



**TUBAC FIRE**

**DISTRICT**

**ARIZONA**



**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
for fiscal year ended June 30, 2025

# TUBAC FIRE DISTRICT

SANTA CRUZ COUNTY, ARIZONA



## Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2025

Prepared by:  
The James Vincent Group

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## Introductory Section

Draft



# TUBAC FIRE DISTRICT

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P.O. BOX 2881  
TUBAC, ARIZONA 85646  
TELEPHONE: (520) 398-2255

February 25, 2026

To the Honorable Member of the Board and Citizens of Tubac Fire District:

The following is the Annual Comprehensive Financial Report (ACFR) of Tubac Fire District (TFD) for the fiscal year ending June 30, 2025. This ACFR report is intended to meet and exceed all legal reporting requirements that are borne by this jurisdiction. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. 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, the fiscal year audit has been performed by an independent certified public accounting firm, Walker & Armstrong, LLP. The auditors have issued an unmodified (“clean”) opinion on the Tubac Fire District’s financial statements for the year ended June 30, 2025.

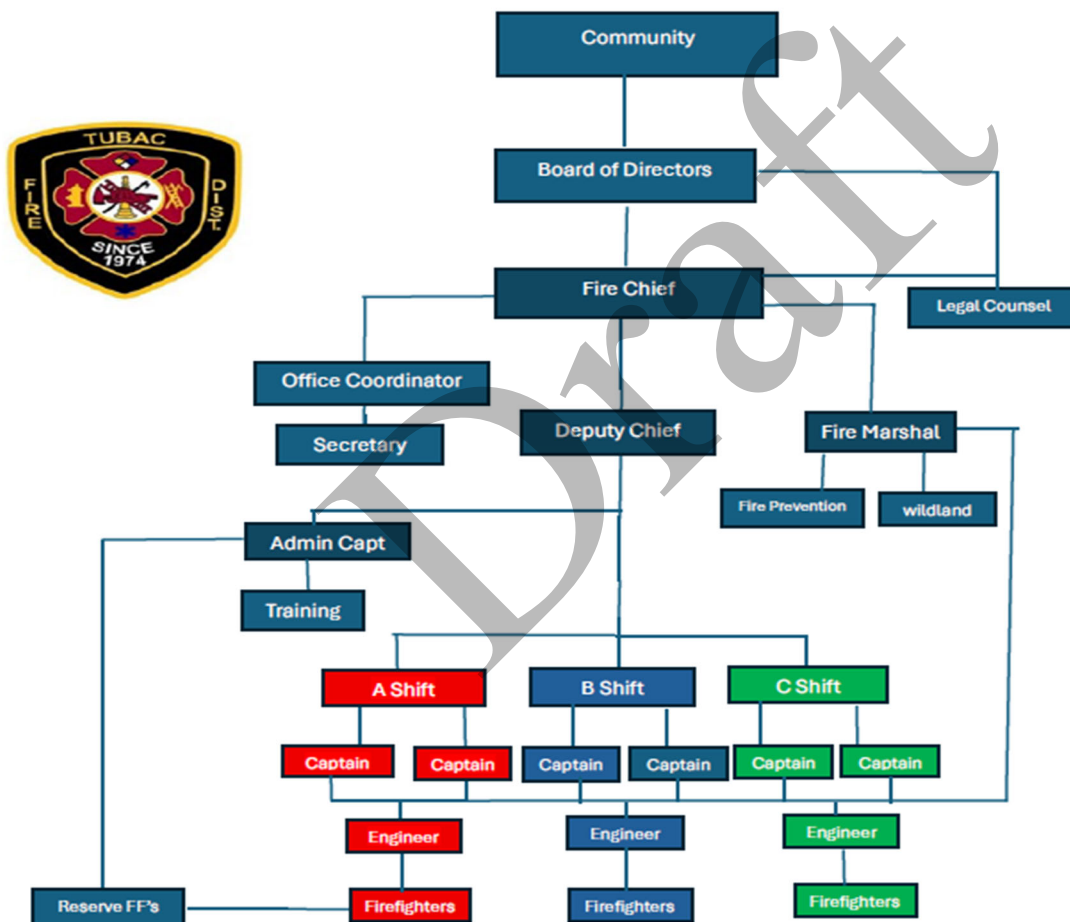
The independent auditor’s report is located at the front of the financial section of this report. Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements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

## **District Profile**

The Tubac Fire District was established in 1974. The District provides fire and emergency medical services, which include fire suppression, emergency medical response, rescue, fire prevention, public education, and various other non-emergency services such as venomous creature removal. Tubac Fire District operates from four fire stations, staffed by a minimum of seven operational personnel for twenty-four hours each day of the year. Each station is outfitted with a Type 1 engine, an ALS/BLS ambulance, water tender, and Type 6 brush truck to meet the emergency response needs of the community. All suppression personnel are dual trained in structural/wildland firefighting and certified EMT’s or Paramedics. The District is managed by five administrative staff and a five-person elected fire board.

Covering 595 square miles with an ambulance transport service area and 160 square miles of District response area the District has grown to serve an estimated 10,000 full time residents. The District responds to approximately 1,893 calls per year, providing fire protection and emergency medical services, ambulance transport, technical rescue, public education and fire prevention.

Recognized by the State of Arizona as a special taxing district, TFD operates under Arizona Revised Statutes (ARS) Title 48, Chapter 5. The District is a community service organization funded through limited assessed value property taxes. It is governed by a five-member Board elected by the public, comprised of a Board Chair and four Board Members, including a Board Clerk and Board Treasurer. All board members are elected at large and serve staggered four-year terms. The Board hires and has authority over a Fire Chief who is charged with managing day-to-day operations of the District. The Deputy Fire Chiefs directly report to the Fire Chief with direct supervision of the three shift Captains, along with indirect supervision of all operations personnel fire code compliance, plan review, and community education. The Board is required to adopt an annual budget which serves as the foundation for financial planning and control. The budget is prepared by fund, function, and object. A current organization chart follows:



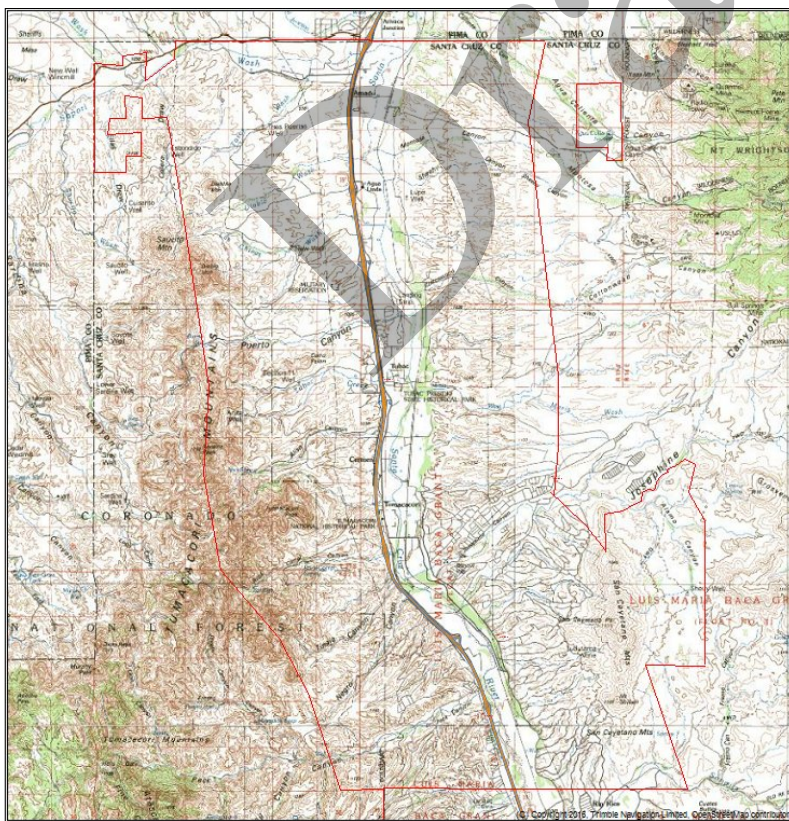
The District responds to any emergency situation that threatens life, safety or property. The fire district through a regional communication center dispatches the closest available unit(s) with appropriate capabilities to control the emergency or provide the service. Timely response and effective management of medical, rescue and fire control situations represent the most immediate priorities of the Fire District.

TFD also respond to various non-emergency situations that are not routinely handled by other agencies or providers. These non-emergency responses would include things such as wellness checks, smoke detector installation, pest removals, and other situations to assist our customers. The TFD community risk reduction strategies are based on the premise that TFD can proactively attempt to safely and effectively address customer's needs and meet the basic goals of the TFD mission before someone must access the 911 system.

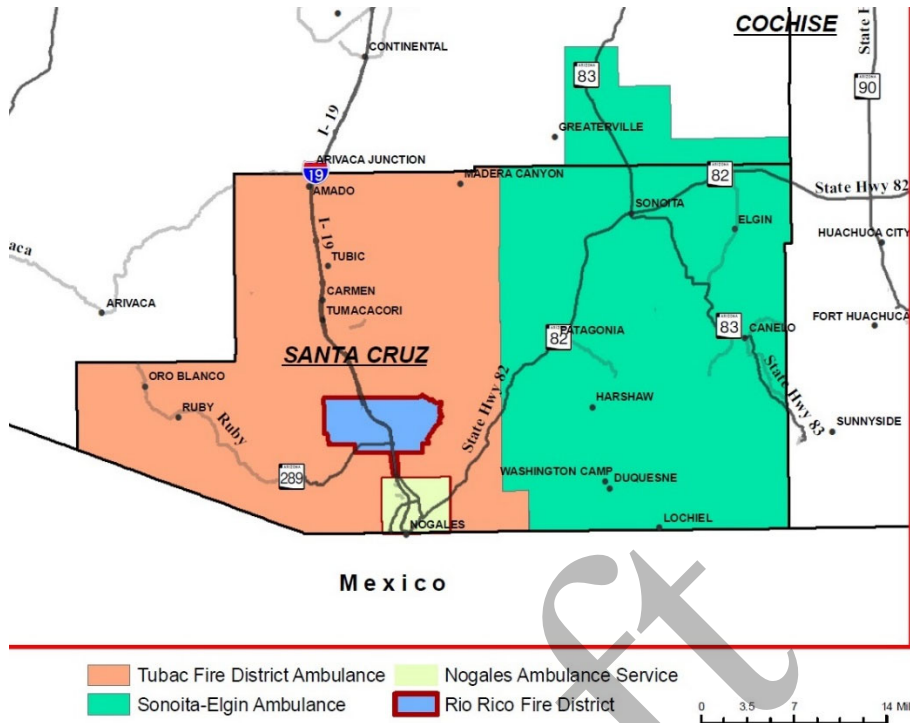
In early 2019, the Arizona Department of Health Services (AZDHS) awarded the Tubac Fire District with Premier EMS Agency Program (PEAP) status. The PEAP certification is awarded to an agency for utilization of electronic patient care reporting and quality assurance programs designed to optimize emergency patient care. Tubac Fire District staff regularly conduct quality assurance assessments on all time-sensitive emergencies related to suspected opioid overdose, cardiac arrest, ST-segment elevation myocardial infarction (STEMI), stroke, major trauma, and pediatric resuscitation. Data from these calls is then used to develop training, education, and policies that enhance patient care and outcomes.

### About the Area

TFD serves residents and visitors of the communities of Tubac, Tumacácori, Carmen, and Rio Rico. The area was originally settled in the 1700's by Spanish soldiers and has become a destination for art and history enthusiasts. At an elevation of approximately 3200, the area has an average daily temperature of 82 degrees, with average annual rain fall of 17 inches. The area is internationally known for resorts, artist community, historic sites, and annual special events, including Festival of Arts, Art Walk, Anza Days, Art Experience, and Luminarias.



Tubac Fire District  
Boundary Map



A snapshot of TFD-Demographics and service levels includes:

District Size	160 square miles
Ambulance Transport Service Area	595 square miles
Full-time Resident Population	10,000
Stations	4
Fire and Rescue Service Staffing	24
Administrative and Support	4
Fire Prevention	1

### Budget Overview

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 Board adopts the general fund budget prior to the beginning of the fiscal year of the District. Throughout the budget process the Board reviews the budgeted expenses at the fund, function and object level. This is done to allow the Board, and participating community members, to gain a more detailed understanding of the budget and to be in compliance with Arizona Revised Statute 48-805.02(A) which requires a detailed estimate of expenditures. Although the Board reviews the budget at the fund, function and object level, the budget is approved at the fund level and sets the level by which actual expenditures should not exceed budgeted expenditures. The Board is not required to adopt a formal budget for the Debt Service fund however transfers between funds require Board authorization, as do any transfers from Contingency.

Budgeted expenditures lapse at year-end and may not be carried over to subsequent years.

## **Local Economy and Outlook**

The area is known for its tourism and recreation and they are therefore major contributors to the local economy. The local area has seen a strong real estate market, caused by a combination of high demand, low inventory, and historically low interest rates, with an increase in median home prices. This is a strong metric as a significant amount of revenue is based on the assessed value of property. However, increasing interest rates may influence real estate values but more time will be needed to understand that effect and potential effect on assessed value of property.

During the period of 2010-2017 the area experienced a population decline of 2.3%, however the area is expected to have population growth of 1.3-1.4% through 2050. District management and staff are working proactively and cooperatively with other governments, surrounding fire districts, and regional planning groups to ensure continued ability to serve this future population.

## **Long-term financial planning and major initiatives**

The District has developed a comprehensive five-year capital improvement plan. The capital improvement plan will sustain and enhance emergency response infrastructure by maintaining and replacing aging facilities and capital assets. This capital improvement plan forecasts the life expectancy and replacement and or maintenance costs for each of the District's long-term assets, as well as define the funding levels needed over each of the five years. The capital improvement plan is reviewed every year to ensure it captures the needs of the organization and is receiving adequate funding.

The District's population is expected to continue to increase and the District management are working proactively to ensure the Districts continued ability to serve this future population while providing financial long-term sustainability.

As trends in net assessed value continue to be positive, management are looking at ways of optimizing other sources of revenue such as ambulance revenue, wildland and grant and therefore reducing the reliance on one source of revenue.

## **Relevant Financial Policies**

TFD has adopted a comprehensive set of financial policies. The policies are constantly evaluated for their effectiveness and how they keep the Governing Board and staff focused on increased internal controls, reporting and long-term sustainability. The policies implemented have been effective in protecting the District and its focus on maintaining service levels while also providing long term sustainability and success.

## **Awards and Acknowledgements**

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Tubac Fire District for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the sixth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

We would like to express our sincere gratitude to the personnel of the finance department who assisted and contributed to the preparation of this report. Appreciation is also extended to Board Chair Sandy Johnson, Members of the Board, the managers, employees and citizens of the District whose continued support is vital to the financial health of Tubac Fire District.

Respectfully submitted,

Ben Guerrero  
Fire Chief

The James Vincent Group  
Finance Director

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**Tubac Fire District**

List of Elected and Appointed Officials

June 30, 2025

**Elected Board Members**

	Term Expires
Board Chair Sandy Johnson	November 30, 2028
Board Treasurer Gary Brasher	November 30, 2028
Board Clerk Mary Dahl	November 30, 2028
Board Member Herb Wisdom	November 30, 2030
Board Member Rich Bohman	November 30, 2030

**Administrative Offices**

2227 E. Frontage Rd., Tubac, AZ 85646

**Fire Chief/Administrator**

Chief Ben Guerrero

**Finance Director**

The James Vincent Group

**Legal Counsel**

Goldsmith & Mendoza P.L.L.C



## Financial Section

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**Tubac Fire District  
Management's Discussion and Analysis  
Year Ended June 30, 2025**

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As management of Tubac Fire District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with District's financial statements, which begin on page 11. This annual financial report consists of three parts, Management's Discussion and Analysis (this section), the basic financial statements and the statistical section.

### **Nature of Operations**

The District provides fire and emergency medical services to homes, property and persons residing within the District boundaries which encompasses a 160 square mile area as well as ambulance services to locations and persons outside the District's boundaries.

### **Financial Highlights**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$8,521,474. Of this amount, the net investment in capital assets is \$4,255,823.
- During the year, the District's total net position increased by \$1,578,041 or 22.7% from the previous year.
- Total revenues increased over the previous fiscal year by \$1,751,042 or 33% due to an increase for property tax of \$482,830, an increase in charges for service of \$284,067, an increase in other revenues of \$188,616, and an increase in operating and capital grant revenues of \$789,307.
- Total public safety expenses increased by \$618,428 due to an increase in personnel expenses of \$340,881 and an increase in administration of \$185,393.
- At the end of the current fiscal year, unrestricted net position for governmental activities was \$3,515,422.

### **Overview of the Financial Statements**

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements which are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the basic financial statements. This report also contains required supplementary information and a statistical section in addition to the basic financial statements themselves.

The main purpose of these statements is to provide the reader with sufficient information to assess whether or not the District's overall financial position has improved or deteriorated.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. Consequently, the entity-wide presentation utilizes the accrual basis of accounting and consolidates all governmental funds of the District.

## Management's Discussion and Analysis - Continued

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### **Government-wide Financial Statements**

The *statement of net position* presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 11 and 12 of this report.

### **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Management establishes governmental funds based on the application of generally accepted accounting principles and the evaluation of applicable laws, regulations and reporting objectives.

### ***Governmental Funds***

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two (2) governmental funds: the general fund and debt service fund.

## Management's Discussion and Analysis - Continued

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### **Fund Financial Statements - Continued**

Information is presented separately in the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and debt service fund (major governmental funds). The concept and determination of major funds has been established by the Governmental Accounting Standards Board (GASB).

The District adopts an annual appropriated budget to provide for its general fund. A budgetary comparison statement for the general fund has been provided as part of the supplementary information following the basic financial statements to demonstrate compliance with the budget and is presented on pages 37 through 38. The District revises the capital improvement plan annually to outline anticipated replacements and projects to be completed during the year using the general fund.

The basic governmental fund financial statements can be found on pages 13-16 of this report.

### ***Notes to 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 basic financial statements can be found on pages 17-36 of this report.

### ***Other Information***

In addition to the basic financial statements and accompanying notes, this report includes required supplementary information, other than *Management's Discussion and Analysis*, concerning a comparison of the District's budget to actual revenues and expenditures for the general fund, as described earlier and can be found on pages 37 and 38 of this report and certain pension/other post-employment benefits (OPEB) information is reported on pages 39 through 43.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$8,521,474 at the close of the 2025 fiscal year. A portion of the District's net position, \$4,255,823, reflects its investment in capital assets (e.g., land and improvements, construction in progress, buildings and improvements, apparatus and vehicles, equipment, right-to-use leased vehicles, and subscription-based information technology arrangements); less any related outstanding debt used to acquire those assets.

## Management's Discussion and Analysis - Continued

### Government-Wide Financial Analysis - Continued

The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The District had \$425,716 in restricted fund balance for debt service, \$324,513 restricted for the net OPEB asset, with a remaining unrestricted net position of \$3,515,422.

The District's \$5,969,559 in capital assets consists of land and improvements, construction in progress, buildings and improvements, apparatus and vehicles, equipment, right-to-use leased vehicles, and subscription-based information technology arrangements.

The following contains an analysis of the current year government-wide statements.

### Condensed Statements of Net Position

#### GOVERNMENTAL ACTIVITIES

	2025	2024
<b>Assets</b>		
Cash and investments	\$ 6,002,298	\$ 5,937,756
Cash and investments, restricted	4,706,298	4,689,169
Other assets	985,974	786,829
Net other post-employment benefits asset	324,513	235,440
Capital assets, net	5,969,559	4,891,865
Total assets	17,988,642	16,541,059
<b>Deferred outflows of resources related to pension and OPEB</b>	1,463,483	1,807,417
<b>Liabilities</b>		
Current liabilities	227,131	184,452
Noncurrent liabilities	10,120,692	10,435,428
Total liabilities	10,347,823	10,619,880
<b>Deferred inflows of resources related to leases, pension and OPEB</b>	582,828	626,137
<b>Net position</b>		
Net investment in capital assets	4,255,823	2,744,950
Restricted	750,229	524,609
Unrestricted	3,515,422	3,832,900
Total net position	\$ 8,521,474	\$ 7,102,459

Governmental activities revenues totaled \$7,064,950 for fiscal year 2025, an increase of \$1,751,042 or 33.0%. These increases can be attributed to an increase in operating and capital grants of \$789,307 or 706.5% for new grants received in the current year, an additional \$482,830 or 12.5% in property taxes from an increase in assessed values and maintaining a consistent levy rate, and an increase of \$284,067 or 33.4% in charges for services resulting from increased ambulance services and wildland fire suppression services.

## Management's Discussion and Analysis - Continued

### Government-Wide Financial Analysis - Continued

The cost of all governmental activities for the year ended June 30, 2025, was \$5,486,909, an increase of \$618,428 or 12.7%. The majority of expenses is salaries, wages and related expenses which overall increased due to an increase in pension expense.

The following table presents a summary of the District's revenues and expenses for the current fiscal year:

#### Condensed Statements of Activities

##### GOVERNMENTAL ACTIVITIES

	<u>2025</u>	<u>2024</u>
<b>Revenues:</b>		
Program revenue:		
Charges for services	\$ 1,135,555	\$ 851,488
Operating and capital grants	901,031	111,724
General revenues:		
Property taxes	4,357,611	3,874,781
Fire district assistance tax	181,652	175,430
Other revenue	489,101	300,485
Total revenues	<u>7,064,950</u>	<u>5,313,908</u>
<b>Expenses:</b>		
Public safety	<u>5,486,909</u>	<u>4,868,481</u>
Total expenses	<u>5,486,909</u>	<u>4,868,481</u>
Change in net position	1,578,041	445,427
Net position, beginning of year, as restated	<u>6,943,433</u>	<u>6,657,032</u>
Net position, ending of year	<u>\$ 8,521,474</u>	<u>\$ 7,102,459</u>

The 2024 beginning net position was restated due to the implementation of GASB 101, *Compensated Absences*, see note 2 on page 23 for more details.

### Financial Analysis of the Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and generally accepted accounting principles (GAAP).

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of fiscal year.

## Management's Discussion and Analysis - Continued

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### **Financial Analysis of the Governmental Funds - Continued**

At the end of the current fiscal year, the District's governmental fund reported ending fund balance of \$10,960,888. Revenues for the year included property tax revenues, intergovernmental agreements and charges for services.

Of the \$10,960,888 total governmental fund balance, \$100,585 was nonspendable because of prepaid items, \$4,826,848 was restricted for debt service, \$2,805,820 was committed for future capital outlay, \$2,000,000 was committed for operating reserves, and \$1,227,635 was unassigned.

The general fund is the chief operating fund of the District. The general fund balance increased by \$93,687. General fund revenues increased by \$1,283,196 primarily due to an increase of \$197,754 in property taxes from a 6.15% increase of assessed property values while maintaining a consistent rate, an increase in charges for services of \$338,082 due to increased ambulance call volume, and an increase in intergovernmental revenues of \$696,056 resulting from a FEMA grant for a new engine. General fund expenditures increased by \$1,734,401 due to an increase in capital outlay of \$1,328,923, personnel costs of \$187,950 and administration of \$185,393. Additionally, the general fund had an increase in other financing sources of \$97,116 related to subscription-based information technology arrangements.

The debt service fund accounts for the property tax levy dedicated to the payment of principal and interest on the general obligation bonds. As of June 30, 2025, the ending fund balance in the debt service fund was \$4,826,848. Due to the timing of the debt service tax revenue and investment earnings, the balance increased by \$137,679.

### **General Fund Budgetary Highlights**

Total revenues were \$1,231,625 less than budgeted revenues while total expenditures were \$3,055,914 less than budgeted expenditures. The decrease in budgeted revenues occurred primarily due to intergovernmental revenues being \$1,423,456 less than budgeted and property tax being \$116,051 less than budgeted offset by charges for services being \$204,067 more than budgeted and investment earnings being \$142,770 more than budgeted. The expenditure variance resulted primarily from personnel costs being \$290,588 under budget, operations coming in \$637,766 below budget, administration being \$368,067 below and capital outlay being \$1,853,223 less than budgeted.

### **Capital Asset and Debt Administration**

*Capital Assets* – The District's investment in capital assets as of June 30, 2025, totaled \$5,969,559 (net of accumulated depreciation/amortization). These assets include land and improvements, buildings and improvements, apparatus and vehicles, equipment, right-to-use leased vehicles, and subscription-based information technology arrangements.

Major capital asset transactions during the year included \$1,586,777 in capital asset acquisitions including primarily station 1 improvements, two vehicles and various equipment.

## Management's Discussion and Analysis - Continued

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### **Capital Asset and Debt Administration - Continued**

The District depreciates/amortizes capital assets, except for land and improvements and construction in progress, consistent with generally accepted accounting principles, utilizing the straight-line depreciation/amortization method. The cost of the asset is divided by the expected useful life in years and the result is charged to expense each year until the asset is fully depreciated/amortized. Major outlays for capital assets and improvements are capitalized as projects are completed and placed into service. Additional information on the District's capital assets can be found in Note 6 in the basic financial statements on page 26.

***Long-Term Liabilities*** – At the end of the current year, the District had long-term liabilities outstanding of \$10,120,692, which included unfunded pension and other post-employment benefit (OPEB) obligation liabilities in the amount of \$3,730,724, general obligation bonds and related premium of \$5,963,581, compensated absences of \$275,100, subscription-based liabilities of \$121,557, and a financed purchase liability of \$29,730.

Additional information on the District's long-term liabilities can be found in Note 7 in the basic financial statements on pages 27 and 28.

### **Economic Factors Affecting Future Results**

The District has continued to pursue every feasible method of reducing operational costs while providing the highest level of service to the community. Despite aggressive management of expenditures, costs continue to rise, such as employee benefits and required pension contribution rates. While the District realized an 6.15% increase in property values, therefore the assessed value of the District is now only slightly below (\$130,131,315) its peak in fiscal year 2010. The District's tax rate is currently at \$3.1515, which includes a rate of \$0.02315 to support capital needs of the District in the future.

In addition, the District has identified significant capital assets that will need to be purchased over the next 5 years. As noted previously, the District experienced an increase in fund balance due to the increase in property taxes and intergovernmental revenues. The District board and management are working diligently to ensure that the capital projects plan is followed, and proceeds are spent efficiently.

### **Contacting the District**

This financial report is designed to provide an overview of the District's finances for anyone with an interest in the government's finances. Any questions regarding this report or requests for additional information may be directed to Tubac Fire District at 2227 East Frontage Road, Tubac, Arizona 85646.

**Tubac Fire District  
Statement of Net Position  
June 30, 2025**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and investments	\$ 6,002,298
Receivables, net:	
Property taxes	397,249
Ambulance	124,141
Lease	113,572
Due from other governments	250,427
Prepaid items	100,585
Cash and investments, restricted	4,706,298
Net other post-employment benefits asset	324,513
Capital assets, not being depreciated/amortized	660,259
Capital assets, being depreciated/amortized, net	5,309,300
Total assets	17,988,642
<b>Deferred outflows of resources</b>	
Deferred outflows related to pension and other post-employment benefits	1,463,483
Total deferred outflows of resources	1,463,483
<b>Liabilities</b>	
Accounts payable	121,768
Accrued payroll and related	104,894
Accrued interest	469
Noncurrent liabilities:	
Due within one year	590,118
Due in more than one year	9,530,574
Total liabilities	10,347,823
<b>Deferred inflows of resources</b>	
Deferred inflows related to pension and other post-employment benefits	474,394
Deferred inflows related to leases	108,434
Total deferred inflows of resources	582,828
<b>Net position</b>	
Net investment in capital assets	4,255,823
Restricted:	
Net OPEB asset	324,513
Debt service	425,716
Unrestricted	3,515,422
Total net position	\$ 8,521,474

The accompanying notes are an  
integral part of these basic financial statements.

**Tubac Fire District  
Statement of Activities  
Year Ended June 30, 2025**

	<b>Governmental Activities</b>
<b>Program expenses</b>	
<i>Public safety-fire protection and emergency medical services</i>	
Personnel costs	\$ 3,559,096
Operations	765,142
Administration	400,298
Depreciation/amortization expense	509,083
Debt service - interest	253,290
Total program expenses	5,486,909
<b>Program revenues</b>	
Charges for services	1,135,555
Operating and capital grants	901,031
Total program revenues	2,036,586
Net program expense	3,450,323
<b>General revenues</b>	
Taxes:	
Property taxes	4,357,611
Fire district assistance tax	181,652
Investment earnings	369,042
Other revenue	120,059
Total general revenues	5,028,364
Change in net position	1,578,041
Net position, July 1, 2024, as originally reported	7,102,459
Aggregate amount of adjustments to and restatements of beginning net position	(159,026)
Net position, July 1, 2024, as restated	6,943,433
Net position, June 30, 2025	\$ 8,521,474

The accompanying notes are an  
integral part of these basic financial statements.

**Tubac Fire District  
Balance Sheet  
Governmental Fund  
June 30, 2025**

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash and investments	\$ 6,002,298	\$ -	\$ 6,002,298
Receivables, net:			
Property taxes	397,249	-	397,249
Ambulance	124,141	-	124,141
Lease	113,572	-	113,572
Due from other governments	129,877	120,550	250,427
Prepaid items	100,585	-	100,585
Cash and investments, restricted	-	4,706,298	4,706,298
<b>Total assets</b>	<b>\$ 6,867,722</b>	<b>\$ 4,826,848</b>	<b>\$ 11,694,570</b>
<b>Liabilities</b>			
Accounts payable	\$ 121,768	\$ -	\$ 121,768
Accrued payroll and related	104,894	-	104,894
Accrued interest	469	-	469
<b>Total liabilities</b>	<b>227,131</b>	<b>-</b>	<b>227,131</b>
<b>Deferred inflows of resources</b>			
Unavailable revenues - property taxes	357,889	-	357,889
Unavailable revenues - ambulance	40,228	-	40,228
Deferred inflows related to leases	108,434	-	108,434
<b>Total deferred inflows of resources</b>	<b>506,551</b>	<b>-</b>	<b>506,551</b>
<b>Fund balances</b>			
Nonspendable	100,585	-	100,585
Restricted for debt service	-	4,826,848	4,826,848
Committed:			
Capital projects	2,805,820	-	2,805,820
Operating reserves	2,000,000	-	2,000,000
Unassigned	1,227,635	-	1,227,635
<b>Total fund balances</b>	<b>6,134,040</b>	<b>4,826,848</b>	<b>10,960,888</b>
<b>Total liabilities, deferred inflows of     resources and fund balances</b>	<b>\$ 6,867,722</b>	<b>\$ 4,826,848</b>	<b>\$ 11,694,570</b>

The accompanying notes are an  
integral part of these basic financial statements.

**Tubac Fire District**  
**Reconciliation of the Governmental Funds Balance Sheets**  
**to the Government-wide Statement of Net Position**  
**June 30, 2025**

<b>Total fund balances</b>		\$ 10,960,888
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Capital assets	\$ 13,380,673	
Less accumulated depreciation/amortization	<u>(7,411,114)</u>	5,969,559
<p>Some of the District's receivables will be collected after year-end, but are not available soon enough to pay for the current period expenditures and therefore are deferred in the funds.</p>		
		398,117
<p>Net pension/other post-employment benefits assets held in trust for future benefits are not available for operations and therefore, are not reported in the funds.</p>		
		324,513
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported as a liability in the funds as follows:</p>		
Accrued compensated absences	(275,100)	
Net pension obligation	(3,730,724)	
Bonds payable	(5,963,581)	
Financed purchase	(29,730)	
Subscription-based information technology arrangements	<u>(121,557)</u>	(10,120,692)
<p>Deferred outflows and inflows of resources related to pensions and other post-employment benefits are applicable to future reporting periods and therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions and OPEB	1,463,483	
Deferred inflows of resources related to pensions and OPEB	<u>(474,394)</u>	989,089
<b>Net position of governmental activities</b>		<u><u>\$ 8,521,474</u></u>

The accompanying notes are an integral part of these basic financial statements.

**Tubac Fire District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Governmental Fund**  
**Year Ended June 30, 2025**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
<i>Taxes:</i>			
Property taxes	\$ 3,562,715	\$ 675,130	\$ 4,237,845
Fire district assistance tax	181,652	-	181,652
Charges for services	1,164,067	-	1,164,067
Intergovernmental	936,484	-	936,484
Investment earnings	217,770	151,272	369,042
Other revenue	120,059	-	120,059
Total revenues	<u>6,182,747</u>	<u>826,402</u>	<u>7,009,149</u>
<b>Expenditures</b>			
<i>Public safety-fire protection and emergency medical services</i>			
<i>Current:</i>			
Personnel costs	3,340,229	-	3,340,229
Operations	765,142	-	765,142
Administration	400,298	-	400,298
<i>Debt service:</i>			
Principal	90,238	438,925	529,163
Interest	3,492	249,798	253,290
Capital outlay	1,586,777	-	1,586,777
Total expenditures	<u>6,186,176</u>	<u>688,723</u>	<u>6,874,899</u>
Excess (deficiency) of revenues over (under) expenditures	(3,429)	137,679	134,250
<b>Other financing sources</b>			
Subscription-based information technology arrangements	97,116	-	97,116
Net change in fund balances	93,687	137,679	231,366
Fund balances, July 1, 2024	<u>6,040,353</u>	<u>4,689,169</u>	<u>10,729,522</u>
Fund balances, June 30, 2025	<u>\$ 6,134,040</u>	<u>\$ 4,826,848</u>	<u>\$ 10,960,888</u>

The accompanying notes are an  
integral part of these basic financial statements.

**Tubac Fire District**  
**Reconciliation of the Governmental Fund Statement of Revenues,**  
**Expenditures and Changes in Fund Balances to the**  
**Government-wide Statement of Activities**  
**Year Ended June 30, 2025**

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<b>Net change in fund balances - total governmental fund</b>	\$ 231,366
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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 assets is allocated over their estimated useful lives and reported as depreciation expense in the current period:

Expenditures for capital outlays	1,586,777
Depreciation/amortization expense	(509,083)

Property tax revenues, certain charges for services and certain intergovernmental revenues reported in the statement of activities do not provide current financial resources and therefore, are not reported as revenues in the governmental funds. 55,800

District pension 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 liability is measured a year before the District's report. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the statement of activities:

District pension contributions	538,944
Pension expense	(757,866)

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

Change in compensated absences	56
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the statement of net position. In the current year, the amount consists of:

Bond principal paid	438,925
Financed purchase principal paid	29,922
Subscription liabilities paid	(97,116)
Subscription liabilities incurred	60,316

<b>Change in net position of governmental activities</b>	<b>\$ 1,578,041</b>
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The accompanying notes are an  
integral part of these basic financial statements.

**Tubac Fire District**  
**Notes to Financial Statements**  
**Year Ended June 30, 2025**

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**Note 1 – Summary of Significant Accounting Policies**

The accounting policies of Tubac Fire District (the “District”) conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

Effective for the fiscal year ended June 30, 2025, the District implemented the provisions of GASB Statement No. 101 (“GASB 101”), *Compensated Absences*. This statement establishes recognition and measurement guidance for leave that has not yet been used and enhances the consistency of financial reporting among governments. Under GASB 101, the District recognizes a liability for compensated absences when (1) the leave is attributable to services already rendered, (2) the leave accumulates and carries forward to future periods, and (3) it is probable that the leave will be used for time off or otherwise paid upon termination or retirement. Implementation of GASB 101 resulted in a change in accounting principle that requires restatement of beginning net position balance for the earliest period presented. See Note 2 for the cumulative effect of adopting this standard.

During the fiscal year ended June 30, 2025, the District also implemented the provisions of GASB Statement No. 102, *Certain Risk Disclosures*. This statement requires governments to disclose certain risks that could affect the provision of services or the ability to meet obligations as they come due, including vulnerabilities due to concentrations or constraints. The implementation of this standard did not have a material impact on the District’s financial statements or related note disclosures.

**A. Reporting Entity**

The District is a local governmental unit formed and is operated pursuant to the provisions of Title 48 of the Arizona Revised Statutes. The District operates under the oversight of an elected board, which is the policy making body of the District. The purpose of the District is to provide fire protection, emergency medical and related services to the residents and guests of the District and the surrounding area. The day-to-day operations are supervised by the fire chief and the chief’s staff.

The District has the power to issue bonds, levy taxes, bill for services and raise revenues with the power of the County government. In addition, the District has the power to expend public funds for any legitimate purpose required to further its needs. The District operates as an independent governmental agency directly responsible to the local taxpayers and voters.

## Notes to Financial Statements – Continued

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### Note 1 – Summary of Significant Accounting Policies - Continued

#### **B. Basis of Presentation**

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements focus on the District as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between entities to enhance the usefulness of the information.

**Government-wide Financial Statements** – These statements include a statement of net position and a statement of activities. These statements report the financial activities of the overall District.

A statement of activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include charges to customers for fire services provided and capital grants for the purchase of new equipment.

Revenues not classified as program revenues, including internally dedicated resources and all taxes, are reported as general revenue.

**Fund Financial Statements** – These statements provide information about the District’s funds. The emphasis of fund financial statements is on the major governmental funds.

The District reports the following major governmental funds:

- The *general fund* is the District’s primary operating fund which accounts for all financial resources except those required to be accounted for in another fund.
- The *debt service* fund is used to account for legally restricted tax levies of the District which are used to meet the ongoing debt service requirements.

#### **C. Basis of Accounting**

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year they are levied.

## Notes to Financial Statements – Continued

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### **Note 1 – Summary of Significant Accounting Policies - Continued**

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they are due and payable.

General capital asset acquisitions are reported as expenditures in the general fund. Proceeds of general long-term debt and acquisitions under lease agreements and subscription-based information technology arrangements are reported as other financing sources.

Taxes, leases, and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**Fund Balance Classifications** – Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted (which includes committed, assigned, and unassigned fund balance classifications).

The nonspendable fund balance classification includes amounts that cannot be expended because they are either not in spendable form, such as prepaid items, or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors, such as through debt covenants, grantors, contributors, or laws and regulations.

The unrestricted fund balance category is comprised of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations approved by the District's Board of Directors, which is the highest level of decision-making authority within the District. The constraints placed on committed fund balances can only be removed or changed by the Board of Directors.

Assigned fund balances are resources constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Directors has authorized the Fire Chief to make assignments of resources for specific purposes.

The unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not reported in the other classifications. Deficits in fund balances of the other governmental funds are reported as unassigned. When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the District's policy to use restricted fund balance first. For the disbursement of unrestricted fund balances, it is the District's policy to use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

## Notes to Financial Statements – Continued

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### **Note 1 – Summary of Significant Accounting Policies - Continued**

**Cash and Investments** – The District’s cash and cash equivalents are considered to be cash on hand, demand, deposits, investments in the County Treasurer’s local government investment pool and highly liquid investments. Investments are stated at fair value. Investment earnings are comprised primarily of interest earnings.

**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. Mutual funds are valued at quoted market prices. 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, Unearned Revenue and Deferred Inflows of Resources** – All accounts and property tax receivables are shown net of any allowance for doubtful accounts. Accounts and property taxes receivables, which have been remitted within 60 days subsequent to June 30, are considered measurable and available and recognized as revenues in the fund financial statements. All other receivables are offset by unavailable revenues and, accordingly, have not been recorded as revenue.

Due to the nature of the ambulance billing process, amounts recorded as receivables are subject to significant reductions from contractual adjustments and uncollectible accounts. Contractual adjustments represent the difference between established rates for services and amounts expected to be realized from third-party payors such as Medicare, Medicaid, and private insurance companies, based on contractual or regulatory agreements. At June 30, 2025, the allowance for doubtful accounts includes estimated contractual adjustments of \$42,713 and uncollectible amounts of \$440,610.

Federal and state grants and contracts are recorded as receivables and revenues when the related expenditures are incurred. The portion of reimbursement in excess of expenditures are recorded as unearned revenues and amounts not remitted within 60 days subsequent to June 30 are recorded as deferred inflows of resources in the fund financial statements.

**Prepaid Items** – Prepaid items are accounted for using the purchase method in the governmental fund financial statements. Under this method, expenditures are reported at the time of purchase and unexpended amounts at year-end are reported on the balance sheet as a prepaid item for informational purposes only and are offset by a fund balance reserve to indicate that they do not constitute “available spendable resources.”

In the government-wide financial statements, prepaid purchases are recorded as assets when the goods or services are purchased and are expensed over the period consumed.

## Notes to Financial Statements – Continued

### Note 1 – Summary of Significant Accounting Policies - Continued

**Capital Assets** – Capital assets are reported in the government-wide financial statements at actual cost or estimated historical cost if historical records are not available. Donated capital assets are reported at acquisition value. Capital assets are assets with an initial, individual cost of \$5,000 or more and an estimated useful life exceeding one year.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are expensed as incurred.

Capital assets are depreciated/amortized using the straight-line method as follows:

<u>Capital asset class</u>	<u>Estimated useful life</u>
Land and improvements	Non-depreciable
Construction in progress	Non-depreciable
Buildings and improvements	15 to 40 years
Apparatus and vehicles	5 to 10 years
Equipment	5 to 10 years
Intangibles:	
Right-to-use leased vehicles and equipment	5 years
Subscription based IT arrangements	3-5 years

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the District is reasonably certain of being exercised, then the lease asset is amortized over the useful life of the underlying asset. Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying information technology (IT) assets.

**Leases** – As lessee and lessor, the District recognizes lease liabilities and receivables with an initial, individual value of \$5,000 or more. The District uses its estimated incremental borrowing rate to measure lease liabilities and receivables unless it can readily determine the interest rate implicit in the lease. The District’s estimated incremental borrowing rate is 5.125%.

**Subscription-Based Information Technology Arrangements** – The District uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The District’s estimated incremental borrowing rate is 5.0% based on the interest rate of its current debt agreement.

**Compensated Absences** – The District’s employee vacation and sick leave policies provide for granting vacation and sick leave with pay. Sick leave and vacation benefits accrue at the employee’s current rate of pay. The current and long-term liabilities for accumulated vacation and sick leave are reported on the government-wide financial statements for amounts estimated to be paid to or used by employees. Any sick leave accrued amounts are paid at the maximum rate of 25% upon retirement, with no payment upon resignation or termination. Accrued vacation is paid at 100% regardless of the nature of departure. Resources from the general fund are generally used to liquidate the governmental funds liabilities for compensated absences.

## Notes to Financial Statements – Continued

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### **Note 1 – Summary of Significant Accounting Policies - Continued**

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

**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 plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The plan's investments are reported at fair value.

**Estimates** – The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities and deferred inflows of resources at the date of the basic financial statements and the reported amounts of revenues and expenditures/expenses during the tax calendar reporting period. Actual results may differ from those estimates.

**Property Tax Calendar** – The District levies real and personal property taxes 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 of 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. A lien against the real and personal property assessed attaches on the first day of January preceding assessment of the levy thereof.

**Budgetary Accounting** – The District is required, under Arizona Revised Statutes, to adopt a budget each fiscal year and to submit it to the County Treasurer and the County Board of Supervisors no later than the first day of August of each year; under the statute only the general fund must legally adopt an annual budget. The adopted budget is on the modified accrual basis of accounting, which is a legally allowable basis for budgetary purposes.

All annual appropriations lapse at fiscal year-end. The District is subject to expenditure limitations under Arizona Revised Statutes. Statutes also do not permit the District to incur debt in excess of the tax levy outstanding and to be collected plus the available and unencumbered cash on deposit. The limitation is applied to the total of the combined governmental funds.

**Notes to Financial Statements – Continued**

**Note 2 – Accounting Changes**

**Restatement of beginning balances**

During the year ended June 30, 2025, accounting changes resulted in a restatement of beginning net position as follows:

	<b>Net Position June 30, 2024, as previously reported</b>	<b>Change in accounting principle</b>	<b>Net Position July 1, 2024, as restated</b>
<b>Government-wide</b>			
Governmental activities	\$ 7,102,459	\$ (159,026)	\$ 6,943,433

**Change in Accounting Principle** – During fiscal year 2025, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*. The effect of this change to the net position is an increase in compensated absences liability reported above to include the accrued sick time.

**Note 3 – Cash and Investments**

Arizona Revised Statutes authorize the District to invest public monies in the State or County, Treasurer’s investment pools; 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 counties, cities, towns, school districts, and special districts as specified by statute.

Deposits:	
Operating accounts	\$ 1,632,250
Investments:	
Santa Cruz County Treasurer’s investment pool	4,492,541
Arizona local government investment pool	4,583,805
	<b>\$ 10,708,596</b>

**Cash on Hand and Deposits** – At June 30, 2025, the District’s carrying amount of the total cash in bank was \$1,632,250, and the bank balance was \$1,660,880. The difference represents deposits in transit, outstanding checks and other reconciling items at June 30, 2025.

**Investments** – The District’s investments at June 30, 2025, are comprised of the amount held by Santa Cruz, Arizona County Treasurer totaling \$4,492,541 and amounts held in the Arizona local government investment pool totaling \$4,583,805.

## Notes to Financial Statements – Continued

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### **Note 3 – Cash and Investments**

Of the \$4,492,541 held by the Santa Cruz County (County) Treasurer in the County's investment pool, \$4,401,132 represents unspent bond proceeds segregated by the County in a separate account. The remaining \$374,681 is pooled and this amount is offset by a loss of \$283,272. The loss resulted from a fraud perpetrated by a former County Treasurer from 2014 through 2024 and represents the portion of the total fraud loss allocated to the District.

The Santa Cruz County Treasurer's investment pool and the Arizona State Treasurer's investment pool are not registered with the Securities and Exchange Commission and there is no regulatory oversight of its operations. However, the majority of Santa Cruz County's investment pool is invested in the State of Arizona's local government investment pool which is regulated by the State Board of Investment. The pool's structure does not provide for shares, and the County has not provided or obtained any legally binding guarantees to support the value of the participants' investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

The District does not have a formal investment policy with respect to credit risk, custodial credit risk, concentration of credit risk, interest rate risk or foreign currency risk for investments.

**Credit Risk** – The Arizona Revised Statutes have the following requirements for credit risk:

- Commercial paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency.
- Specified bonds, debentures and notes must be rated A or better by at least two nationally recognized rating agencies at the time of purchase.
- Fixed income securities must carry one of the two highest rating by Moody's Investors Service and Standard and Poor's rating service. If only one of these services rates the security, it must carry the highest rating of that service.

**Custodial Credit Risk** – For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. External investment pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

**Concentration of credit risk** – The Arizona Revised Statutes do not include any requirements for concentration of credit risk.

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect an investment's fair value. The Arizona Revised Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years. Investments in repurchase agreements must have a maximum maturity of 180 days. The weighted average maturity of the County Treasurer's investment varies by type of investment, and averages between 1 and 2 years.

**Foreign Currency Risk** – The District does not have a formal investment policy with respect to foreign currency risk because state statutes do not allow for foreign investments.

## Notes to Financial Statements – Continued

### Note 4 – Lease Receivables

The District leases an antenna site and building space to third parties under the provisions of various lease agreements. The antenna site has a five-year term with annual renewal options through December 2029. The building space has a three-year term with one option to renew for three years through September 2026. During the fiscal year ended June 30, 2025, the District recognized total lease-related revenues of \$49,839 and is reported as other revenues in the statement of activities.

### Note 5 – Net Revenue

The District provides emergency medical and ambulance transportation services (both emergent and non-emergent interfacility transports), within the same geographic region as it provides fire prevention and suppression services. Charges for such emergency medical and transportation services are recognized as service revenues.

Net revenue is reported at the 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 difference between customary charges and the contractually established rates is accounted for as a contractual adjustment. The District's customary charges, contractual adjustments, provision for bad debts and uncompensated services for the year ended June 30, 2025, are reported in the fund financial statements as follows:

Gross ambulance service revenues	\$ 1,331,147
Contractual adjustments and uncompensated services	<u>( 569,341)</u>
Net ambulance service revenue	<u>\$ 761,806</u>

The net ambulance service revenue is reported in charges for services revenues in the statement of activities as follows:

Net ambulance service revenue	\$ 761,806
Wildland fire suppression services	<u>373,749</u>
Charges for services revenues	<u>\$ 1,135,555</u>

**Notes to Financial Statements – Continued**

**Note 6 – Capital Assets**

Capital asset activity for the year ended June 30, 2025, was as follows:

	<b>Balance, July 1, 2024</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance, June 30, 2025</b>
<b>Capital assets not being depreciated/amortized:</b>				
Land and improvements	\$ 257,352	\$ -	\$ -	\$ 257,352
Construction in progress	107,797	383,517	( 88,407)	402,907
Total capital assets not being depreciated/amortized	365,149	383,517	( 88,407)	660,259
<b>Capital assets being depreciated/amortized:</b>				
Buildings and improvements	6,167,659	43,534	-	6,211,193
Apparatus and vehicles	3,038,534	1,031,377	-	4,069,911
Equipment	2,025,589	119,640	-	2,145,229
Right-to-use leased vehicle	59,506	-	-	59,506
Subscription-based information technology arrangements	137,459	97,116	-	234,575
Total capital assets being depreciated/amortized	11,428,747	1,291,667	-	12,720,414
<b>Less accumulated depreciation/amortization for:</b>				
Buildings and improvements	( 2,372,275)	( 159,007)	-	( 2,531,282)
Vehicles	( 2,630,719)	( 172,271)	-	( 2,802,990)
Equipment	( 1,787,120)	( 117,956)	-	( 1,905,076)
Right-to-use leased vehicle	( 59,506)	-	-	( 59,506)
Subscription based information technology arrangements	( 52,411)	( 59,849)	-	( 112,260)
Total accumulated depreciation/amortization	( 6,902,031)	( 509,083)	-	( 7,411,114)
Total capital assets being depreciated/amortized, net	4,526,716	782,584	-	5,309,300
Total capital assets, net	\$ 4,891,865	\$ 1,166,101	\$ ( 88,407)	\$ 5,969,559

Governmental activities depreciation/amortization expense in the amount of \$509,083 was charged to the public safety function of the District.

## Notes to Financial Statements – Continued

### Note 7 – Long-Term Liabilities

A summary of the changes in long-term liabilities for the year ended June 30, 2025, follows:

	<b>Balance July 1, 2024 (as restated)</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2025</b>	<b>Due Within 1 Year</b>
Compensated absences <sup>[1]</sup>	\$ 275,156	\$ -	\$ ( 56)	\$ 275,100	\$ 52,117
Bonds payable	6,113,836	-	( 438,925)	5,674,911	449,284
Bond premium	288,670	-	-	288,670	-
Financed purchase	59,652	-	( 29,922)	29,730	29,730
Net pension/OPEB liability	3,772,383	-	( 41,659)	3,730,724	-
Subscription liability	84,757	97,116	( 60,316)	121,557	58,987
	<u>\$ 10,594,454</u>	<u>\$ 97,116</u>	<u>\$ ( 570,878)</u>	<u>\$ 10,120,692</u>	<u>\$ 590,118</u>

<sup>[1]</sup> The change in compensated absences is reported at net.

The 2024 beginning balance was restated due to the implementation of GASB 101, *Compensated Absences*, see note 2 on page 23 for more details.

The general fund is used to liquidate the liability for the pension and OPEB in prior years.

**Bonds Payable** – On June 13, 2019, the District issued \$3,800,000 in private placement Series 2019 general obligation refunding bonds, with an interest rate of 2.36% to advance refund \$3,800,000 of outstanding 2009 Series A general obligation bonds with interest rates ranging from 3.0% to 5.5%. The 2019 series mature in July 2028 and as of June 30, 2025, totaled \$1,379,911.

On June 26, 2024, the District issued \$4,295,000 in private placement Series 2024 general obligation bonds, with an interest rate of 5% to acquire, construct, equip and furnish a new station, and to acquire additional apparatus. The 2024 series mature in July 2043 and as of June 30, 2025, totaled \$4,295,000.

The following schedule details debt service requirements to maturity of the Districts bonds payable at June 30:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 449,284	\$ 236,716	\$ 686,000
2027	459,887	226,113	686,000
2028	470,740	215,260	686,000
2029	480,000	204,150	684,150
2030	150,000	180,150	330,150
2031-2035	1,145,000	754,250	1,899,250
2036-2040	1,460,000	437,750	1,897,750
2041-2044	1,060,000	85,800	1,145,800
	<u>\$ 5,674,911</u>	<u>\$ 2,340,189</u>	<u>\$ 8,015,100</u>

## Notes to Financial Statements – Continued

### Note 7 – Long-Term Liabilities - Continued

**Financed Purchase** – The District has acquired an ambulance and related equipment under a contract agreement at a total purchase price of \$197,810. The following schedule details debt service requirements to maturity of the District’s financed purchase at June 30, as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 29,730	\$ 2,404	\$ 32,134
	<u>\$ 29,730</u>	<u>\$ 2,404</u>	<u>\$ 32,134</u>

**Subscription-Based Information Technology Arrangements** – The District has entered into a subscription-based information technology arrangement (SBITA) for various software. The total amount of the District’s subscription assets was \$234,575, net of \$112,260 in accumulated amortization as of June 30, 2025.

The following schedule details minimum subscription payments to maturity for the District’s subscription liability as of June 30:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 58,987	\$ 6,054	\$ 65,041
2027	62,570	3,037	65,607
	<u>\$ 121,557</u>	<u>\$ 9,091</u>	<u>\$ 130,648</u>

### Note 8 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all such risks of loss, including workers' compensation and employees' health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

### Note 9 – Commitments

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.

On February 28, 2024, the District entered into a construction contract with D.L. Norton Construction for the development of a new fire station (Station 1). The total estimated project cost is approximately \$7,500,000. Funding for the project is expected to be provided through a combination of grant revenues and bond proceeds.

## Notes to Financial Statements – Continued

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### **Note 9 – Commitments – Continued**

As of June 30, 2025, construction costs incurred totaled approximately \$60,000 for pre-construction costs, of which all had been paid as of year-end. The remaining contractual commitment is approximately \$7,440,000 and construction is expected to be completed in March 2027.

### **Note 10 – Line of Credit**

The District has an available line of credit totaling \$350,000 with the Santa Cruz County Treasurer which is secured by the District's property taxes. No amounts were borrowed during the fiscal year and at June 30, 2025, there were no amounts outstanding on the line.

### **Note 11 – Employee Retirement System and Post Employment Plan**

The District contributes to the plan described below. The plan is a component unit of the State of Arizona.

At June 30, 2025, the District reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) to which it contributes:

	<b><u>Total</u></b>
Net pension liability	\$ 3,730,724
Net pension and OPEB asset	324,513
Deferred outflows of resources	1,463,483
Deferred inflows of resources	474,394
Pension and OPEB expense	757,866

The District's accrued payroll and employee benefits includes \$28,375 of outstanding pension and OPEB contribution amounts payable for the year ended June 30, 2025.

**Plan Description** – The District has entered into a Joinder Agreement with the Arizona State Public Safety Personnel Retirement System (PSPRS), an agent and cost sharing multiple-employer defined benefit pension plan and an agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, to cover all full-time personnel engaged in fire suppression activities and/or fire support. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which is not further disclosed because of their relative insignificance to the District's financial statements.

**Notes to Financial Statements – Continued**

**Note 11 – Employee Retirement System and Post Employment Plan - Continued**

The PSPRS issues a publicly available financial report that includes their financial statements and required supplementary information. The reports are available on the PSPRS web site at [www.psprs.com](http://www.psprs.com).

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

	<b>Initial membership date</b>	
	<b>Before January 1, 2012</b>	<b>On or after January 1, 2012 and before July 1, 2017</b>
<b>Retirement and Disability</b>		
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
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
<b>Benefit percent:</b>		
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	
<b>Survivor Benefit</b>		
Retired members	80% to 100% of retired member's pension benefit	
Active members	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	

**Notes to Financial Statements – Continued**

**Note 11 – Employee Retirement System and Post Employment Plan - 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 \$150 per month to \$260 per month depending on the age of the member and dependents.

**Employees Covered by Benefit Terms** – At June 30, 2025, the following employees were covered by the agent plan’s benefit terms:

	<b>Pension</b>	<b>Health</b>
Inactive employees or beneficiaries currently receiving benefits	16	16
Inactive employees entitled to but not yet receiving benefits	2	-
Active employees	10	10
Total	28	26

**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 costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute at an actuarially determined rate. Contribution rates for the year ended June 30, 2025, are indicated below. Rates are a percentage of active members’ annual covered payroll.

For the year ended June 30, 2025, the District was required to contribute 31.63% and 0.0% for the pension and the health insurance premium benefit plans, respectively. The employees were required to contribute 7.65% to 8.89% for the employee portion of the pension plan. In addition, the District is required to contribute at the actuarially determined rate of 8.63% for the pension portion and 0.12% for the health insurance premium benefit for employees participating in the PSPRS Tier 3 Risk Pool. Total pension contributions made during the year were \$535,576, and the total health insurance premium benefit contributions were \$3,368. The District’s pension and OPEB contributions are paid from the general fund.

## Notes to Financial Statements – Continued

### **Note 11 – Employee Retirement System and Post Employment Plan - Continued**

**Liability** – At June 30, 2025, the District reported liability and (assets) of \$3,730,724 and (\$324,513). The net assets were measured as of June 30, 2024, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of the date.

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

Actuarial valuation date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.0-6.25% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/ not applicable for OPEB
Cost-of-living adjustment	1.85% for pensions/ not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.2 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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%	3.62%
International public equity	16%	4.47%
Global private equity	27%	7.05%
Core bonds	6%	2.44%
Private credit	20%	6.24%
Diversifying strategies	5%	3.15%
Cash - Mellon	2%	0.89%
Total	<u>100%</u>	

**Notes to Financial Statements – Continued**

**Note 11 – Employee Retirement System and Post Employment Plan - Continued**

**Discount Rate** – At June 30, 2024, the discount rate used to measure the PSPRS total pension/OPEB liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at a 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 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.

**Changes in the Net Pension/OPEB (Asset) Liability**

PSPRS - Pension	<b>Increase (Decrease)</b>		<b>Net Pension (Asset) Liability (a) – (b)</b>
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>(a) – (b)</b>
<b>Balances at June 30, 2024</b>	\$ 13,106,290	\$ 9,333,907	\$ 3,772,383
Changes for the current year:			
Service cost	231,194	-	231,194
Interest on the total pension liability	923,845	-	923,845
Differences between expected and actual experience in the measurement of the pension liability	170,495	-	170,495
Contributions - employer	-	378,400	( 378,400)
Contributions - employee	-	70,927	( 70,927)
Net investment income	-	926,257	( 926,257)
Benefit payments	( 1,012,618)	( 1,012,618)	-
Administrative expense	-	( 8,391)	8,391
Net changes	312,916	354,575	( 41,659)
<b>Balances at June 30, 2025</b>	\$ 13,419,206	\$ 9,688,482	\$ 3,730,724

**Notes to Financial Statements – Continued**

**Note 11 – Employee Retirement System and Post Employment Plan - Continued**

<b>PSPRS – OPEB</b>	<b>Increase (Decrease)</b>		<b>Net OPEB (Asset) Liability (a) – (b)</b>
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	
<b>Balances at June 30, 2024</b>	\$ 135,693	\$ 343,924	\$ ( 208,231)
Changes for the current year:			
Service cost	4,682	-	4,682
Interest on the total OPEB liability	10,075	-	10,075
Differences between expected and actual experience in the measurement of the OPEB liability	( 40,020)	-	( 40,020)
Net investment income	-	34,741	( 34,741)
Benefit payments	( 878)	( 878)	-
Administrative expense	-	( 279)	279
<b>Net changes</b>	<b>( 26,141)</b>	<b>33,584</b>	<b>( 59,725)</b>
<b>Balances at June 30, 2025</b>	<b>\$ 109,552</b>	<b>\$ 377,508</b>	<b>\$ ( 267,956)</b>

The District’s proportion of the PSPRS Tier 3 net pension and OPEB net assets was based on the Districts actual contributions to the plan relative to the total of all participating governments actual contributions for the year ended June 30, 2024. The Districts proportion measured as of June 30, 2025, was 0.282696%, which was a decrease of 0.017066% from 2024.

***Sensitivity of the District’s Proportionate Share of the PSPRS 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 (assets) liabilities calculated using the discount rate of 7.2 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.2 percent) or 1 percentage point higher (8.2 percent) than the current rate.

**Notes to Financial Statements – Continued**

**Note 11 – Employee Retirement System and Post Employment Plan - Continued**

	<b>1% Decrease (6.2%)</b>	<b>Current Discount Rate (7.2%)</b>	<b>1% Increase (8.2%)</b>
Tiers 1 & 2 net pension liability	\$ 5,654,253	\$ 3,730,724	\$ 2,171,477
Tiers 1 & 2 net OPEB (asset)	( 253,289)	( 267,956)	( 280,219)
Tier 3 net pension/OPEB (asset) liability	69,435	( 56,557)	( 150,846)

**Plan Fiduciary Net Position** – Detailed information about the plan’s fiduciary net position is available in the separately issued PSPRS financial report.

**Expense** – For the year ended June 30, 2025, the District recognized pension expense of \$806,667 and OPEB revenues of \$48,801.

**Deferred Outflows/Inflows of Resources** – At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	<b>Pension</b>		<b>Health insurance premium benefit</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 798,317	\$ 223,633	\$ 501	\$ 82,540
Changes of assumptions or other inputs	110,336	3,110	1,613	596
Net difference between projected and actual earnings on plan investments	-	148,641	-	4,961
Changes in proportion and differences between District contributions and proportionate share of contributions	13,521	10,460	251	453
District contributions subsequent to the measurement date	535,576	-	3,368	-
<b>Total</b>	<b>\$ 1,457,750</b>	<b>\$ 385,844</b>	<b>\$ 5,733</b>	<b>\$ 88,550</b>

**Notes to Financial Statements – Continued**

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**Note 11 – Employee Retirement System and Post Employment Plan - Continued**

The amounts reported as deferred outflows of resources related to the pension and OPEB resulting from the District’s contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Pension</u>	<u>Health Insurance Premium Benefit</u>
2026	\$ 177,409	\$ ( 37,971)
2027	413,680	( 23,266)
2028	( 59,658)	( 22,917)
2029	( 48,334)	( 2,111)
2030	10,624	13
Thereafter	42,609	67

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Required Supplementary Information

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**Tubac Fire District**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Year Ended June 30, 2025**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
<i>Taxes:</i>			
Property taxes	\$ 3,678,766	\$ 3,562,715	\$ (116,051)
Fire district assistance tax	178,166	181,652	3,486
Charges for service	960,000	1,164,067	204,067
Intergovernmental	2,359,940	936,484	(1,423,456)
Investment earnings	75,000	217,770	142,770
Other revenue	162,500	120,059	(42,441)
<b>Total revenues</b>	<b>7,414,372</b>	<b>6,182,747</b>	<b>(1,231,625)</b>
<b>Expenditures:</b>			
<i>Public safety-fire protection and emergency medical services:</i>			
<i>Current:</i>			
Personnel costs	3,630,817	3,340,229	290,588
Operations	1,402,908	765,142	637,766
Administration	768,365	400,298	368,067
<i>Debt service:</i>			
Principal	-	90,238	(90,238)
Interest	-	3,492	(3,492)
Capital outlay	3,440,000	1,586,777	1,853,223
<b>Total expenditures</b>	<b>9,242,090</b>	<b>6,186,176</b>	<b>3,055,914</b>
Excess (deficiency) of revenues over (under) expenditures	(1,827,718)	(3,429)	1,824,289
<b>Other financing sources:</b>			
Subscription-based information technology arrangements	-	97,116	97,116
<b>Total other financing sources</b>	<b>-</b>	<b>97,116</b>	<b>97,116</b>
Net change in fund balances	(1,827,718)	93,687	1,921,405
Fund balance, July 1, 2024	6,323,108	6,040,353	(282,755)
Fund balance, June 30, 2025	<u>\$ 4,495,390</u>	<u>\$ 6,134,040</u>	<u>\$ 1,638,650</u>

See accompanying notes to the  
budgetary comparison schedule.

**Tubac Fire District  
Required Supplementary Information  
Notes to Budgetary Comparison Schedule  
Year ended June 30, 2025**

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**Note 1 – Budgeting and Budgetary Control**

A.R.S. requires the District to prepare and adopt a balanced budget annually for its general fund. The Board of Directors must approve such operating budget on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. prohibits expenditures or liabilities in excess of the amount budgeted.

**Note 2 – Budgetary Requirements and Basis of Accounting**

The District's budget is prepared on a basis of accounting consistent with U.S. generally accepted accounting principles. A budgetary comparison schedule for the general fund is included as required supplementary information to provide meaningful comparison of actual results to budget. The Board is responsible for approving the budget on an annual basis.

**Note 3 – Expenditures in Excess of Appropriations**

For the year ended June 30, 2025, expenditures exceeded final budget amounts in the general fund for the following line items:

Debt service – principal	\$	90,238
Debt service – interest		3,492

The excesses debt service resulted primarily from lease and subscription payments, in which the related debt service was budgeted in other categories, however reported as a reduction of the lease subscription liabilities.

**Tubac Fire District**  
**Required Supplementary Information**  
**Schedule of Changes in the District's Net Pension/OPEB Liability and Related Ratios**  
**Agent Pension/OPEB Plans**  
**June 30, 2025**

PSPRS - Pension	Reporting fiscal year (measurement date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
<b>Total pension liability</b>										
Service cost	\$ 231,194	\$ 258,829	\$ 297,779	\$ 298,240	\$ 295,196	\$ 286,044	\$ 271,951	\$ 292,872	\$ 254,855	\$ 311,700
Interest on total pension liability	923,845	838,361	825,972	754,831	698,898	672,001	627,973	556,027	448,526	422,807
Changes of benefit terms	-	-	-	-	-	-	-	76,713	481,586	-
Difference between expected and actual experience in the measurement of the pension liability	170,495	852,165	(481,334)	338,647	300,342	(217,693)	(185,263)	146,756	330,885	(276,472)
Changes of assumptions or other inputs	-	-	194,106	-	-	227,826	-	245,429	300,650	-
Benefit payments, including refunds of employee contributions	(1,012,618)	(456,288)	(480,405)	(353,051)	(709,488)	(259,464)	(280,058)	(189,768)	(81,270)	(122,710)
Net change in pension liability	312,916	1,493,067	356,118	1,038,667	584,948	708,714	434,603	1,128,029	1,735,232	335,325
Total pension liability - beginning	13,106,290	11,613,223	11,257,105	10,218,438	9,633,490	8,924,776	8,490,173	7,362,144	5,626,912	5,291,587
Total pension liability - ending (a)	<u>\$ 13,419,206</u>	<u>\$ 13,106,290</u>	<u>\$ 11,613,223</u>	<u>\$ 11,257,105</u>	<u>\$ 10,218,438</u>	<u>\$ 9,633,490</u>	<u>\$ 8,924,776</u>	<u>\$ 8,490,173</u>	<u>\$ 7,362,144</u>	<u>\$ 5,626,912</u>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 378,400	\$ 350,614	\$ 346,743	\$ 410,220	\$ 329,566	\$ 329,177	\$ 344,874	\$ 197,996	\$ 240,121	\$ 216,319
Contributions - employee	70,927	89,530	100,943	117,463	106,426	108,791	108,585	180,772	205,184	163,261
Net investment income	926,257	660,533	(354,918)	1,917,327	88,869	353,228	424,694	637,304	29,535	169,662
Benefit payments, including refunds of employee contributions	(1,012,618)	(456,288)	(480,405)	(353,051)	(709,488)	(259,464)	(280,058)	(189,768)	(81,270)	(122,710)
Hall/Parker settlement	-	-	-	-	-	-	(230,149)	-	-	-
Administrative expenses	(8,391)	(6,164)	(6,401)	(8,970)	(7,248)	(7,135)	(7,164)	(6,039)	(4,650)	(4,524)
Other changes	-	215,538	-	-	-	-	76	(18,836)	(1,797)	(3,402)
Net change in plan fiduciary net position	354,575	853,763	(394,038)	2,082,989	(191,875)	524,597	360,858	801,429	387,123	418,606
Plan fiduciary net position - beginning	9,333,907	8,874,182	8,874,182	6,791,193	6,987,125	6,464,594	6,103,736	5,302,307	4,915,184	4,496,578
Adjustment to beginning of year	-	-	-	-	(4,057)	(2,066)	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 9,688,482</u>	<u>\$ 9,727,945</u>	<u>\$ 8,480,144</u>	<u>\$ 8,874,182</u>	<u>\$ 6,791,193</u>	<u>\$ 6,987,125</u>	<u>\$ 6,464,594</u>	<u>\$ 6,103,736</u>	<u>\$ 5,302,307</u>	<u>\$ 4,915,184</u>
District's net pension liability - ending (a) - (b)	<u>\$ 3,730,724</u>	<u>\$ 3,378,345</u>	<u>\$ 3,133,079</u>	<u>\$ 2,382,923</u>	<u>\$ 3,427,245</u>	<u>\$ 2,646,365</u>	<u>\$ 2,460,182</u>	<u>\$ 2,386,437</u>	<u>\$ 2,059,837</u>	<u>\$ 711,728</u>
Plan fiduciary net position as a percentage of the total pension liability	72.20%	74.22%	73.02%	78.83%	66.46%	72.53%	72.43%	71.89%	72.02%	87.35%
Covered payroll	\$ 1,002,994	\$ 1,500,584	\$ 1,169,775	\$ 1,309,145	\$ 1,256,224	\$ 1,190,552	\$ 1,214,065	\$ 1,242,562	\$ 1,304,272	\$ 1,403,883
District's net pension liability as a percentage of covered payroll	371.96%	225.14%	267.84%	182.02%	272.82%	222.28%	202.64%	192.06%	157.93%	50.70%

See accompanying notes to pension plan/OPEB schedules.

**Tubac Fire District**  
**Required Supplementary Information**  
**Schedule of Changes in the District's Net Pension/OPEB Liability and Related Ratios**  
**Agent Pension/OPEB Plans - Continued**  
**June 30, 2025**

	Reporting fiscal year (measurement date)								2017 through 2016
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
<b>PSPRS - OPEB</b>									
<b>Total OPEB liability</b>									
Service cost	\$ 4,682	\$ 5,354	\$ 7,033	\$ 7,327	\$ 7,624	\$ 5,463	\$ 5,099	\$ 5,467	Information not available
Interest on total OPEB liability	10,075	10,867	10,516	11,206	10,720	13,261	12,416	15,476	
Changes of benefit terms	-	-	-	-	-	-	-	92	
Difference between expected and actual experience in the measurement of the OPEB liability	(40,020)	(25,887)	(10,946)	(26,975)	(8,527)	(55,970)	(7,187)	(48,339)	
Changes of assumptions or other inputs	-	-	2,169	-	-	1,804	-	(10,171)	
Benefit payments, including refunds of employee contributions	(878)	(428)	-	(1,450)	(300)	(1,820)	(1,820)	-	
Net change in OPEB liability	(26,141)	(10,094)	8,772	(9,892)	9,517	(37,262)	8,508	(37,475)	
Total OPEB liability - beginning	135,693	145,787	137,015	146,907	137,390	174,652	166,144	203,619	
Total OPEB liability - ending (a)	\$ 109,552	\$ 135,693	\$ 145,787	\$ 137,015	\$ 146,907	\$ 137,390	\$ 174,652	\$ 166,144	
<b>Plan fiduciary net position</b>									
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ 386	\$ (196)	\$ 3,392	\$ 3,973	
Contributions - employee	-	-	-	-	-	-	-	-	
Net investment income	34,741	24,400	(13,183)	72,406	3,294	13,288	16,073	23,959	
Benefit payments, including refunds of employee contributions	(878)	(428)	-	(1,450)	(300)	(1,820)	(1,820)	-	
Administrative expenses	(279)	(242)	(235)	(298)	(268)	(229)	(245)	(211)	
Net change in plan fiduciary net position	33,584	23,730	(13,418)	70,658	3,112	11,043	17,400	27,721	
Plan fiduciary net position - beginning	343,924	320,194	333,612	262,954	259,842	246,732	229,332	201,611	
Adjustment to beginning of year	-	-	-	-	-	2,067	-	-	
Plan fiduciary net position - ending (b)	\$ 377,508	\$ 343,924	\$ 320,194	\$ 333,612	\$ 262,954	\$ 259,842	\$ 246,732	\$ 229,332	
District's net OPEB liability - ending (a) - (b)	\$ (267,956)	\$ (208,231)	\$ (174,407)	\$ (196,597)	\$ (116,047)	\$ (122,452)	\$ (72,080)	\$ (63,188)	
Plan fiduciary net position as a percentage of the total OPEB liability	344.59%	253.46%	219.63%	243.49%	178.99%	189.13%	141.27%	138.03%	
Covered payroll	\$ 1,002,994	\$ 1,500,584	\$ 1,169,775	\$ 1,309,145	\$ 1,256,224	\$ 1,190,552	\$ 1,214,065	\$ 1,242,562	
District's net OPEB liability as a percentage of covered payroll	-26.72%	-13.88%	-14.91%	-15.02%	-9.24%	-10.29%	-5.94%	-5.09%	

See accompanying notes to pension plan/OPEB schedules.

**Tubac Fire District**  
**Required Supplementary Information**  
**Schedule of District Pension/OPEB Contributions**  
**Year Ended June 30, 2024**

**PSPRS - Pension**

	Reporting Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 283,002	\$ 277,629	\$ 395,404	\$ 344,284	\$ 393,061	\$ 349,343	\$ 356,780	\$ 330,704	\$ 240,121	\$ 216,319
District's contributions in relation to the statutorily required contribution	283,002	277,629	395,404	344,284	393,061	349,343	356,780	50,996	240,121	216,319
District's contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 279,708	\$ -	\$ -
District's covered payroll	\$ 894,727	\$ 1,002,994	\$ 1,500,584	\$ 1,169,775	\$ 1,309,145	\$ 1,256,224	\$ 1,190,552	\$ 1,214,065	\$ 1,242,562	\$ 1,304,272
District's contributions as a percentage of covered payroll	31.63%	27.68%	26.35%	29.43%	30.02%	27.81%	29.97%	4.20%	19.32%	16.59%

**PSPRS - Health insurance premium benefit**

	Reporting Fiscal Year								2017 through 2016
	2025	2024	2023	2022	2021	2020	2019	2018	
Statutorily required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 426	\$ -	\$ 871	Information not available
District's contributions in relation to the statutorily required contribution	-	-	-	-	-	426	-	871	
District's contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
District's covered payroll	\$ 894,727	\$ 1,002,994	\$ 1,500,584	\$ 1,169,775	\$ 1,309,145	\$ 1,256,224	\$ 1,190,552	\$ 1,214,065	
District's contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.00%	0.07%	

**PSPRS - Tier 3 Risk Pool - Pension**

	Reporting Fiscal Year							2018 through 2016
	2025	2024	2023	2022	2021	2020	2019	
Statutorily required contribution	\$ 252,574	\$ 182,090	\$ 21,941	\$ 34,396	\$ 31,158	\$ 21,152	\$ 14,311	Information not available
District's contributions in relation to the statutorily required contribution	252,574	182,090	21,941	34,396	31,158	21,152	14,311	
District's contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
District's covered payroll	\$ 1,464,200	\$ 1,048,300	\$ 240,580	\$ 346,033	\$ 313,461	\$ 212,797	\$ 143,974	
District's contributions as a percentage of covered payroll	17.25%	17.37%	9.12%	9.94%	9.94%	9.94%	9.94%	

**Tubac Fire District  
Required Supplementary Information  
Notes to Pension/OPEB Plan Schedules  
Year Ended June 30, 2025**

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**Note 1 – 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 payroll, closed
Remaining amortization period as of the 2023 actuarial valuation	24 years
Asset valuation method	7-year smoothed fair value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2022 actuarial valuation, the investment rate of return was decreased from 7.3% to 7.2%. 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%.
Projected salary increases	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 2022 actuarial valuation, wage growth was decreased from 3.5% to a range of 3.0 - 6.25%. 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%.
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.

**Note 1 – Actuarially Determined Contribution Rates - Continued**

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)

**Note 2 – 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 plan's 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.



Statistical Section

Draft

## Statistical Section

This part of the annual comprehensive financial report of the District presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health of the District.

This section contains the following tables and information:

### **Financial Trends**

These schedules contain trend information to help the reader understand how the financial performance and well-being of the District have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the most significant local revenue source of the District – the property tax.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the current levels of outstanding debt of the District and its ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the financial activities of the District take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the financial report of the District relates to the services the District provides and the activities it performs.

**Tubac Fire District**  
**Net Position By Component**  
**Last ten (10) fiscal years (as of June 30)**  
**(accrual basis of accounting)**

	<u>2025</u>	<u>2024</u> (as restated)*	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u> (as restated)*	<u>2017</u>	<u>2016</u>
<b>NET POSITION</b>										
Net investments in capital assets	\$ 4,255,823	\$ 2,744,950	\$ 2,613,872	\$ 2,459,444	\$ 2,171,690	\$ 1,736,233	\$ 1,154,375	\$ 1,354,386	\$ 1,411,333	\$ 1,455,911
Restricted	750,229	524,609	276,670	269,897	245,529	236,345	552,589	200,334	128,766	144,674
Unrestricted	3,515,422	3,832,900	4,049,762	3,809,083	3,844,730	438,292	392,152	388,375	462,566	977,506
Total governmental activities net position	<u>\$ 8,521,474</u>	<u>\$ 7,102,459</u>	<u>\$ 6,940,304</u>	<u>\$ 6,538,424</u>	<u>\$ 6,261,949</u>	<u>\$ 2,410,870</u>	<u>\$ 2,099,116</u>	<u>\$ 1,943,095</u>	<u>\$ 2,002,665</u>	<u>\$ 2,578,091</u>

**SOURCE:** The schedules on pages 45 through 48 were prepared using current and prior year audited financial statements.

**NOTE:** The District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits other than Pension." during the fiscal year ended June 30, 2018.

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**Tubac Fire District**  
**Changes in Net Position**  
**Last ten (10) fiscal years (as of June 30)**  
**(accrual basis of accounting)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Program expenses</b>										
Governmental activities										
Public safety	\$ 5,233,619	\$ 4,810,852	\$ 4,385,585	\$ 3,917,311	\$ 4,375,262	\$ 4,169,720	\$ 3,672,948	\$ 3,870,756	\$ 3,961,328	\$ 3,659,450
Interest on long-term debt	253,290	57,629	68,080	83,461	93,528	112,199	227,753	237,044	250,218	264,126
Total primary government expenses	5,486,909	4,868,481	4,453,665	4,000,772	4,468,790	4,281,919	3,900,701	4,107,800	4,211,546	3,923,576
<b>Program revenues</b>										
Governmental activities										
Charges for services	1,135,555	851,488	719,701	724,338	1,060,923	742,292	809,463	857,483	711,880	705,670
Capital grants and contributions	-	-	-	-	-	151,978	-	-	-	140,648
Operating grants and contributions	901,031	111,724	272,789	63,935	24,680	327,784	7,188	7,485	-	-
Total primary government program revenues	2,036,586	963,212	992,490	788,273	1,085,603	1,222,054	816,651	864,968	711,880	846,318
Net(expense)/revenue:										
Total primary government net expense	(3,450,323)	(3,905,269)	(3,461,175)	(3,212,499)	(3,383,187)	(3,059,865)	(3,084,050)	(3,242,832)	(3,499,666)	(3,077,258)
<b>General Revenues and Other Changes in Net position</b>										
<b>Governmental activities:</b>										
Property taxes	4,357,611	3,874,781	3,575,271	3,286,836	3,084,921	2,938,734	2,807,784	2,811,672	2,793,313	2,736,669
Fire district assistance tax	181,652	175,430	168,330	146,266	140,984	134,202	128,442	126,469	122,643	132,289
Investment earnings	369,042	186,330	8,141	2,102	1,825	3,917	5,614	15,135	980	685
Other	120,059	114,155	111,313	53,770	4,006,536	294,766	298,231	228,021	236,171	221,985
Total primary government	5,028,364	4,350,696	3,863,055	3,488,974	7,234,266	3,371,619	3,240,071	3,181,297	3,153,107	3,091,628
<b>Extraordinary item</b>	-	-	-	-	-	-	-	(228,867)	-	-
<b>Change in Net Position</b>										
<b>Total primary government</b>	<u>\$ 1,578,041</u>	<u>\$ 445,427</u>	<u>\$ 401,880</u>	<u>\$ 276,475</u>	<u>\$ 3,851,079</u>	<u>\$ 311,754</u>	<u>\$ 156,021</u>	<u>\$ (290,402)</u>	<u>\$ (346,559)</u>	<u>\$ 14,370</u>

**Tubac Fire District**  
**Fund Balances of Governmental Funds**  
**Last ten (10) fiscal years (as of June 30)**  
**(modified accrual basis of accounting)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>General fund</b>										
Nonspendable	\$ 100,585	\$ 102,537	\$ 99,975	\$ 46,699	\$ 35,122	\$ 59,883	\$ 53,523	\$ 34,280	\$ -	\$ -
Committed	4,805,820	5,285,495	4,218,001	4,643,701	4,643,701	728,604	728,023	-	-	-
Unassigned	1,227,635	652,321	1,557,873	980,969	1,057,865	1,317,353	1,118,649	1,794,308	1,536,556	1,599,072
Total general fund	6,134,040	6,040,353	5,875,849	5,671,369	5,736,688	2,105,840	1,900,195	1,828,588	1,536,556	1,599,072
<b>All other governmental funds</b>										
Restricted	4,826,848	4,689,169	276,670	269,897	245,529	236,345	540,608	200,334	128,766	144,674
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	4,826,848	4,689,169	276,670	269,897	245,529	236,345	540,608	200,334	128,766	144,674
<b>Total governmental funds</b>										
General Fund	6,134,040	6,040,353	5,875,849	5,671,369	5,736,688	2,105,840	1,900,195	1,828,588	1,536,556	1,599,072
Other Governmental Funds	4,826,848	4,689,169	276,670	269,897	245,529	236,345	540,608	200,334	128,766	144,674
<b>Total</b>	<u>\$ 10,960,888</u>	<u>\$ 10,729,522</u>	<u>\$ 6,152,519</u>	<u>\$ 5,941,266</u>	<u>\$ 5,982,217</u>	<u>\$ 2,342,185</u>	<u>\$ 2,440,803</u>	<u>\$ 2,028,922</u>	<u>\$ 1,665,322</u>	<u>\$ 1,743,746</u>

**NOTE:** The District maintains two governmental funds, the General Fund and Debt Service Fund.

**Tubac Fire District**  
**Statement of Changes in Fund Balances**  
**Last ten (10) fiscal years (as of June 30)**  
**(modified accrual basis of accounting)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Revenues</b>										
Property taxes	\$ 4,237,845	\$ 3,851,571	\$ 3,593,747	\$ 3,266,496	\$ 3,080,762	\$ 2,939,537	\$ 2,807,518	\$ 2,821,929	\$ 2,711,483	\$ 2,795,589
Fire district assistance tax	181,652	175,430	168,330	146,266	140,984	134,202	128,442	126,469	122,643	132,289
Intergovernmental revenues	936,484	240,428	110,182	63,935	24,680	479,762	7,188	7,485	-	-
Charges for services	1,164,067	825,985	739,633	708,702	976,659	738,647	849,091	811,105	759,506	725,056
Investment earnings	369,042	186,330	8,141	2,102	1,825	3,917	5,614	15,135	980	685
Other	120,059	114,155	97,115	53,770	180,434	274,753	268,921	228,021	236,171	-
Total revenues	<u>7,009,149</u>	<u>5,393,899</u>	<u>4,717,148</u>	<u>4,241,271</u>	<u>4,405,344</u>	<u>4,570,818</u>	<u>4,066,774</u>	<u>4,010,144</u>	<u>3,830,783</u>	<u>3,653,619</u>
<b>Expenditures</b>										
Public safety	4,505,671	4,120,880	3,874,760	3,485,571	3,702,190	3,585,845	3,216,005	3,089,151	3,104,519	3,308,972
Capital outlay	1,586,777	257,854	216,873	273,106	422,468	231,326	525,914	10,349	13,889	53,646
Debt Service										
Principal	529,161	497,262	497,839	440,084	448,632	762,666	9,646	310,000	337,714	368,556
Interest	253,290	57,628	68,080	83,461	93,528	112,199	227,653	237,044	250,218	264,126
Debt issuance costs	-	183,670	-	-	-	-	61,800	-	-	-
Total expenditures	<u>6,874,899</u>	<u>5,117,294</u>	<u>4,657,552</u>	<u>4,282,222</u>	<u>4,666,818</u>	<u>4,692,036</u>	<u>4,041,018</u>	<u>3,646,544</u>	<u>3,706,340</u>	<u>3,995,300</u>
Excess (deficiency) of revenues over (under) expenditures	134,250	276,605	59,596	(40,951)	(261,474)	(121,218)	25,756	363,600	124,443	(341,681)
<b>Other financing sources (uses)</b>										
Proceeds from sale of capital assets	-	-	14,198	-	3,901,506	22,600	29,310	-	-	-
Subscription-based information technology arrangements	97,116	-	137,459	-	-	-	-	-	-	-
Issuance of capital lease obligations	-	-	-	-	-	-	295,115	-	-	-
Proceeds from direct placement obligation	-	4,583,670	-	-	-	-	3,861,800	-	-	-
Payments to refunded debt escrow account	-	-	-	-	-	-	(3,800,000)	-	-	-
Total other financing sources (uses)	<u>97,116</u>	<u>4,583,670</u>	<u>151,657</u>	<u>-</u>	<u>3,901,506</u>	<u>22,600</u>	<u>386,225</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ 231,366</u>	<u>\$ 4,860,275</u>	<u>\$ 211,253</u>	<u>\$ (40,951)</u>	<u>\$ 3,640,032</u>	<u>\$ (98,618)</u>	<u>\$ 411,981</u>	<u>\$ 363,600</u>	<u>\$ 124,443</u>	<u>\$ (341,681)</u>
Debt Service as a percentage of noncapital expenditures	14.80%	11.42%	12.74%	13.06%	12.77%	19.61%	6.75%	15.04%	15.92%	16.05%

**Tubac Fire District**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last ten (10) fiscal years (as of June 30)**

Fiscal year ended June 30,	Commercial, Industrial, Utilities, & Mines	Agriculture & Vacant	Residential (owner occupied)	Residential (rental)	Railroad	Less: Tax Exempt Real Property	Total		Estimated Real Market Value	Assessed value as a % of actual Value
							Taxable Assessed Value	Direct Tax Rate		
2016	14,548,380	26,539,163	41,367,539	5,471,847	1,260,683	6,889,155	82,298,457	2.7500	721,433,809	11.41%
2017	13,559,608	21,884,821	42,840,071	5,414,554	1,259,196	5,539,027	79,419,223	2.7500	713,127,465	11.14%
2018	14,105,516	21,755,229	44,563,751	5,336,753	1,483,935	5,489,043	81,756,141	2.7500	732,443,779	11.16%
2019	13,486,364	21,582,926	47,208,925	5,111,207	1,507,343	5,722,524	83,174,241	2.7500	752,672,938	11.05%
2020	13,944,100	22,040,475	50,224,738	5,243,116	1,396,955	5,989,053	86,860,331	2.8500	788,549,051	11.02%
2021	14,272,130	21,986,797	54,754,193	5,031,907	1,279,221	6,161,365	91,162,883	2.8500	832,265,226	10.95%
2022	15,188,433	22,558,329	44,100,169	19,055,840	1,572,129	6,538,905	95,935,995	2.8500	876,894,981	10.94%
2023	15,194,811	22,584,973	49,078,647	20,450,892	1,717,832	6,747,416	102,279,739	2.8500	944,294,404	10.83%
2024	15,786,547	23,630,815	54,350,626	23,845,877	1,151,201	7,621,611	111,143,455	3.0299	1,040,763,619	10.68%
2025	16,609,802	24,355,691	60,008,559	28,622,094	901,366	8,435,543	122,061,969	3.0139	1,155,952,451	10.56%

Source: Santa Cruz County Tax Assessor's Office

**Tubac Fire District**  
**Property Tax Rates - All Direct and Overlapping Governments**  
**Last ten (10) fiscal years (as of June 30)**

<b>Fiscal year ended June 30,</b>	<b>Direct</b>			<b>Overlapping Rates</b>		<b>Total Direct and overlapping rates</b>
	<b>Tubac Fire District</b>	<b>Debt Service</b>	<b>Total District</b>	<b>Santa Cruz County</b>	<b>Santa Cruz County Unified School District</b>	
2016	2.7500	0.6800	3.4300	4.6703	5.7194	13.8197
2017	2.7500	0.7600	3.5100	4.6703	3.8639	12.0442
2018	2.7500	0.7500	3.5000	4.6978	4.4163	12.6141
2019	2.7500	0.6702	3.4202	4.7578	4.7844	12.9624
2020	2.8500	0.5714	3.4214	4.8778	4.3045	12.6037
2021	2.8500	0.5444	3.3944	4.8778	4.3045	12.5767
2022	2.8500	0.5173	3.3673	4.9618	5.7306	14.0597
2023	2.8500	0.4711	3.3211	4.0515	5.4781	12.8507
2024	3.0299	0.4335	3.4634	4.0265	5.2023	12.6922
2025	3.0139	0.5724	3.5863	4.4131	5.3005	13.2999

Source: Santa Cruz County Tax Assessor

**Tubac Fire District  
Principal Property Taxpayers  
Current and Nine Years Ago**

		<b>June 30, 2025</b>	
<b>Taxpayer</b>	<b>Type of Business</b>	<b>Assessed Value</b>	<b>% of Total Assessed Value</b>
Unisource Engery Corporation	Utilities	\$ 6,021,999	4.93%
Crisantes Properties, LLC	Real Estate	3,628,981	2.97%
Tubac Management Co, LLC	Real Estate	1,486,013	1.22%
Global Community Communications Alliance	Real Estate	765,937	0.63%
Windward Partners XIII LLC	Real Estate	693,757	0.57%
Amado Management LLC	Real Estate	678,443	0.56%
Union Pacific Railroad	Industrial	604,238	0.50%
Wigned Spur Property Management LLC	Real Estate	499,658	0.41%
Mr Investmetns #6 LLLP	Real Estate	432,386	0.35%
RN Limited Liability Company	Real Estate	371,845	0.30%
		<u>\$ 15,183,257</u>	<u>12.44%</u>
Total Assessed Value		<u>\$ 122,061,969</u>	
		<b>June 30, 2016</b>	
<b>Taxpayer</b>	<b>Type of Business</b>	<b>Assessed Value</b>	<b>% of Total Assessed Value</b>
Unisource Engery Corporation	Utilities	\$ 5,610,137	6.82%
Tubac Management Co, LLC	Real Estate	1,555,330	1.89%
Crisantes Properties, LLC	Real Estate	1,468,050	1.78%
Union Pacific Railroad	Industrial	1,260,683	1.53%
Rio Rico Utilities	Utilities	675,813	0.82%
Windward Partners XIII LLC	Real Estate	576,676	0.70%
Lawyers Title Agency of Arizona LLC	Real Estate	523,804	0.64%
Plaza De Anza LLC	Real Estate	424,342	0.35%
Unisorce Energy Corporation (REE)	Utilities	391,279	0.48%
Vatere LLC	Real Estate	345,003	0.42%
		<u>\$ 12,831,117</u>	<u>15.59%</u>
Total Assessed Value		<u>\$ 82,303,527</u>	

**Source:** Santa Cruz County Assessor

**Tubac Fire District  
Property Tax Levies and Collections  
Last ten (10) fiscal years (as of June 30)**

Fiscal year ended June 30,	Original Property Tax Levy	Tax Roll Corrections	Property Tax Levy (Adjusted)	Collected to June 30th of Initial Fiscal Year		Collections in Subsequent Years	Total collections to date	
				Amount	% of Levy		Amount	% of Levy
2016	2,822,837	-	2,822,837	2,795,589	99.0%	24,693	2,820,282	99.9%
2017	2,789,019	-	2,789,019	2,711,483	97.2%	53,089	2,764,572	99.1%
2018	2,861,500	-	2,861,500	2,821,929	98.6%	25,962	2,847,891	99.5%
2019	2,844,725	-	2,844,725	2,710,972	95.3%	135,759	2,846,731	100.1%
2020	2,968,441	-	2,968,441	2,825,209	95.2%	140,012	2,965,221	99.9%
2021	3,086,674	-	3,086,674	2,924,159	94.7%	160,242	3,084,401	99.9%
2022	3,235,284	-	3,235,284	3,087,593	95.4%	145,367	3,232,960	99.9%
2023	3,617,022	-	3,617,022	3,431,715	94.9%	179,381	3,611,096	99.8%
2024	3,854,799	-	3,854,799	3,655,151	94.8%	65,899	3,721,050	96.5%
2025	4,370,805	-	4,370,805	40,879,014	935.3%	-	3,655,151	83.6%

Source: Santa Cruz County Treasurer

**Tubac Fire District**  
**Ratios of Outstanding Debt by Type**  
**Last ten (10) fiscal years (as of June 30)**

Fiscal year ended June 30,	General Obligation Bond		Finance Purchases	Leases	Subscription-Based Information Technology Arrangements	Total Outstanding Debt		
	Outstanding	Legal Limit				Amount	% of Personal Income	Debt Per Capita
2016	4,730,000	4,937,907	42,714	-	-	4,772,714	0.34%	93.58
2017	4,435,000	4,765,153	-	-	-	4,435,000	0.30%	85.74
2018	4,125,000	4,905,368	-	-	-	4,125,000	0.24%	78.74
2019	4,186,800	4,990,454	285,469	-	-	4,472,269	0.25%	84.17
2020	3,475,646	5,211,620	233,957	-	-	3,709,603	0.18%	69.78
2021	3,075,821	5,469,773	143,146	42,004	-	3,260,971	0.20%	67.28
2022	2,666,561	5,756,160	116,322	38,004	-	2,820,887	0.16%	57.52
2023	2,247,642	6,136,784	88,503	15,062	109,300	2,460,507	0.13%	49.21
2024	6,113,836	6,668,607	59,652	-	84,757	6,258,245	0.33%	123.73
2025	5,674,911	7,323,718	29,730	-	121,557	5,826,198	0.31%	115.19

**Source:** Personal income and population information can be found in the Demographic and Economic Statistics.

**Tubac Fire District**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last ten (10) fiscal years (as of June 30)**

Fiscal year ended June 30,	General Obligation Bonds [1]	Less: Amounts Available in Debt Service Fund [2]	Total	% of Estimated Real Market Value of Property [3]	Debt Per Capita
2016	4,730,000	142,500	4,587,500	0.64%	89.95
2017	4,435,000	147,500	4,287,500	0.60%	82.89
2018	4,125,000	155,000	3,970,000	0.54%	75.78
2019	4,186,800	162,500	4,024,300	0.53%	75.74
2020	3,475,646	205,000	3,270,646	0.41%	61.52
2021	3,075,821	215,000	2,860,821	0.34%	59.02
2022	2,666,561	269,897	2,396,664	0.27%	48.87
2023	2,247,642	276,670	1,970,972	0.21%	39.42
2024	6,113,836	289,169	5,824,667	0.56%	115.16
2025	5,674,911	425,716	5,249,195	0.45%	103.78

**Note:** Details regarding the District's outstanding debt can be found in the notes to the financial statements

- [1] This is the general bonded debt, net of any issuance discounts and premiums
- [2] This is the amount restricted for debt service principal payments.
- [3] See schedule of Assessed and Estimated Actual Value of Taxable Property for property value data.
- [4] Population data can be found in the schedule of Demographic and Economic Statistics.

**Tubac Fire District**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2024**

<u>Governmental Unit</u>	<u>Debt Outstanding at June 30, 2024*</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Santa Cruz County	\$ 21,690,222	38.78%	\$ 8,411,468
Santa Cruz County Unified School District	15,520,000	34.23%	5,312,496
Subtotal, overlapping debt			13,723,964
Tubac Fire District			5,826,198
Total Direct and overlapping debt			\$ 19,550,162

\* information is only available as of June 30, 2024.

**Note:** Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the District. This Schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. The process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**Source:** Arizona Department of Administration

**Tubac Fire District  
Legal Debt Margin Information  
Last ten (10) fiscal years (as of June 30)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Assessed Value	\$ 122,061,969	\$ 111,143,455	\$ 102,279,739	\$ 95,935,995	\$ 91,162,883	\$ 86,860,331	\$ 83,174,241	\$ 81,756,141	\$ 79,419,223	\$ 82,298,457
Debt limit rate	<u>6%</u>	<u>6%</u>	<u>6%</u>	<u>6%</u>	<u>6%</u>	<u>6%</u>	<u>6%</u>	<u>6%</u>	<u>6%</u>	<u>6%</u>
Debt Limit	7,323,718	6,668,607	6,136,784	5,756,160	5,469,773	5,211,620	4,990,454	4,905,368	4,765,153	4,937,907
Less bond obligations	<u>(5,674,911)</u>	<u>(6,113,836)</u>	<u>(2,247,642)</u>	<u>(2,666,561)</u>	<u>(3,075,821)</u>	<u>(3,475,646)</u>	<u>(4,186,800)</u>	<u>(4,125,000)</u>	<u>(4,435,000)</u>	<u>(4,730,000)</u>
Legal debt margin	<u>\$ 1,648,807</u>	<u>\$ 554,771</u>	<u>\$ 3,889,142</u>	<u>\$ 3,089,599</u>	<u>\$ 2,393,952</u>	<u>\$ 1,735,974</u>	<u>\$ 803,654</u>	<u>\$ 780,368</u>	<u>\$ 330,153</u>	<u>\$ 207,907</u>
Total net debt applicable to the limit as a percentage of debt limit	77.49%	91.68%	36.63%	46.33%	56.23%	66.69%	83.90%	84.09%	93.07%	95.79%

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**Tubac Fire District**  
**Demographic and Economic Statistics**  
**Last ten (10) fiscal years (as of June 30)**

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<b>Fiscal year ended June 30,</b>	<b>Population (Santa Cruz County)</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita income (Santa Cruz County)</b>	<b>Unemployment Rate (Santa Cruz County)</b>
2016	51,728	\$ 1,500,331	\$ 29,004	9.7%
2017	52,390	\$ 1,743,936	\$ 33,288	8.6%
2018	53,136	\$ 1,816,567	\$ 31,213	8.4%
2019	53,161	\$ 2,076,309	\$ 39,057	13.0%
2020	48,468	\$ 1,654,843	\$ 34,143	6.8%
2021	49,039	\$ 1,802,134	\$ 36,749	8.5%
2022	50,004	\$ 1,854,396	\$ 37,085	7.6%
2023	50,580	\$ 1,902,458	\$ 37,613	6.0%
2024	50,580	\$ 1,892,686	\$ 37,473	6.5%
2025	51,324	\$ 1,997,580	\$ 38,921	6.8%

*Sources of information:*

- 1) *Office of Economic Opportunity - Arizona Labor Statistics*

**Tubac Fire District  
Principal Employers  
Current and Nine Years Ago**

<b>Employer</b>	<b>June 30, 2025</b>		<b>June 30, 2016</b>	
	<b>Employees</b>	<b>Rank</b>	<b>Employees</b>	<b>Rank</b>
Nogales Unified School District #1	560	1	567	3
Santa Cruz Valley Unified School District #35	428	2	412	5
Santa Cruz County	395	3	383	4
Super Wal-Mart	360	4	380	6
Mariposa Community Health Center, Inc.	328	5	288	8
City of Nogales	255	6	294	7
Carondelet Health Network - Holy Cross Hospital	179	7	167	10
Tubac Golf Resort	171	8	187	9
US Customs and Border Protection <sup>1</sup>	N/A		616	2
US Border Patrol <sup>1</sup>	N/A		651	1
<b>Total</b>	<b>2,676</b>		<b>3,945</b>	

**Source:** Cochise College Center for Economic Research

<sup>1</sup>Organization(s) did not disclose information requested due to employee safety concerns.

**Note:** Information was not available for principal employers within the District boundaries. Information presented is for the entire Santa Cruz County.

**Tubac Fire District  
Operating Indicators by Function  
Last ten fiscal years**

<b>Function</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Public Safety										
Emergency medical service calls	1,176	1,152	798	913	937	735	699	867	878	834
Fire responses	69	47	57	46	51	20	30	50	48	34
Other responses - including hazardous materials, mutual aid, public service	467	484	289	402	408	44	15	17	25	13
Miscellaneous - including false alarms, good intent	181	216	221	186	192	554	522	697	723	570
<b>Total Incidents</b>	<b>1,893</b>	<b>1,899</b>	<b>1,365</b>	<b>1,547</b>	<b>1,588</b>	<b>1,353</b>	<b>1,266</b>	<b>1,631</b>	<b>1,674</b>	<b>1,451</b>

**Source:** Various District departments

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**Tubac Fire District**  
**Full-Time Equivalent Employees by Function**  
**Last ten fiscal years**

<b>Function</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Public Safety										
Fire and rescue service	28	24	23	23	25	24	22	24	22	22
Administrative and support	5	4	5	5	5	5	5	7	7	8
Fire prevention	1	1	-	-	-	-	-	-	-	-
<b>Total</b>	<b>34</b>	<b>29</b>	<b>28</b>	<b>28</b>	<b>30</b>	<b>29</b>	<b>27</b>	<b>31</b>	<b>29</b>	<b>30</b>

**Source:** District HR department

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**Tubac Fire District  
Capital Asset Statistics by Function  
Last ten fiscal years**

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Safety										
Number of Stations	4	4	4	4	4	4	4	4	4	4
Trailers (Modular/FEMA)	1	1	1	1	1	1	1	1	3	3
Equipment:										
Engines	5	5	5	5	5	5	5	5	5	5
Brush rigs	3	4	4	4	4	4	4	5	5	5
Rescue units	6	5	5	6	5	6	8	7	7	8
Tenders	2	2	2	2	2	2	2	3	3	3
Hazmat squad	2	1	1	1	1	1	1	1	1	1
Squad/support units	6	6	4	4	3	3	3	7	8	8
UTV/ATV	3	3	3	3	3	2	2	2	2	2

**Source:** District logistics department

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