35,652,420</u>

GOLDER RANCH FIRE DISTRICT

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

JUNE 30, 2022

Total fund balances - governmental funds	\$ 32,978,223
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.	31,362,269
Some receivables are not available to pay for current period expenditures and, therefore, are reported as deferred inflows in the funds.	866,412
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.	29,504
Net pension/OPEB assets held in trust for future benefits are not available for District operations and, therefore, are not reported in the funds.	636,891
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated absences payable	(3,925,275)
Bonds payable	(25,542,000)
Certificates of participation	(27,035,000)
Financed purchases	(2,176,101)
Leases payable	(66,748)
Unamortized premium	(3,960,009)
Net pension/OPEB liabilities	(20,815,859)
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	35,945,632
Deferred inflows of resources related to pensions/OPEB	<u>(8,858,796)</u>
Net position of governmental activities	<u>\$ 9,439,143</u>

GOLDER RANCH FIRE DISTRICT

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

YEAR ENDED JUNE 30, 2022

	<u>General</u>	<u>Debt service</u>	<u>Capital projects</u>	<u>Total governmental funds</u>
Revenues:				
Property taxes	\$ 33,054,226	\$ 1,903,683	\$ -	\$ 34,957,909
State shared tax revenues	585,747	-	-	585,747
Intergovernmental	660,311	-	-	660,311
Charges for services	4,963,014	-	-	4,963,014
Investment income (loss)	(348,191)	3,618	52,432	(292,141)
Miscellaneous	<u>62,370</u>	<u>-</u>	<u>-</u>	<u>62,370</u>
Total revenues	<u>38,977,477</u>	<u>1,907,301</u>	<u>52,432</u>	<u>40,937,210</u>
Expenditures:				
Public safety:				
Emergency services	52,215,308	-	186,308	52,401,616
Administration	5,593,271	600	635	5,594,506
Capital outlay	1,944,499	-	4,427,606	6,372,105
Debt service:				
Principal	1,431,153	951,000	-	2,382,153
Interest	680,711	882,146	-	1,562,857
Debt issuance costs	<u>-</u>	<u>-</u>	<u>67,500</u>	<u>67,500</u>
Total expenditures	<u>61,864,942</u>	<u>1,833,746</u>	<u>4,682,049</u>	<u>68,380,737</u>
Revenues over (under) expenditures	(22,887,465)	73,555	(4,629,617)	(27,443,527)
Other financing sources:				
Issuance of bonds	-	-	3,000,000	3,000,000
Proceeds from sale of capital assets	<u>363,724</u>	<u>-</u>	<u>-</u>	<u>363,724</u>
Total other financing sources	<u>363,724</u>	<u>-</u>	<u>3,000,000</u>	<u>3,363,724</u>
Net change in fund balances	(22,523,741)	73,555	(1,629,617)	(24,079,803)
Fund balances, beginning of year	<u>40,860,818</u>	<u>298,140</u>	<u>15,899,068</u>	<u>57,058,026</u>
Fund balances, end of year	<u>\$ 18,337,077</u>	<u>\$ 371,695</u>	<u>\$ 14,269,451</u>	<u>\$ 32,978,223</u>

See notes to financial statements.

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, 2022

Net change in fund balances - governmental funds \$ (24,079,803)

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	6,304,536
Depreciation/amortization expense	(1,867,203)
Gain on sale of capital assets	53,458
Proceeds from sale of capital assets	(363,724)

Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 133,373

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	27,398,090
Pension/OPEB expense	(3,291,707)

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:

Compensated absences	122,152
Accrued interest	62,525

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:

Issuance of bonds	(3,000,000)
Principal paid	2,382,153
Amortization of deferred bond items	(14,750)
Amortization of premium	174,400

Change in net position of governmental activities \$ 4,013,500

GOLDER RANCH FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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).

For the year ended June 30, 2022, the District implemented the provisions of GASB Statement No. 87, Leases, as amended, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. As a result, the District's financial statements have been modified to reflect the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows of resources based on the contract payment provisions. Implementation of this standard had no impact on beginning net position or fund balances.

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.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

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

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.

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 including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under lease contracts are reported as other financing sources.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

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

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

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

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

The District reports the following 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. Management evaluates its estimates and assumptions on an ongoing basis. Actual results could differ from those estimates and assumptions.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

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

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, and to reduce the Public Safety Personnel Retirement System unfunded liability.

A Section 115 Pension Trust account was established this fiscal year to account and accumulate resources for public safety pension obligations. The Board approved the issuance of Certificates of Participation (COPs) which generated proceeds, after issuance costs, in the amount of \$27.5 million. The District contributed \$24.9M to PSPRS, the remaining COP proceeds of \$2.6M and a Board approved transfer of \$1.4M were placed in an irrevocable trust, as allowed by Section 115 of the Internal Revenue Code of 1986. The District plans to utilize the balance in the trust and future investment earnings for current and future public safety pension obligations. The balance in the trust account is included with restricted cash and investments in the general fund.

Fair value measurements:

Fair value is defined as the price to sell an asset between market participants in an orderly exchange in the principal or most advantageous market for that asset. 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.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

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

Receivables (continued):

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, 2022 is approximately \$688,893. Amounts not collected by the District within 60 days subsequent to June 30, 2022 are recorded as deferred inflows of resources in the fund financial statements.

Deferred outflows and inflows of resources:

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, and deferred amounts related to pension and OPEB. The deferred charge on refunding resulted 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. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues primarily from the following sources: property taxes, ambulance charges, and intergovernmental. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the District reports deferred amounts related to pension and OPEB.

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, 2022

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/amortization 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	5 to 40 years
Vehicles, furniture and equipment	5 to 18 years
Right-to-use leased assets:	
Vehicles and equipment	5 years

Intangible right-to-use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

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.

Leases:

The District is a lessee for noncancelable leases of vehicles and equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

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

Leases (continued):

Key estimates and judgments related to leases include how the District determines the discount rate it uses to discount the expected lease payments to present value, the lease term, and the lease payments. The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Long-term debt:

In the government-wide financial statements, long-term debt, lease liabilities, 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.

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 plans' investments are reported at fair value.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

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

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.
- **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.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

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

Fund balance (continued):

- 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 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.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

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

Fund balance (continued):

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 June 30, 2022.

	<u>General fund</u>	<u>Debt service fund</u>	<u>Capital projects fund</u>
Fund balances:			
Restricted:			
Debt service	\$ -	\$ 371,695	\$ -
Bond construction projects	-	-	14,269,451
Future pension obligations	3,603,625	-	-
Committed:			
Emergency reserve	3,502,189	-	-
Operating reserve	7,004,378	-	-
Budget stabilization reserve	3,502,189	-	-
Unassigned	<u>724,696</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 18,337,077</u></u>	<u><u>\$ 371,695</u></u>	<u><u>\$ 14,269,451</u></u>

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.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

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

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 June 30 and may not be carried over to subsequent years.

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, 2022:

Deposits:

Operating accounts	\$ 1,593,669
Petty cash	350
Bond proceeds, restricted for capital purchases	753,129

Investments:

Pima County Treasurer investment pool	13,812,489
Pinal County Treasurer investment pool	40,135
Pima County Treasurer investment pool - bond proceeds, restricted for capital purchases	13,993,449
Section 115 pension trust pool, restricted for pension	<u>3,603,625</u>
	<u>\$ 33,796,846</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.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

2. Cash and investments (continued):

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, 2022, deposits with financial institutions have a book value of \$2,347,148 and a bank balance of \$2,841,485. The difference of \$494,337 represents deposits in transit, outstanding checks, and other reconciling items at June 30, 2022. At June 30, 2022, the District's deposits were 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.

The District's investments at June 30, 2022 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	\$ 27,846,073
Section 115 pension trust	Unrated	Not applicable	270 days	\$ 3,603,625

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, 2022, 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.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

3. Fair value:

The District measures and categorizes its investments using fair value measurement guidelines established by GAAP. 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.

At June 30, 2022, the fair value of investments measured on a recurring basis is as follows:

	<u>Fair value</u>	<u>Other investments at fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
External investment pools:					
Local Government					
investment pools	\$ 27,846,073	\$ 27,846,073	\$ -	\$ -	\$ -
Section 115 pension trust	<u>3,603,625</u>	<u>3,603,625</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 31,449,698</u>	<u>\$ 31,449,698</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

4. Capital assets:

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning balance (restated)	Increases	Decreases	Ending balance
Capital assets, not depreciated:				
Land	\$ 3,062,318	\$ 969,138	\$ (275,000)	\$ 3,756,456
Construction in progress	<u>-</u>	<u>3,257,183</u>	<u>-</u>	<u>3,257,183</u>
Total capital assets, not depreciated	<u>3,062,318</u>	<u>4,226,321</u>	<u>(275,000)</u>	<u>7,013,639</u>
Capital assets, depreciated:				
Buildings and improvements	25,929,961	1,097,975	-	27,027,936
Vehicles, furniture and equipment	17,535,280	980,240	(444,179)	18,071,341
Right-to-use leased vehicles and equipment	<u>139,515</u>	<u>-</u>	<u>-</u>	<u>139,515</u>
Total capital assets, depreciated	<u>43,604,756</u>	<u>2,078,215</u>	<u>(444,179)</u>	<u>45,238,792</u>
Less accumulated depreciation for:				
Buildings and improvements	(7,798,086)	(780,759)	-	(8,578,845)
Vehicles, furniture and equipment	(11,633,786)	(1,013,176)	408,913	(12,238,049)
Less accumulated amortization for leased assets	<u>-</u>	<u>(73,268)</u>	<u>-</u>	<u>(73,268)</u>
Total accumulated depreciation and amortization	<u>(19,431,872)</u>	<u>(1,867,203)</u>	<u>408,913</u>	<u>(20,890,162)</u>
Total capital assets, depreciated, net	<u>24,172,884</u>	<u>211,012</u>	<u>(35,266)</u>	<u>24,348,630</u>
Total capital assets, net	<u>\$ 27,235,202</u>	<u>\$ 4,437,333</u>	<u>\$ (310,266)</u>	<u>\$ 31,362,269</u>

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

5. Changes in noncurrent liabilities:

A summary of the changes in noncurrent liabilities for the year ended June 30, 2022 was as follows:

	Beginning balance (restated)	Additions	Reductions	Ending balance	Due within one year
Bonds, notes, and leases:					
Series 2015 GO Bonds	\$ 1,881,000	\$ -	\$ (615,000)	\$ 1,266,000	\$ 626,000
Series 2016 GO Bonds	1,832,000	-	(336,000)	1,496,000	344,000
Series 2020 GO Bonds	6,900,000	-	-	6,900,000	-
Series 2021 GO Bonds	12,880,000	-	-	12,880,000	-
Series 2021 GO Bonds	-	3,000,000	-	3,000,000	-
Certificates of participation	28,000,000	-	(965,000)	27,035,000	1,445,000
Financed purchases	2,569,487	-	(393,386)	2,176,101	422,362
Leases payable	139,515	-	(72,767)	66,748	48,583
Unamortized premium	<u>4,134,409</u>	<u>-</u>	<u>(174,400)</u>	<u>3,960,009</u>	<u>-</u>
Total bonds, notes, and leases payable	58,336,411	3,000,000	(2,556,553)	58,779,858	2,885,945
Net pension liability	30,957,148	-	(10,145,905)	20,811,243	-
Net OPEB liability	16,705	-	(12,089)	4,616	-
Compensated absences payable	<u>4,047,427</u>	<u>2,051,188</u>	<u>(2,173,340)</u>	<u>3,925,275</u>	<u>2,748,000</u>
	<u>\$ 93,357,691</u>	<u>\$ 5,051,188</u>	<u>\$ (14,887,887)</u>	<u>\$ 83,520,992</u>	<u>\$ 5,633,945</u>

6. 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, 2021, and 2022:

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.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

6. General obligation bonds (continued):

Series 2020, 2021, and 2022 (continued):

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

The 2021 General Obligation Bonds were issued by the District in the amount of \$12,880,000. The interest rate ranges from 4% - 5% and the bonds mature July 1, 2045. The bonds were issued with a premium of \$3,008,637 that is being amortized over the life of the debt.

The 2022 General Obligation Bonds were issued by the District in the amount of \$3,000,000. The interest rate is 2.61% and the bonds mature July 1, 2034.

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

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

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 970,000	\$ 949,449	\$ 1,919,449
2024	1,113,000	919,740	2,032,740
2025	1,029,000	895,618	1,924,618
2026	1,060,000	866,598	1,926,598
2027	1,090,000	836,869	1,926,869
2028 - 2032	5,545,000	3,553,977	9,098,977
2033 - 2037	5,185,000	2,520,084	7,705,084
2038 - 2042	5,905,000	1,456,200	7,361,200
2043 - 2047	<u>3,645,000</u>	<u>275,800</u>	<u>3,920,800</u>
	<u>\$ 25,542,000</u>	<u>\$ 12,274,335</u>	<u>\$ 37,816,335</u>

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

7. Certificates of Participation:

During 2021, the District issued Certificates of Participation (COPs) in the amount of \$28,000,000, which are debt instruments representing a fractional share of the District's interest in a tax-exempt lease marketed to investors. The District will use the proceeds from the COPs to reduce the District's unfunded pension liability with Public Safety Personnel Retirement System (PSPRS) and to fund a Contingency Reserve fund. The District's lease payments to the trustee repay the COPs. The lease payments are payable in semi-annual installments of principal and interest, with interest rates ranging from .357% to 2.91%. Ownership of the underlying assets transfer to the District at the end of the contract. The COPs are secured by the leased assets and mature July 1, 2037.

Future principal and interest payments are as follows:

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,445,000	\$ 556,732	\$ 2,001,732
2024	1,635,000	550,128	2,185,128
2025	1,645,000	538,945	2,183,945
2026	1,665,000	520,916	2,185,916
2027	1,685,000	500,169	2,185,169
2028 - 2032	8,910,000	2,009,532	10,919,532
2033 - 2037	<u>10,050,000</u>	<u>863,791</u>	<u>10,913,791</u>
	<u>\$ 27,035,000</u>	<u>\$ 5,540,213</u>	<u>\$ 32,575,213</u>

8. Financed purchases:

The District has acquired various equipment and a vehicle under contract agreements at a total purchase price of \$3,373,564. The following schedule details debt service requirements to maturity of the District's financed purchases at June 30, 2022.

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 422,362	\$ 46,119	\$ 468,481
2024	387,739	36,398	424,137
2025	177,000	27,669	204,669
2026	179,000	24,030	203,030
2027	180,000	20,349	200,349
2028 - 2032	541,000	56,903	597,903
2033 - 2037	<u>289,000</u>	<u>12,558</u>	<u>301,558</u>
	<u>\$ 2,176,101</u>	<u>\$ 224,026</u>	<u>\$ 2,400,127</u>

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

9. Leases payable:

The District has acquired various vehicles and equipment under the provisions of various lease agreements. The total amount of lease assets and the related accumulated amortization are as follows:

Total right-to-use lease assets	\$ 139,515
Less accumulated amortization	<u>73,268</u>
Carrying value	<u><u>\$ 66,247</u></u>

The following schedule details minimum lease payments to maturity for the District's lease payable at June 30, 2022.

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 48,583	\$ 1,302	\$ 49,885
2024	15,245	392	15,637
2025	<u>2,920</u>	<u>26</u>	<u>2,946</u>
	<u><u>\$ 66,748</u></u>	<u><u>\$ 1,720</u></u>	<u><u>\$ 68,468</u></u>

10. 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, 2022, the District General Fund paid claims in the amount of \$1,980,918. 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.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

10. Risk management (continued):

Changes in the balances of claims payable during the past two years are as follows:

	<u>Claims payable beginning of year</u>	<u>Current year claims and changes in estimates</u>	<u>Claims payments</u>	<u>Claims payable at end of year</u>
2021 - 2022	\$ 240,961	\$ 2,105,744	\$ (1,980,918)	\$ 365,787
2020 - 2021	189,085	944,852	(892,976)	240,961

11. 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.

Purchase commitments:

As of June 30, 2022, the District had entered into purchase agreements for five engines, with delivery expected between November 2022 and May 2023. The total commitment is approximately \$4,089,000.

Legal:

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.

12. 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, 2022

12. Pension and other postemployment benefits (continued):

At June 30, 2022, 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>Net pension/ OPEB liability</u>	<u>Net pension/ OPEB asset</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>	<u>Pension/ OPEB expense</u>
Pension plans:					
ASRS	\$ 2,934,063	\$ -	\$ 729,519	\$ 975,378	\$ 259,295
PSPRS - Tier 1 & 2	17,877,180	-	34,733,002	7,149,619	3,064,457
PSPRS - Tier 3 Risk Pool	-	(114,155)	425,976	97,881	2,698
OPEB plans:					
ASRS - health insurance premium benefit	-	(109,281)	10,483	83,003	(12,570)
ASRS - long-term disability	4,616	-	8,233	9,923	3,814
PSPRS - Tier 1 & 2	-	(401,980)	34,827	539,245	(21,566)
PSPRS - Tier 3 Risk Pool	<u>-</u>	<u>(11,475)</u>	<u>3,592</u>	<u>3,747</u>	<u>(4,421)</u>
	<u>\$ 20,815,859</u>	<u>\$ (636,891)</u>	<u>\$ 35,945,632</u>	<u>\$ 8,858,796</u>	<u>\$ 3,291,707</u>

The District's accrued payroll and related benefits includes approximately \$186,000 of outstanding pension and OPEB contribution amounts payable to the plan for the year ended June 30, 2022.

The District reported \$27,398,090 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.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

12. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

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:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* any years age 65
Final average salary is based on	Highest 36 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.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

12. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

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, 2022, statute required active ASRS members to contribute at the actuarially determined rate of 12.41% (12.22% for retirement and 0.19% for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.41% (12.01% for retirement, 0.21% for health insurance premium benefit, and 0.19% for long-term disability) of the active members' annual covered payroll.

The District's contributions for the year ended June 30, 2022 were as follows:

	<u>Contributions</u>
Pension	\$ 279,783
Health insurance premium	4,892
Long-term disability	4,426

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, 2022, 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	\$ 2,934,063
Health insurance premium benefit	(109,281)
Long-term disability	4,616

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

12. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

The net asset and net liabilities were measured as of June 30, 2021. 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, 2020, to the measurement date of June 30, 2021. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5% to 7.0% and changing the projected salary increases from 2.7–7.2% to 2.9–8.4%. 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, 2021. The District's proportion measured as of June 30, 2021, and the change in proportions measured as of June 30, 2020, were:

	<u>Proportion</u>	<u>Increase (decrease)</u>
Pension	0.02233 %	0.00023
Health insurance premium benefit	0.02243 %	0.00039
Long-term disability	0.02236 %	0.00034

Pension/OPEB expense - For the year ended June 30, 2022, the District recognized pension and OPEB expense for ASRS as follows:

	<u>Expense</u>
Pension	\$ 259,295
Health insurance premium benefit	(12,570)
Long-term disability	3,814

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

12. Pension and other postemployment benefits (continued):

Arizona State Retirement System (ASRS) (continued):

Deferred outflows/inflows of resources - At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health insurance premium benefit		Long-term disability	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 44,727	\$ -	\$ -	\$ 37,899	\$ 1,333	\$ 376
Net difference between projected and actual earnings on pension plan investments	-	929,614	-	40,538	-	3,197
Changes in assumptions	381,892	-	5,418	4,418	1,476	5,816
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,117	45,764	173	148	998	534
Contributions subsequent to the measurement date	<u>279,783</u>	<u>-</u>	<u>4,892</u>	<u>-</u>	<u>4,426</u>	<u>-</u>
	<u>\$ 729,519</u>	<u>\$ 975,378</u>	<u>\$ 10,483</u>	<u>\$ 83,003</u>	<u>\$ 8,233</u>	<u>\$ 9,923</u>

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

12. 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, 2023. 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>	<u>Health insurance premium benefit</u>	<u>Long-term disability</u>
2023	\$ (21,844)	\$ (18,123)	\$ (765)
2024	21,486	(17,384)	(709)
2025	(204,932)	(19,082)	(824)
2026	(320,352)	(21,107)	(1,308)
2027	-	(1,716)	(533)
Thereafter	<u>-</u>	<u>-</u>	<u>(1,977)</u>
	<u>\$ (525,642)</u>	<u>\$ (77,412)</u>	<u>\$ (6,116)</u>

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

Actuarial valuation date	June 30, 2020
Actuarial roll forward date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9% - 8.4% 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, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

12. 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 7.0% 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 %	4.90 %
Fixed income - credit	20 %	5.20 %
Fixed income - interest rate sensitive	10 %	0.70 %
Real estate	<u>20 %</u>	5.70 %
	<u>100 %</u>	

Discount rate— At June 30, 2021, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0%, which was a decrease of 0.5 from the discount rate used as of June 30, 2020. 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 7.0%, 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 (6.0%) or 1 percentage point higher (8.0%) than the current rate:

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

12. 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	\$ 4,615,035	\$ 2,934,063	\$ 1,532,597
Net health insurance premium liability (asset)	\$ (72,355)	\$ (109,281)	\$ (140,680)
Net long-term disability liability	\$ 6,010	\$ 4,616	\$ 3,266

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).

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, 2022

12. Pension and other postemployment benefits (continued):

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

	Initial membership date:		
	Tier 1	Tier 2	Tier 3
		On or after January 1, 2012 and before July 1, 2017	
	Before January 1, 2012		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, 2022

12. 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, 2022, the following employees were covered by the agent plans' benefit terms:

	<u>Pension</u>	<u>Health</u>
Inactive employees or beneficiaries currently receiving benefits	28	25
Inactive employees entitled to but not yet receiving benefits	23	13
Active employees	<u>175</u>	<u>180</u>
	<u>226</u>	<u>218</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, 2022 are indicated below:

	<u>Tier 1 & 2</u>	<u>Tier 3</u>
Active members - pension	7.65% - 11.65%	9.94 %
District:		
Pension	25.90 %	9.81 %
Health insurance	0.31 %	0.13 %
Legacy cost - Tiers 1 & 2 unfunded liabilities	- %	12.61 %

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

12. Pension and other postemployment benefits (continued):

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

In addition, the District is required to contribute at the actuarially determined rate of 12.61% 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.

The District's contributions to the pension and OPEB plans for the year ended June 30, 2022 were:

	<u>Tier 1 & 2</u>	<u>Tier 3</u>
Pension	\$ 26,874,431	\$ 208,301
Health insurance	23,265	2,992

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.

PSPRS agent multiple-employer plans (Tier 1 & 2):

Liability - At June 30, 2022, the District reported net pension liability of \$17,877,180 and a net OPEB (asset) liability of \$(401,980). The net assets and net liabilities were measured as of June 30, 2021, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

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

Actuarial valuation date	June 30, 2021
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, 2021 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

12. Pension and other postemployment benefits (continued):

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

PSPRS agent multiple-employer plans (Tier 1 & 2) (continued):

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.

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. public equity	24 %	4.08 %
International public equity	16 %	5.20 %
Global private equity	20 %	7.67 %
Other assets (capital appreciation)	7 %	5.43 %
Core bonds	2 %	0.42 %
Private credit	20 %	5.74 %
Diversifying strategies	10 %	3.99 %
Cash - Mellon	<u>1 %</u>	(0.31)%
	<u>100 %</u>	

Discount rate - At June 30, 2021, the discount rate used to measure the total pension/OPEB liability was 7.30%. 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, 2022

12. Pension and other postemployment benefits (continued):

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

PSPRS agent multiple-employer plans (Tier 1 & 2) (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, 2021	<u>\$ 77,397,060</u>	<u>\$ 50,273,016</u>	<u>\$ 27,124,044</u>
Changes for the year:			
Service cost	2,977,424	-	2,977,424
Interest on the total pension liability	5,789,150	-	5,789,150
Differences between expected and actual experience in the measurement of the pension liability	1,549,363	-	1,549,363
Contributions - employer	-	3,747,569	(3,747,569)
Contributions - employee	-	1,436,667	(1,436,667)
Net investment income	-	14,445,803	(14,445,803)
Benefit payments, including refunds of employee contributions	(2,142,124)	(2,142,124)	-
Administrative expense	<u>-</u>	<u>(67,238)</u>	<u>67,238</u>
Net changes	<u>8,173,813</u>	<u>17,420,677</u>	<u>(9,246,864)</u>
Balances at June 30, 2022	<u>\$ 85,570,873</u>	<u>\$ 67,693,693</u>	<u>\$ 17,877,180</u>

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

12. Pension and other postemployment benefits (continued):

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

PSPRS agent multiple-employer plans (Tier 1 & 2) (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, 2021	<u>\$ 1,237,670</u>	<u>\$ 1,316,600</u>	<u>\$ (78,930)</u>
Changes for the year:			
Service cost	61,817	-	61,817
Interest on the total OPEB liability	94,355	-	94,355
Differences between expected and actual experience in the measurement of the OPEB liability	(62,450)	-	(62,450)
Contributions - employer	-	55,775	(55,775)
Net investment income	-	362,488	(362,488)
Benefit payments, including refunds of employee contributions	(13,893)	(13,893)	-
Administrative expense	<u>-</u>	<u>(1,491)</u>	<u>1,491</u>
Net changes	<u>79,829</u>	<u>402,879</u>	<u>(323,050)</u>
Balances at June 30, 2022	<u>\$ 1,317,499</u>	<u>\$ 1,719,479</u>	<u>\$ (401,980)</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 of 7.3%, 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	\$ 32,032,496	\$ 17,877,180	\$ 6,534,610
District's net OPEB (asset) liability	\$ (222,110)	\$ (401,980)	\$ (552,070)

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

12. Pension and other postemployment benefits (continued):

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

PSPRS agent multiple-employer plans (Tier 1 & 2) (continued):

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.

Expense - For the year ended June 30, 2022, the District recognized the following as pension and OPEB expense:

	<u>Expense</u>
Pension	\$ 3,064,457
Health insurance	(21,566)

Deferred outflows/inflows of resources - At June 30, 2022, 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>	
	<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	\$ 5,067,793	\$ 748,210	\$ 663	\$ 347,153
Changes in assumptions	2,790,778	-	10,899	37,029
Net difference between projected and actual earnings on plan investments	-	6,401,409	-	155,063
Contributions subsequent to the measurement date	<u>26,874,431</u>	<u>-</u>	<u>23,265</u>	<u>-</u>
	<u>\$ 34,733,002</u>	<u>\$ 7,149,619</u>	<u>\$ 34,827</u>	<u>\$ 539,245</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, 2023.

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

12. Pension and other postemployment benefits (continued):

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

PSPRS agent multiple-employer plans (Tier 1 & 2) (continued):

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>	<u>Health</u>
2023	\$ (293,513)	\$ (76,709)
2024	(329,370)	(77,700)
2025	(533,322)	(82,338)
2026	(1,198,389)	(97,868)
2027	905,108	(44,888)
Thereafter	<u>2,158,438</u>	<u>(148,180)</u>
	<u>\$ 708,952</u>	<u>\$ (527,683)</u>

PSPRS cost-sharing multiple-employer plans (Tier 3 Risk Pool):

Pension and OPEB assets/liabilities - At June 30, 2022, the District reported the following asset and liabilities for its proportionate share of the PSPRS Tier 3 Risk Pool net pension/OPEB asset or liability.

	<u>Net pension/OPEB (asset) liability</u>
Pension	\$ (114,155)
Health insurance premium benefit	(11,475)

The net asset and net liabilities were measured as of June 30, 2021. 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, 2020, to the measurement date of June 30, 2021. 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, 2021. The District's proportion measured as of June 30, 2021, and the change in proportions measured as of June 30, 2020, were:

	<u>Proportion</u>	<u>Increase (decrease)</u>
Pension	1.23295 %	(0.08353)
Health insurance premium benefit	1.18271 %	(0.07321)

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

12. Pension and other postemployment benefits (continued):

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

PSPRS cost-sharing multiple-employer plans (Tier 3 Risk Pool) (continued):

Pension/OPEB expense - For the year ended June 30, 2022, the District recognized pension and OPEB expense for PSPRS Tier 3 Risk Pool as follows:

	<u>Expense</u>
Pension	\$ 2,698
Health insurance premium benefit	(4,421)

Deferred outflows/inflows of resources - At June 30, 2022, 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>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	\$ 208,595	\$ -	\$ 350	\$ 511
Net difference between projected and actual earnings on pension plan investments	-	76,516	-	2,607
Changes in assumptions	884	-	-	4
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,196	21,365	250	625
Contributions subsequent to the measurement date	<u>208,301</u>	<u>-</u>	<u>2,992</u>	<u>-</u>
	<u><u>\$ 425,976</u></u>	<u><u>\$ 97,881</u></u>	<u><u>\$ 3,592</u></u>	<u><u>\$ 3,747</u></u>

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

12. Pension and other postemployment benefits (continued):

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

PSPRS cost-sharing multiple-employer plans (Tier 3 Risk Pool) (continued):

The amounts reported as deferred outflows of resources related to PSPRS Tier 3 Risk Pool 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, 2023.

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
2023	\$ (1,670)	\$ (678)
2024	(1,673)	(678)
2025	(1,535)	(669)
2026	(3,282)	(729)
2027	17,089	(37)
Thereafter	<u>110,865</u>	<u>(356)</u>
	<u>\$ 119,794</u>	<u>\$ (3,147)</u>

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

Valuation (measurement) date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	3.5% - 7.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Future benefit increases	1.75% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables

Actuarial assumptions used 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, 2022

12. Pension and other postemployment benefits (continued):

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

PSPRS cost-sharing multiple-employer plans (Tier 3 Risk Pool) (continued):

The long-term expected rate of return on PSPRS Tier 3 Risk Pool pension plan investments was determined to be 7% 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 consistent with the allocations disclosed for the PSPRS agent multiple-employer plans (Tier 1 & 2).

Discount rate - The discount rate used to measure the PSPRS Tier 3 Risk Pool total pension/OPEB liability was 7%. 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 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 PSPRS Tier 3 Risk Pool 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 7.0%, 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 (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% decrease (6.0%)	Current discount rate (7.0%)	1% increase (8.0%)
Net pension liability (asset)	\$ 32,146	\$ (114,155)	\$ (223,036)
Net health insurance premium liability (asset)	\$ (9,524)	\$ (11,475)	\$ (13,008)

GOLDER RANCH FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

12. Pension and other postemployment benefits (continued):

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

PSPDCRP plan:

District employees who are regularly assigned hazardous duty and are not members of PSPRS participate in the PSPDCRP. The PSPDCRP is a defined contribution pension plan. The PSPRS Board of Trustees governs the PSPDCRP according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.1. Benefit terms, including contribution requirements, are established by State statute.

For the year ended June 30, 2022, active PSPDCRP members were required by statute to contribute at least 9 percent of the members' annual covered payroll, and the District was required by statute to contribute 9 percent of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the earnings on those contributions. Employees vest in a portion of the District's contributions each year as set forth in statute. The plan retains nonvested District contributions when forfeited because of employment terminations.

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, 2022

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Property taxes	\$ 33,119,166	\$ 33,119,166	\$ 33,054,226	\$ (64,940)
State shared revenue	-	-	585,747	585,747
Intergovernmental	-	-	660,311	660,311
Charges for services	4,890,051	4,890,051	4,963,014	72,963
Investment income (loss)	80,000	80,000	(348,191)	(428,191)
Miscellaneous	-	-	62,370	62,370
Total revenues	<u>38,089,217</u>	<u>38,089,217</u>	<u>38,977,477</u>	<u>888,260</u>
Expenditures:				
Public safety:				
Emergency services	56,150,599	56,150,599	52,215,308	3,935,291
Administration	6,289,541	6,289,541	5,593,271	696,270
Capital outlay	-	-	1,944,499	(1,944,499)
Debt service:				
Principal	1,432,871	1,432,871	1,431,153	1,718
Interest	958,812	958,812	680,711	278,101
Total expenditures	<u>64,831,823</u>	<u>64,831,823</u>	<u>61,864,942</u>	<u>(2,966,881)</u>
Revenues under expenditures	<u>(26,742,606)</u>	<u>(26,742,606)</u>	<u>(22,887,465)</u>	<u>3,855,141</u>
Other financing sources:				
Transfers out	(1,848,893)	(1,848,893)	-	1,848,893
Proceeds from sale of capital assets	-	-	363,724	363,724
Issuance of certificates of participation	28,591,499	28,591,499	-	(28,591,499)
Total other financing sources	<u>26,742,606</u>	<u>26,742,606</u>	<u>363,724</u>	<u>(26,378,882)</u>
Change in fund balance	-	-	(22,523,741)	(22,523,741)
Fund balance, beginning of year	-	-	40,860,818	40,860,818
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,337,077</u>	<u>\$ 18,337,077</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, 2022

(schedule to be built prospectively from 2015; 2014 - 2013 information not available)

Reporting date (Measurement date)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	2013 (2012)
District's proportion of the net pension liability	0.022 %	0.022 %	0.023 %	0.022 %	0.020 %	0.018 %	0.017 %	0.015 %	- %	- %
District's proportionate share of the net pension liability	\$ 2,934,063	\$ 3,829,161	\$ 3,356,953	\$ 3,129,590	\$ 3,067,318	\$ 2,871,485	\$ 2,625,582	\$ 2,319,839	\$ -	\$ -
District's covered payroll	\$ 2,521,399	\$ 2,337,951	\$ 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	116 %	164 %	143 %	131 %	160 %	172 %	169 %	153 %	- %	- %
Plan fiduciary net position as a percentage of total pension liability	79 %	69 %	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, 2022

(schedule to be built prospectively from 2015; 2014 - 2013 information not available)

Reporting date (Measurement date)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	2013 (2012)
Total pension liability										
Service cost	\$ 2,977,424	\$ 2,998,212	\$ 3,287,055	\$ 3,033,033	\$ 2,463,426	\$ 1,893,767	\$ 1,665,435	\$ 1,631,075	\$ -	\$ -
Interest	5,789,150	5,128,762	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	1,549,363	2,845,080	(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	(2,142,124)	(1,667,602)	(1,957,201)	(869,270)	(1,566,333)	(812,716)	(687,217)	(1,252,497)	-	-
Net change in total pension liability	8,173,813	9,304,452	6,975,389	5,723,541	8,753,778	9,894,626	3,320,323	4,051,842	-	-
Total pension liability, beginning	77,397,060	68,092,608	61,117,219	55,393,678	46,639,900	36,745,274	33,424,951	29,373,109	-	-
Total pension liability, ending (a)	\$ 85,570,873	\$ 77,397,060	\$ 68,092,608	\$ 61,117,219	\$ 55,393,678	\$ 46,639,900	\$ 36,745,274	\$ 33,424,951	\$ -	\$ -
Plan fiduciary net position										
Contributions - employer	\$ 3,747,569	\$ 3,320,145	\$ 3,844,207	\$ 3,929,939	\$ 2,446,935	\$ 1,857,235	\$ 1,462,125	\$ 1,320,493	\$ -	\$ -
Contributions - employee	1,436,667	1,280,952	1,381,209	1,287,889	1,428,130	1,168,274	1,043,183	892,042	-	-
Pension plan net investment income	14,445,803	615,150	2,289,859	2,538,757	3,640,691	162,509	916,962	2,861,697	-	-
Benefit payments, including refunds of employee contributions	(2,142,124)	(1,667,602)	(1,957,201)	(869,270)	(1,566,333)	(812,716)	(687,217)	(1,252,497)	-	-
Hall/Parker settlement	-	-	-	(1,622,681)	-	-	-	-	-	-
Administrative expense	(67,238)	(50,159)	(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	17,420,677	3,498,486	5,517,644	5,232,718	6,592,783	2,487,606	2,693,577	3,853,077	-	-
Plan fiduciary net position, beginning	50,273,016	46,774,527	41,282,624	36,049,906	29,457,123	26,969,517	24,275,940	20,422,863	-	-
Adjustment to beginning of year	-	3	(25,741)	-	-	-	-	-	-	-
Plan fiduciary net position, ending (b)	\$ 67,693,693	\$ 50,273,016	\$ 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)	\$ 17,877,180	\$ 27,124,044	\$ 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	79.11 %	64.95 %	68.69 %	67.55 %	65.08 %	63.16 %	73.40 %	72.63 %	- %	- %
Covered valuation payroll	\$ 14,327,018	\$ 13,615,505	\$ 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	124.78 %	199.21 %	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 THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION/OPEB LIABILITY - COST SHARING PLAN (PSPRS TIER 3 RISK POOL)

YEAR ENDED JUNE 30, 2022

(schedule to be built prospectively from 2019; 2018 - 2013 information not available)

PSPRS Tier 3 Risk Pool - Pension

Reporting date (Measurement date)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	2013 (2012)
District's proportion of the net pension liability	1.233 %	1.316 %	1.055 %	0.171 %	- %	- %	- %	- %	- %	- %
District's proportionate share of the net pension liability	\$ (114,155)	\$ 4,620	\$ (15,148)	\$ 337	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 968,088	\$ 429,370	\$ 14,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's proportionate share of the net pension liability as a percentage of its covered payroll	(11.8)%	1.1 %	(101.7)%	DIV/0 %	- %	- %	- %	- %	- %	- %
Plan fiduciary net position as a percentage of total pension liability	122 %	99 %	118 %	89 %	- %	- %	- %	- %	- %	- %

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

GOLDER RANCH FIRE DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

YEAR ENDED JUNE 30, 2022

(schedule to be built prospectively from 2015; 2014 - 2013 information not available)

ASRS - Pension

Reporting fiscal year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 279,783	\$ 292,510	\$ 267,474	\$ 262,397	\$ 261,018	\$ 207,152	\$ 180,786	\$ 169,085	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>279,783</u>	<u>292,510</u>	<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>
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	\$ 2,278,810	\$ 2,521,399	\$ 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	12.28 %	11.60 %	11.44 %	11.19 %	10.90 %	10.78 %	10.85 %	10.89 %	- %	- %

PSPRS - Pension

Reporting fiscal year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 26,874,431	\$ 3,745,277	\$ 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>26,874,431</u>	<u>3,745,277</u>	<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>
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	\$ 13,968,225	\$ 14,327,018	\$ 13,615,505	\$ 13,570,844	\$ 13,813,062	\$ 9,669,855	\$ 9,616,923	\$ 7,834,709	\$ -	\$ -
Contributions as a percentage of covered payroll	192.40 %	23.06 %	22.10 %	26.40 %	23.46 %	17.27 %	16.64 %	15.82 %	- %	- %

PSPRS Tier 3 Risk Pool - Pension

Reporting fiscal year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily determined contribution	\$ 208,301	\$ 87,612	\$ 38,858	\$ 1,347	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>208,301</u>	<u>87,612</u>	<u>38,858</u>	<u>1,347</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	\$ 2,301,672	\$ 968,088	\$ 429,370	\$ 14,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	9.05 %	9.05 %	9.05 %	9.04 %	- %	- %	- %	- %	- %	- %

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

YEAR ENDED JUNE 30, 2022

(schedule to be built prospectively from 2018; 2017 - 2013 information not available)

Reporting date (Measurement date)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	2013 (2012)
Total OPEB liability										
Service cost	\$ 61,817	\$ 63,176	\$ 45,641	\$ 44,258	\$ 35,780	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total OPEB liability	94,355	88,993	97,498	91,047	90,698	-	-	-	-	-
Benefit changes	-	-	-	-	16,830	-	-	-	-	-
Difference between expected and actual experience	(62,450)	(46,866)	(275,940)	(55,773)	(39,217)	-	-	-	-	-
Assumption changes	-	-	14,537	-	(68,340)	-	-	-	-	-
Benefit payments	(13,893)	(14,126)	(14,276)	(17,485)	(20,376)	-	-	-	-	-
Net change in total OPEB liability	79,829	91,177	(132,540)	62,047	15,375	-	-	-	-	-
Total OPEB liability, beginning	1,237,670	1,146,493	1,279,033	1,216,986	1,201,611	-	-	-	-	-
Total OPEB liability, ending (a)	\$ 1,317,499	\$ 1,237,670	\$ 1,146,493	\$ 1,279,033	\$ 1,216,986	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position										
Contributions - employer	\$ 55,775	\$ 52,626	\$ 47,374	\$ 38,459	\$ 39,810	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - employee	-	-	-	-	-	-	-	-	-	-
Net investment income	362,488	15,941	62,584	73,472	109,600	-	-	-	-	-
Benefit payments	(13,893)	(14,126)	(14,276)	(17,485)	(20,376)	-	-	-	-	-
Administrative expenses	(1,491)	(1,296)	(1,080)	(1,118)	(970)	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net change in fiduciary net position	402,879	53,145	94,602	93,328	128,064	-	-	-	-	-
Plan fiduciary net position, beginning	1,316,600	1,263,455	1,143,112	1,049,784	921,720	-	-	-	-	-
Adjustment to beginning of year	-	-	25,741	-	-	-	-	-	-	-
Plan fiduciary net position, ending (b)	\$ 1,719,479	\$ 1,316,600	\$ 1,263,455	\$ 1,143,112	\$ 1,049,784	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability (asset), ending (a) - (b)	\$ (401,980)	\$ (78,930)	\$ (116,962)	\$ 135,921	\$ 167,202	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position as a percentage of total OPEB liability	130.51 %	106.38 %	110.20 %	89.37 %	86.26 %	- %	- %	- %	- %	- %
Covered valuation payroll	\$ 14,327,018	\$ 13,615,505	\$ 13,570,844	\$ 13,813,062	\$ 9,669,855	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability as a percentage of covered valuation payroll	(2.81)%	(0.58)%	(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, 2022

(schedule to be built prospectively from 2018; 2017 - 2013 information not available)

ASRS Health insurance premium benefit

Reporting date (Measurement date)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	2013 (2012)
District's proportion of the net OPEB (asset)	0.022 %	0.022 %	0.023 %	0.023 %	0.020 %	- %	- %	- %	- %	- %
District's proportionate share of the net OPEB (asset)	\$ (109,281)	\$ (15,604)	\$ (6,533)	\$ (8,235)	\$ (10,877)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,521,399	\$ 2,337,951	\$ 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	(4.33)%	(0.67)%	(0.28)%	(0.34)%	(0.57)%	- %	- %	- %	- %	- %
Plan fiduciary net position as a percentage of total OPEB (asset)	130 %	104 %	102 %	102 %	104 %	- %	- %	- %	- %	- %

ASRS Long-term disability

Reporting date (Measurement date)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	2013 (2012)
District's proportion of the net OPEB liability	0.022 %	0.022 %	0.023 %	0.022 %	0.020 %	- %	- %	- %	- %	- %
District's proportionate share of the net OPEB liability	\$ 4,616	\$ 16,705	\$ 15,263	\$ 11,751	\$ 7,166	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,521,399	\$ 2,337,951	\$ 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	0.18 %	0.71 %	0.65 %	0.49 %	0.37 %	- %	- %	- %	- %	- %
Plan fiduciary net position as a percentage of total OPEB liability	90 %	68 %	73 %	78 %	84 %	- %	- %	- %	- %	- %

See accompanying notes to required supplementary information.

GOLDER RANCH FIRE DISTRICT

SCHEDULE OF OPEB CONTRIBUTIONS

YEAR ENDED JUNE 30, 2022

(schedule to be built prospectively from 2018; 2017 - 2013 information not available)

ASRS Health insurance premium benefit

Reporting fiscal year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 4,892	\$ 9,792	\$ 11,446	\$ 10,796	\$ 10,537	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>4,892</u>	<u>9,792</u>	<u>11,446</u>	<u>10,796</u>	<u>10,537</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	\$ 2,278,810	\$ 2,521,399	\$ 2,337,951	\$ 2,345,241	\$ 2,394,661	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	0.21 %	0.39 %	0.49 %	0.46 %	0.44 %	- %	- %	- %	- %	- %

ASRS Long-term disability

Reporting fiscal year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 4,426	\$ 4,520	\$ 3,972	\$ 3,756	\$ 3,831	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>4,426</u>	<u>4,520</u>	<u>3,972</u>	<u>3,756</u>	<u>3,831</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	\$ 2,278,810	\$ 2,521,399	\$ 2,337,951	\$ 2,345,241	\$ 2,394,661	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	0.19 %	0.18 %	0.17 %	0.16 %	0.16 %	- %	- %	- %	- %	- %

PSPRS Health insurance premium benefit

Actuarially determined contribution	\$ 23,265	\$ 58,803	\$ 56,090	\$ 52,657	\$ 58,168	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>23,265</u>	<u>58,803</u>	<u>56,090</u>	<u>52,657</u>	<u>58,168</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	\$ 13,968,225	\$ 16,244,333	\$ 13,615,505	\$ 13,570,844	\$ 13,813,062	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	0.17 %	0.36 %	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, 2022

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 2020 actuarial valuation	16 years
Asset valuation method	7-year smoothed market; 80%/120% corridor
Actuarial assumptions:	
Investment rate of return	In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. 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%.
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, 2022

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 2019 actuarial valuation, changed to PubS-2010 tables. 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, 2022

	<u>Budgeted amounts</u> Original & Final	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:			
Property taxes	\$ 1,909,149	\$ 1,903,683	\$ (5,466)
Investment income	-	3,618	3,618
Bond fund reserve	<u>(75,969)</u>	<u>-</u>	<u>75,969</u>
Total revenues	<u>1,833,180</u>	<u>1,907,301</u>	<u>74,121</u>
Expenditures:			
Public safety:			
Administration	-	600	(600)
Debt service:			
Principal	951,000	951,000	-
Interest	<u>882,180</u>	<u>882,146</u>	<u>34</u>
Total expenditures	<u>1,833,180</u>	<u>1,833,746</u>	<u>(566)</u>
Net change in fund balance	-	73,555	73,555
Fund balance, beginning of year	<u>-</u>	<u>298,140</u>	<u>298,140</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 371,695</u>	<u>\$ 371,695</u>

GOLDER RANCH FIRE DISTRICT

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

YEAR ENDED JUNE 30, 2022

	<u>Budgeted amounts</u> Original & Final	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:			
Investment income	\$ -	\$ 52,432	\$ 52,432
Total revenues	<u>-</u>	<u>52,432</u>	<u>52,432</u>
Expenditures:			
Public safety:			
Emergency services	-	186,308	(186,308)
Administration	-	635	(635)
Capital outlay	6,133,995	4,427,606	1,706,389
Debt service:			
Debt issuance costs	<u>-</u>	<u>67,500</u>	<u>(67,500)</u>
Total expenditures	<u>6,133,995</u>	<u>4,682,049</u>	<u>1,451,946</u>
Revenues under expenditures	(6,133,995)	(4,629,617)	1,504,378
Other financing sources:			
Transfers in	1,848,893	-	(1,848,893)
Issuance of bonds	<u>4,285,102</u>	<u>3,000,000</u>	<u>(1,285,102)</u>
Total other financing sources	<u>6,133,995</u>	<u>3,000,000</u>	<u>(3,133,995)</u>
Net change in fund balance	-	(1,629,617)	(1,629,617)
Fund balance, beginning of year	<u>-</u>	<u>15,899,068</u>	<u>15,899,068</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 14,269,451</u>	<u>\$ 14,269,451</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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net investments in capital assets	\$ 14,282,862	\$ 13,191,964	\$ 13,453,568	\$ 12,172,501	\$ 11,489,341	\$ 9,236,846	\$ 7,672,389	\$ 7,191,068	\$ 6,640,717	\$ 6,516,444
Restricted	3,975,320	298,140	465,973	387,052	393,625	311,946	352,779	954,221	528,150	548,897
Unrestricted	<u>(8,819,039)</u>	<u>(8,064,461)</u>	<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>
Total primary government net position	<u>\$ 9,439,143</u>	<u>\$ 5,425,643</u>	<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>

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental activities:										
Public Safety-Fire Protection	\$ 35,716,401	\$ 39,252,475	\$ 36,952,273	\$ 33,648,043	\$ 28,086,591	\$ 28,391,504	\$ 21,837,480	\$ 18,460,962	\$ 17,274,232	\$ 16,997,459
Interest on long-term debt	<u>1,340,682</u>	<u>671,347</u>	<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>
Total primary government expenses	<u>37,057,083</u>	<u>39,923,822</u>	<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>
Program revenues:										
Governmental activities:										
Charges for services	5,708,715	5,436,525	4,750,885	5,240,197	4,479,411	3,759,813	3,314,268	3,295,320	2,538,435	2,126,243
Operating grants & contributions	<u>35,715</u>	<u>215,236</u>	<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>
Total primary government revenues	<u>5,744,430</u>	<u>5,651,761</u>	<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>
Total primary government net expenses	<u>(31,312,653)</u>	<u>(34,272,061)</u>	<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>
General revenues & other changes in net position										
Property taxes	34,970,177	32,572,287	30,560,207	29,195,901	27,061,849	18,247,838	17,424,433	17,022,813	15,371,055	15,002,161
State shared taxes	585,747	-	-	-	-	-	-	-	-	-
Investment income	(292,141)	133,813	209,986	178,250	64,706	40,069	37,175	28,328	30,977	52,011
Miscellaneous	<u>62,370</u>	<u>333,193</u>	<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>
Total primary government	<u>35,326,153</u>	<u>33,039,293</u>	<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>
Change in net position										
Total primary government	<u>\$ 4,013,500</u>	<u>\$ (1,232,768)</u>	<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>

Source: District financial records.

GOLDER RANCH FIRE DISTRICT

FUND BALANCES - GOVERNMENTAL FUNDS

(Modified Accrual Basis)

	Fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General fund										
Restricted	\$ 3,603,625	\$ 27,529,838	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	14,008,756	15,154,624	11,244,200	9,404,028	7,793,404	6,767,528	6,950,492	6,553,262	5,511,562	5,268,087
Assigned	-	-	-	-	-	-	-	461,157	-	-
Unassigned	<u>724,696</u>	<u>(1,823,644)</u>	<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>
Total general fund	<u>\$ 18,337,077</u>	<u>\$ 40,860,818</u>	<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>
All other governmental funds										
Restricted	\$ 14,641,146	\$ 16,197,208	\$ 2,625,091	\$ 387,052	\$ 356,913	\$ 275,964	\$ 316,071	\$ 937,297	\$ 482,794	\$ 529,763
Unassigned	<u>-</u>	<u>-</u>	<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>
Total all other governmental funds	<u>\$ 14,641,146</u>	<u>\$ 16,197,208</u>	<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>

Source: District financial records.

GOLDER RANCH FIRE DISTRICT

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS AND DEBT SERVICE RATIO

(Modified Accrual Basis)

	Fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Property taxes	\$ 34,957,909	\$ 32,679,063	\$ 30,478,853	\$ 29,218,457	\$ 27,099,046	\$ 18,262,016	\$ 17,138,081	\$ 17,156,974	\$ 15,310,805	\$ 14,929,131
State shared revenue	585,747	-	-	-	-	-	-	-	-	-
Investment income (loss)	(292,141)	133,813	209,986	178,250	64,706	40,069	37,175	28,328	30,977	52,011
Charges for services	4,963,014	4,551,145	4,319,159	4,160,970	4,479,411	3,759,813	3,314,268	3,295,320	2,538,435	2,126,243
Intergovernmental	660,311	970,587	1,141,226	1,955,126	407,221	454,266	526,090	329,620	139,408	400,897
Miscellaneous	62,370	333,193	60,845	125,129	89,435	211,033	202,130	40,841	22,124	76,422
Total revenues	<u>40,937,210</u>	<u>38,667,801</u>	<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>
Expenditures:										
Current:										
Public Safety	57,996,122	34,939,530	31,907,084	30,537,720	28,999,791	21,546,721	19,008,691	17,261,181	16,246,534	15,878,806
Capital outlay	6,372,105	4,291,522	2,012,260	788,328	1,528,255	1,475,740	2,453,770	471,978	488,724	1,139,495
Debt service:										
Principal	2,382,153	1,533,116	6,726,313	1,961,099	1,685,938	1,229,192	1,030,778	912,827	640,000	933,525
Interest	1,562,857	696,593	272,959	330,471	392,508	310,512	294,912	397,637	469,985	559,094
Debt issuance cost	67,500	648,561	190,131	-	-	55,690	-	82,496	-	-
Payment to the escrow agent	-	-	-	-	-	-	-	200,000	-	-
Total expenditures	<u>68,380,737</u>	<u>42,109,322</u>	<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>
Excess (deficiency) of revenues	<u>(27,443,527)</u>	<u>(3,441,521)</u>	<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>
Other financing sources (uses):										
Issuance of debt	3,000,000	42,750,000	6,900,000	-	1,013,268	3,825,825	364,171	5,310,000	-	679,798
Premiums on debt issuance	-	3,008,637	1,241,088	-	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	(2,808,528)	-	(5,227,504)	-	-
Proceeds from sale of capital assets	363,724	-	-	13,842	-	-	-	349,900	-	-
Total other financing sources	<u>3,363,724</u>	<u>45,758,637</u>	<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>
Net change in fund balance	<u>\$ (24,079,803)</u>	<u>\$ 42,317,116</u>	<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>
Debt service as a percentage of noncapital expenditures	<u>6.36 %</u>	<u>5.83 %</u>	<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>

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
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
2021	11,349,042,012	1,371,578,958	81,922,170	37,536,288	1,248,669,381	1,289,656,788	94 %	2.35
2022	11,837,606,406	1,445,853,793	82,175,927	49,438,214	1,314,239,652	1,363,677,866	94 %	2.37

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

GOLDER RANCH FIRE DISTRICT

NET LIMITED ASSESSED PROPERTY VALUE BY PROPERTY CLASSIFICATION

(Last ten fiscal years)

<u>Fiscal year</u>	<u>Commercial, industrial, utilities, and mines</u>	<u>Agricultural and vacant</u>	<u>Residential (owner occupied)</u>	<u>Residential (rental)</u>	<u>Historical property</u>	<u>Total net limited assessed valuation</u>
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	100,742,378	42,944,448	489,834,086	169,936,295	2,832	803,460,039
2018	103,622,758	44,115,550	787,949,002	177,196,004	2,972	1,112,886,286
2019	158,911,806	52,899,821	713,040,044	238,595,094	3,121	1,163,449,886
2020	159,624,123	53,471,517	760,516,608	246,781,823	3,277	1,220,397,348
2021	159,030,684	56,077,041	798,118,284	276,427,368	3,411	1,289,656,788
2022	190,939,726	59,120,822	1,011,847,969	101,768,783	566	1,363,677,866

NOTE: Increase in Net Limited Assessed Property Value for fiscal year 2018/19 is mostly attributable to the consolidation of the District and Mountain Vista Fire District of Pima County, Arizona.

NOTE: Information prior to fiscal year 2017 was not available.

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

GOLDER RANCH FIRE DISTRICT

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

(Last Ten Fiscal Years)

Fiscal year	Golder Ranch Fire District - Secondary	Golder Ranch Fire District - Debt Service	Amphitheater Unified School District #10	Pima Community College	Pima County	Pinal County
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	3.79
2021	2.35	0.11	4.21	1.33	4.78	3.69
2022	2.37	0.11	5.10	1.34	5.62	3.69

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

GOLDER RANCH FIRE DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

FY 2022 and FY 2013

Taxpayer	Fiscal year					
	2022			2013		
	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	9,510,247	1	0.7 %	10,385,671	1	1.3 %
Oro Valley Market Place	5,190,958	2	0.4 %	5,257,481	3	0.7 %
Roche	4,617,969	3	0.3 %	3,991,460	6	0.5 %
Splendido	3,640,734	4	0.3 %	5,240,941	4	0.7 %
Honeywell	3,256,559	5	0.2 %	4,923,082	5	0.6 %
Desert Point	2,182,792	6	0.2 %	2,052,077	8	0.3 %
Miraval Resort	1,964,673	7	0.1 %	3,779,034	7	0.5 %
El Conquistador Resort	1,930,057	8	0.1 %	-	-	- %
Encantada Steam Pump Ranch	1,458,607	9	0.1 %	-	-	- %
Sonofi	955,682	10	0.1 %	-	-	- %
CCH Tucson Partnership LLC	-	-	- %	5,300,000	2	0.7 %
HDP Northwest	-	-	- %	1,593,152	9	0.2 %
Target Corp	-	-	- %	1,639,185	10	0.2 %
Total	<u>1,363,677,866</u>		<u>%</u>	<u>805,923,106</u>		<u>- %</u>

Source: Pima/Pinal County Assessor's website

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
2013	13,937,646	(58,913)	13,878,733	12,805,357	92.3 %	1,052,618	13,857,975	99.9 %
2014	15,009,773	(61,076)	14,948,697	14,398,923	96.3 %	529,890	14,928,813	99.9 %
2015	16,733,540	(463)	16,733,077	16,398,624	98.0 %	313,905	16,712,529	99.9 %
2016	16,974,606	(2,021)	16,972,585	16,577,634	97.7 %	348,910	16,926,544	99.7 %
2017	17,836,813	(17,345)	17,819,468	17,588,080	98.7 %	183,037	17,771,117	99.7 %
2018	26,519,024	(139,668)	26,379,356	26,251,961	99.5 %	44,580	26,296,541	99.7 %
2019	28,415,178	(9,679)	28,405,499	27,638,023	97.3 %	467,821	28,105,844	98.9 %
2020	29,728,895	(4,483)	29,724,412	29,343,391	98.7 %	79,941	29,423,332	99.0 %
2021	31,725,557	(22,568)	31,702,989	30,605,303	96.5 %	733,718	31,339,021	98.9 %
2022	34,228,315	(1,942)	34,226,373	33,974,854	99.3 %	173,575	34,148,429	99.8 %

Source: Pima and Pinal County Treasurer reports

GOLDER RANCH FIRE DISTRICT

COMPUTATION OF LEGAL DEBT MARGIN

(Last Ten Fiscal Years)

	Fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net assessed value	1,363,677,866	1,289,656,788	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
Debt limit rate (Article IX, Sect 8)	6 %	6 %	6 %	6 %	6 %	6 %	6 %	6 %	6 %	6 %
Debt limit	81,820,672	77,379,407	73,223,841	69,806,993	66,773,177	48,207,602	46,294,428	46,047,154	45,948,283	48,355,386
Less bond and lease obligations	<u>(58,779,858)</u>	<u>(58,196,896)</u>	<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>
Additional debt capacity	<u>23,040,814</u>	<u>19,182,511</u>	<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>
Debt capacity as a percent of total debt limit	71.8 %	75.2 %	17.5 %	18.2 %	21.9 %	19.4 %	22.2 %	23.6 %	25.4 %	25.5 %

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, 2021</u>	<u>Percentage applicable to District (based on 2020 NAV)</u>	<u>Amount applicable to District</u>
Pima County*	407,428,000	12.43 %	50,630,074
Amphitheater Unified School District No. 10	85,417,217	41.38 %	35,345,644
Town of Oro Valley	83,270,594	100.00 %	83,270,594
Pinal County	299,465,000	6.70 %	<u>20,061,924</u>
Subtotal, overlapping debt			189,308,236
Direct:			
Golder Ranch Fire District			<u>58,779,858</u>
Total direct and overlapping debt			<u><u>248,088,094</u></u>

Source: Pinal and Pima County ACFR, Town of Oro Valley CAFR, June 30, 2020 and District financial records.

*Excludes improvement Districts

** Outstanding debt as of June 30, 2021 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						Leases/ financed purchases/ certificates of participation	Total outstanding debt		
	General obligation bonds	Debt service monies available	Net bonded debt	Ratio to assessed value	Per capita	Percentage of personal income		Total	Per capita	Percentage of personal income
2013	10,420,000	1,386,002	9,033,998	1.1 %	146.92	0.4 %	1,897,605	12,317,605	184.13	0.6 %
2014	9,805,000	1,448,051	8,356,949	1.1 %	140.55	0.4 %	1,897,605	11,702,605	166.77	0.6 %
2015	9,165,000	1,575,872	7,589,128	1.0 %	125.07	0.3 %	1,659,778	10,824,778	155.55	0.5 %
2016	8,520,000	1,206,827	7,313,173	0.9 %	118.93	0.3 %	1,760,171	10,280,171	147.56	0.5 %
2017	7,044,000	271,779	6,772,221	0.8 %	83.73	0.2 %	2,315,804	9,359,804	147.80	0.3 %
2018	6,448,000	354,352	6,093,648	0.5 %	75.18	0.2 %	8,185,015	14,633,015	168.41	0.5 %
2019	5,558,000	383,694	5,174,306	0.4 %	63.67	0.2 %	7,113,916	12,671,916	164.16	0.4 %
2020	12,773,293	460,404	12,312,889	1.0 %	147.30	0.4 %	1,300,604	14,073,897	164.94	0.4 %
2021	27,627,409	292,030	27,335,379	2.1 %	313.51	0.8 %	30,569,487	58,196,896	667.46	1.8 %
2022	29,502,009	360,944	29,141,065	2.1 %	293.65	0.8 %	29,277,849	58,779,858	592.31	1.6 %

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>
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 %
2021	87,191	3,307,759,756	37,937	6.5 %
2022	99,238	3,654,858,034	36,829	4.0 %

Source: Pima County Association of Governments, University of Arizona

GOLDER RANCH FIRE DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

Census year								
Community	2021				2011			
	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	12,574	71.0 %	48.50	259.3	9,950	75.2 %	48.50	328.2
Catalina	7,551	28.9 %	14.10	535.5	7,569	26.1 %	14.10	536.4
Town of Oro Valley	47,070	34.7 %	34.99	1,345.2	43,070	32.7 %	34.99	1,154.4
Other	32,043	15.2 %	145.81	219.8	900	16.4 %	145.81	6.0
	<u>99,238</u>		<u>243.40</u>	<u>407.7</u>	<u>61,489</u>		<u>243.40</u>	<u>252.6</u>

GOLDER RANCH FIRE DISTRICT

PRINCIPAL EMPLOYERS

FY 2022 and FY 2013

Employer	Fiscal year					
	2022			2013		
	Employees	Rank	Percent of total employment	Employees	Rank	Percent of total employment
Roche Tissue Diagnostics	1,400	1	4 %	1,112	1	7 %
Honeywell Aerospace	631	2	2 %	650	3	4 %
Town of Oro Valley	520	3	2 %	424	6	2 %
Oro Valley Hospital	421	4	1 %	508	4	3 %
Amphi Schools	395	5	1 %	733	2	4 %
Miraval Resorts	374	6	1 %	387	7	2 %
Walmart	325	7	1 %	330	8	2 %
Casa de la Luz Hospice	264	8	1 %	-	-	- %
Simple View	234	9	1 %	-	-	- %
Splendido	203	10	1 %	-	-	- %
Hilton El Conquistador Resort	-	-	- %	450	5	3 %
Target	-	-	- %	115	9	1 %
Kohls	-	-	- %	105	10	1 %
Meggitt Securaplane	-	-	- %	-	-	- %
*Total estimated employee population	<u>34,166</u>		<u>15 %</u>	<u>17,058</u>		<u>29 %</u>

Source: OroValleyAZ.gov, Pima County Association of Governments, Miraval Resorts HR, Arizona Daily Star and Town of Oro Valley FY2020 ACFR

*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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Fire and rescue	203	209	204	224	220	154	140	135	124	125
Administrative and support	57	59	57	40	41	37	37	31	29	28
Total	260	268	261	264	261	191	177	166	153	153

Source: District records.

GOLDER RANCH FIRE DISTRICT

OPERATING INDICATORS BY FUNCTION

(Last Ten Fiscal Years)

Function	Fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public safety										
Emergency medical service calls	11,029	9,749	9,078	8,729	9,031	6,694	6,324	5,997	5,404	5,233
Fire responses	146	166	193	216	229	181	186	159	155	194
Other responses (including hazardous condition, public service)	6,579	5,852	6,122	6,751	5,894	4,575	4,651	4,309	3,961	3,837
Miscellaneous - including good intent	<u>1,219</u>	<u>1,146</u>	<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>
Total	<u>18,973</u>	<u>16,913</u>	<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>

Source: District records.

GOLDER RANCH FIRE DISTRICT

CAPITAL ASSETS BY FUNCTION

(Last Ten Fiscal Years)

Function	Fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public safety										
Number of Stations	10	10	10	10	10	7	7	7	7	7
Equipment:										
Aerial/Truck/Platform	4	4	4	4	4	3	2	2	2	2
Brush Rig	8	7	6	6	5	4	4	3	3	3
Passenger Vehicles	41	42	38	38	37	26	24	20	20	21
Medic Unit	14	14	14	13	12	11	10	9	9	9
Mobile Command Unit	1	1	1	1	1	1	1	1	1	1
Pumper/Engine	17	16	15	15	15	11	10	9	8	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	7	6	6	6	6	3	3	3	3	3
Total rolling stock	95	94	87	86	83	62	57	50	49	50

Source: District records.