



TUBAC FIRE DISTRICT

Audit Results

FOR THE PERIOD JULY 1, 2020 THROUGH JUNE 30, 2021



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Results of Audit

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

Audit Results Summary

Full Accrual:

Description	Assets and deferred outflows	Liabilities and deferred inflows	Net position	Revenues	Expenses
Pre-audit balances	\$ 13,340,000	\$ 6,847,000	\$ 6,493,000	\$ 8,313,000	\$ 4,231,000
Adjusting Journal Entries:					
Prepared by Client	13,000	-	-	13,000	-
Prepared by Auditor	(6,000)	-	-	(6,000)	-
Prepared by Auditor - PSPRS	412,000	650,000	-	-	238,000
Reclassifying Journal Entries:					
Prepared by Auditor	-	455,000	-	-	-
Prepared by Auditor	-	(455,000)	-	-	-
Total Adjustments	419,000	650,000	0	7,000	238,000
Net Position Effect			(231,000)		
	419,000	650,000	(231,000)	7,000	238,000
Audited Balances	\$ 13,759,000	\$ 7,497,000	\$ 6,262,000	\$ 8,320,000	\$ 4,469,000

Financial Highlights:

Statement of Net Position

	2019	2020	2021
Current assets	\$2,784,000	\$2,734,000	\$6,406,000
Capital assets	5,627,000	5,446,000	\$5,433,000
Net pension/OPEB assets	72,000	129,000	117,000
Deferred outflows	<u>1,286,000</u>	<u>1,379,000</u>	<u>1,803,000</u>
Total assets and deferred outflows	<u>\$9,769,000</u>	<u>\$9,688,000</u>	<u>\$13,759,000</u>
Current liabilities	904,000	644,000	675,000
Net pension liability	2,460,000	2,646,000	3,428,000
Other noncurrent liabilities	3,773,000	3,322,000	2,861,000
Deferred inflows	<u>533,000</u>	<u>665,000</u>	<u>533,000</u>
	7,670,000	7,277,000	7,497,000
Net position:			
Unrestricted	392,000	439,000	3,845,000
Restricted	553,000	236,000	245,000
Net investment in capital assets	<u>1,154,000</u>	<u>1,736,000</u>	<u>2,172,000</u>
	2,099,000	2,411,000	6,262,000
Total liabilities and net position	<u>\$9,769,000</u>	<u>\$9,688,000</u>	<u>\$13,759,000</u>

Financial Highlights:

Statement of Activities

	2019	2020	2021
Property tax revenue	\$2,808,000	\$2,939,000	\$3,085,000
FDAT revenue	128,000	134,000	141,000
Charges for services	810,000	742,000	986,000
Grants and contributions	7,000	480,000	25,000
Gain on sale of capital assets	29,000	20,000	3,901,000
Other revenue	<u>275,000</u>	<u>279,000</u>	<u>182,000</u>
Total revenue	4,057,000	4,594,000	8,320,000
Operating expenses	3,532,000	3,749,000	3,808,000
Pension expense	<u>369,000</u>	<u>533,000</u>	<u>661,000</u>
Total expenses	3,901,000	4,282,000	4,469,000
Increase (decrease) in net position	<u>\$ 156,000</u>	<u>\$ 312,000</u>	<u>\$3,851,000</u>

Cash Flow Summary

	2019	2020	2021
Net cash provided by (used in):			
Operating activities	\$ 770,000	\$ 846,000	\$ 804,000
Capital purchases	(526,000)	(231,000)	(423,000)
Proceeds from sale of capital assets	29,000	23,000	3,902,000
Debt payments (principal & interest)	(238,000)	(875,000)	(542,000)
Debt issuance proceeds	295,000	-	-
Net bond refunding *	62,000	-	-
Net increase (decrease) in cash	392,000	(237,000)	3,741,000
Beginning cash	1,984,000	2,376,000	2,139,000
Ending cash	\$ 2,376,000	\$ 2,139,000	\$ 5,880,000

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

Internal Controls

- Internal Controls – designed to safeguard assets and prevent or detect losses
- Segregation of Duties – a fundamental concept in internal controls, involves having multiple individuals involved in a process
 - The size of the District limits segregation of duties
 - Oversight role of the Governing Board is a key component of the District's internal controls in fulfilling the Board's fiduciary responsibility