TUBAC FIRE DISTRICT

Audit Results

FOR THE PERIOD JULY 1, 2021 THROUGH JUNE 30, 2022

Results of Audit

- Unmodified opinion on the financial statements

- Required communications

- Summary of financial information

- Consideration of internal control

- Annual Comprehensive Financial Report (ACFR)

Required
Communications

- Accounting policies

- Estimates

- Disclosures are neutral, consistent and clear

- Sensitive disclosures

- No significant disagreements with management

- Compliance with ARS 48-805.02, subsection G

- Adjustments

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Audit Results Summary

Full Accrual:

Description	Assets and deferred outflows	Liabilities and deferred inflows	Net position	Revenues	Expenses
Pre-audit balances	$ 13,445,000	$ 7,007,000	$ 6,438,000	$ 4,164,000	$ 3,988,000
Adjusting Journal Entries:					
Prepared by Client	128,000	-	-	128,000	-
Prepared by Auditor	(15,000)	45,000	-	(20,000)	40,000
Prepared by Auditor - Leases	236,000	228,000	-	5,000	(3,000)
Prepared by Auditor - PSPRS	(257,000)	(281,000)	-	-	(24,000)
Reclassifying Journal Entries:					
Prepared by Auditor	-	468,000	-	33,000	-
Prepared by Auditor	-	(468,000)	-	(33,000)	-
Total Adjustments	92,000	(8,000)	0	113,000	13,000
Net Position Effect			100,000		
	92,000	(8,000)	100,000	113,000	13,000
Audited Balances	$ 13,537,000	$ 6,999,000	$ 6,538,000	$ 4,277,000	$ 4,001,000

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Financial Highlights:
Statement of Net Position

	2020	2021	2022
Current assets	$2,734,000	$6,406,000	6,593,000
Capital assets	5,446,000	$5,433,000	5,281,000
Net pension/OPEB assets	129,000	117,000	230,000
Deferred outflows	1,379,000	1,803,000	1,433,000
Total assets and deferred outflows	$9,688,000	$13,759,000	13,537,000
Current liabilities	644,000	675,000	644,000
Net pension liability	2,646,000	3,428,000	2,383,000
Other noncurrent liabilities	3,322,000	2,861,000	2,446,000
Deferred inflows	665,000	533,000	1,526,000
	7,277,000	7,497,000	6,999,000
Net position:			
Unrestricted	439,000	3,845,000	3,809,000
Restricted	236,000	245,000	270,000
Net investment in capital assets	1,736,000	2,172,000	2,459,000
	2,411,000	6,262,000	6,538,000
Total liabilities and net position	$9,688,000	$13,759,000	13,537,000

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NOTE: Amounts based on the government-wide statements, which are presented on the full accrual basis of accounting.

Financial Highlights:
Statement of Activities

	2020	2021	2022
Property tax revenue	$2,939,000	$3,085,000	3,287,000
FDAT revenue	134,000	141,000	146,000
Charges for services	742,000	986,000	724,000
Grants and contributions	480,000	25,000	-
Gain on sale of capital assets	20,000	3,901,000	-
Other revenue	279,000	182,000	120,000
Total revenue	4,594,000	8,320,000	4,277,000
Operating expenses	3,749,000	3,808,000	3,646,000
Pension expense	533,000	661,000	355,000
Total expenses	4,282,000	4,469,000	4,001,000
Increase (decrease) in net position	$ 312,000	$3,851,000	276,000

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Cash Flow Summary

	2020	2021	2022
Net cash provided by (used in):			
Operating activities	$ 846,000	$ 804,000	$ 790,000
Capital purchases	(231,000)	(423,000)	(273,000)
Proceeds from sale of capital assets	23,000	3,902,000	-
Debt payments (principal & interest)	(875,000)	(542,000)	(523,000)
Debt issuance proceeds	-	-	-
Net increase (decrease) in cash	(237,000)	3,741,000	(6,000)
Beginning cash	2,376,000	2,139,000	5,880,000
Ending cash	$ 2,139,000	$ 5,880,000	$ 5,874,000

Internal Controls

- Internal Controls – designed to safeguard assets and prevent or detect losses

- Segregation of Duties – a fundamental concept in internal controls, involves having multiple individuals involved in a process
  - The size of the District limits segregation of duties
  - Oversight role of the Governing Board is a key component of the District's internal controls in fulfilling the Board's fiduciary responsibility

ACFR - Annual Comprehensive Financial Report

- Introductory Section
  - Letter of Transmittal
  - GFOA Certification

- Financial Section
  - Auditors' report
  - Management's Discussion & Analysis
  - Financial Statements
  - Required Supplementary Information

- Statistical Section
  - Financial Trends
  - Revenue Capacity
  - Debt Capacity
  - Demographic and Economic Info
  - Operating Info