



**TUBAC FIRE DISTRICT**



# Audit Results

FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020



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# Results of Audit

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- Unmodified opinion on the financial statements
- Internal control consideration
- Compliance with ARS 48-805.02, subsection G
- CAFR – Comprehensive Annual Financial Report

# Audit Results Summary

## Full Accrual:

Description	Assets and deferred outflows	Liabilities and deferred inflows	Net position	Revenues	Expenses
Pre-audit balances	\$ 9,451,000	\$ 6,984,000	\$ 2,467,000	\$ 4,507,000	\$ 4,139,000
Adjusting Journal Entries:					
Prepared by Client	-	(45,000)	-	-	(45,000)
Prepared by Auditor	87,000	20,000	-	87,000	20,000
Prepared by Auditor - PSPRS	150,000	318,000	-	-	168,000
Reclassifying Journal Entries:					
Prepared by Auditor	-	444,000	-	-	1,000
Prepared by Auditor	-	(444,000)	-	-	(1,000)
Total Adjustments	237,000	293,000	0	87,000	143,000
Net Position Effect			(56,000)		
	237,000	293,000	(56,000)	87,000	143,000
Audited Balances	\$ 9,688,000	\$ 7,277,000	\$ 2,411,000	\$ 4,594,000	\$ 4,282,000

# Financial Highlights:

## Statement of Net Position

	2018	2019	2020
Current assets	\$2,449,000	\$2,784,000	\$2,734,000
Capital assets	5,479,000	5,627,000	5,446,000
Net pension/OPEB assets	63,000	72,000	129,000
Deferred outflows	<u>1,137,000</u>	<u>1,286,000</u>	<u>1,379,000</u>
Total assets and deferred outflows	<u>\$9,128,000</u>	<u>\$9,769,000</u>	<u>\$9,688,000</u>
Current liabilities	510,000	904,000	644,000
Net pension liability	2,386,000	2,460,000	2,646,000
Other noncurrent liabilities	3,851,000	3,773,000	3,322,000
Deferred inflows	<u>438,000</u>	<u>533,000</u>	<u>665,000</u>
	7,185,000	7,670,000	7,277,000
Net position:			
Unrestricted	389,000	392,000	439,000
Restricted	200,000	553,000	236,000
Net investment in capital assets	<u>1,354,000</u>	<u>1,154,000</u>	<u>1,736,000</u>
	1,943,000	2,099,000	2,411,000
Total liabilities and net position	<u>\$9,128,000</u>	<u>\$9,769,000</u>	<u>\$9,688,000</u>

# Financial Highlights:

## Statement of Activities

	2018	2019	2020
Property tax revenue	\$2,812,000	\$2,808,000	\$2,939,000
FDAT revenue	127,000	128,000	134,000
Charges for services	857,000	810,000	742,000
Grants and contributions	7,000	7,000	480,000
Other revenue	<u>243,000</u>	<u>304,000</u>	<u>299,000</u>
Total revenue	4,046,000	4,057,000	4,594,000
Operating expenses	3,617,000	3,532,000	3,749,000
Pension expense	<u>491,000</u>	<u>369,000</u>	<u>533,000</u>
Total expenses	4,108,000	3,901,000	4,282,000
Increase (decrease) in net position	<u>\$ (62,000)</u>	<u>\$ 156,000</u>	<u>\$ 312,000</u>

# Cash Flow Summary

	2018	2019	2020
Net cash provided by (used in):			
Operating activities	\$ 912,000	\$ 770,000	\$ 846,000
Capital purchases	(10,000)	(526,000)	(231,000)
Proceeds from sale of capital assets	-	29,000	23,000
Debt payments (principal & interest)	(547,000)	(238,000)	(875,000)
Debt issuance proceeds	-	295,000	-
Net bond refunding *	-	62,000	-
Net increase (decrease) in cash	355,000	392,000	(237,000)
Beginning cash	1,629,000	1,984,000	2,376,000
Ending cash	<u>\$ 1,984,000</u>	<u>\$ 2,376,000</u>	<u>\$ 2,139,000</u>

\* includes \$3,800,000 payment to escrow account and \$3,862,000 proceeds from refunding

# Internal Controls

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- 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