

**NOGALES SUBURBAN FIRE DISTRICT**

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**FINANCIAL STATEMENTS**  
**with**  
**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

**YEAR ENDED JUNE 30, 2022**

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## JEONG LIZARDI, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

### INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors  
Nogales Suburban Fire District  
Santa Cruz County, Arizona

We have reviewed the accompanying financial statements of the governmental fund of Nogales Suburban Fire District (hereinafter "District"), as of and for the year ended June 30, 2022, which comprise the District's statement governmental fund balance as of June 30, 2022, and the related statement of activities and changes in fund balance, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

#### **Management's Responsibility for the Financial Statements**

The management of the district is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

#### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Nogales Suburban Fire District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

**Other Matter Paragraphs**

Accounting principles generally accepted in the United States of America require that the following supplementary information be presented to supplement the basic financial statements:

Budgetary Comparison Schedule  
Management's Discussion and Analysis

Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information, and, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

**Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Nogales, Arizona  
November 2, 2022

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FISCAL YEAR ENDED JUNE 30, 2022

### INTRODUCTION

Our discussion and analysis of Nogales Suburban Fire District financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the Independent Accountant's Review Report and the District's financial statements.

### FINANCIAL HIGHLIGHTS FOR THE YEAR

- The District's net position resulted in a net loss of \$845 as a result of this year's operations.
- During the year, the District's tax levied revenues of \$318,451 decreased \$18,934, or 5.52% from previous year.
- On February 18, 2021, the District entered into an intergovernmental agreement the Rio Rico Medical and Fire District (RRMFD). The agreement states that RRMFD would provide for the management and operations of the District in exchange for 95% of its total annual revenue from all sources. In March 2022, the intergovernmental agreement was amended to change the percentage RRMFD would receive in exchange for providing management and operations for the District to 100%. The revenue received during the fiscal year ending June 30, 2022, was \$384,782. 100% of this revenue is assigned to RRMFD. During the year ended June 30, 2022 the District made payments totaling \$397,748. The remaining balance owed to RRMFD at June 30, 2022 was \$66,296.
- During the year, the District's transferred the suspense account balance used to hold the volunteer firefighter's deferral accounts. Once the volunteer firefighter's deferral accounts were paid their respective balances, the remaining balance of \$130,452 was transferred into the general operating accounts of the District where the District was to use it as a contingency fund. During the year, the District used \$1,985 for deferral account administration and \$6,500 in building repairs.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the District. The District is a single-program government, it presents the government-wide financial statement in combination with the fund financial statement. This annual report consists of the Statement of Governmental Fund Balance, the Statement of Activities and Changes in Fund Balance, and the Statement of Cash Flows.

The Statement of Governmental Fund Balance (on page 6) provide information about the activities of the District as a whole. It presents the financial picture of the District from the economic measurement resources focus using the accrual basis of accounting.

The Statement of Activities and Changes in Fund Balance (on page 7) presents information showing how the net position of the District changed during the fiscal year. All changes in net position are reported as soon as the underlying event given rise to the change occurs, regardless of the timed of related cash flows.

The Statement of Cash Flows (on pages 8 and 9) reflect the amount of cash and cash equivalents entered and left the District.

The following table reflects the condensed State of Governmental Fund Balance

Nogales Suburban Fire District  
Condensed Statement of Governmental Fund Balance

	June 30,	
	2022	2021
Cash and equivalent	\$ 188,272	\$ 79,262
Current assets	6,062	7,900
Capital assets	158,286	177,844
Other Assets	-	126,251
Total Assets	\$ 352,620	\$ 391,257
Deferred Outflow of Resources		
Current liabilities	\$ 66,427	\$ 104,219
Other liabilities	-	-
Total liabilities	66,427	104,219
Fund Balances		
Net investment in capital assets	158,286	149,983
Unrestricted	127,907	137,055
	\$ 352,620	\$ 391,257

**THE DISTRICT AS TRUSTEE**

The District is the trustee, or fiduciary, for its volunteer firemen retirement account. In February 2021, the District discontinued the volunteer retirement account program and distributed all accounts to the volunteer firefighters it had on record. The total amount of distributions for the year ended June 30, 2021 was \$20,144. The remaining balances in the retirement account was reflected as a suspense account. These are amounts that were matching payments by the District and the Fire Marshal which never vested into the volunteer firefighter's accounts was determined to be used for the District purposes and subsequently transferred to the general operating accounts of the District.

**CAPITAL ASSET ACTIVITY**

Capital Assets

At the end of June 30, 2022, the District had \$1,179,990 invested in a broad range of capital assets, including fire equipment and vehicles, buildings, operations and communication equipment.

For June 30, 2022, Total Property and Equipment consisted of:

Property and Equipment	\$ 1,179,990
Accumulated Depreciation	(1,021,704)
Net Property and Equipment	\$ 158,286

## **DEBT ACTIVITY**

At the end of June 30, 2022, the District paid off in full a note payable due Marquette Bank for a vehicle purchased in 2007.

## **BUDGETARY HIGHLIGHTS**

For the year ended June 30, 2022, tax levied revenues reported \$24,202, or a 7.1% decrease, in comparison to the budgeted amount. But other revenues, such as inter-governmental, investment accounts and grants, totaling \$23,683 reported higher than budgeted amounts. Thus, total overall actual revenues from all sources was \$519 lower than the total overall budgeted amounts.

Total operating expenditures exceeded current year income by \$845. The District had a prior year carry forward surplus of \$5,243 to be used as part of its 2021-2022 operating budget. The result is a surplus of appropriations in the amount of \$4,398. This surplus is to be used in next year's budget appropriations. This includes the amount owed to RRMFD of \$66,296 for the Intergovernmental agreement.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Property values reflected in this report included a 0.43% increase in assessed property valuation. This is an increase in 14,720 in assessed tax levies for the District. Although the increase is small, we consider this a positive outlook after years of decreases and over 30% loss in assessed property valuation. Management will remain consistent with a positive, but conservative management of District funding and strives to strengthen its Capital Fund based on capital investments determined necessary in the short to medium term. Proactive capital asset investments are necessary to increase operational efficiencies and cost reduction. Due to the slow and delayed recovery of property valuation, management will need to proactively plan for capital investments since bond issuance capacity is unlikely in the short term.

Employee wages and related benefits duties have been transferred to RRMFD per its inter-governmental agreement and will continue for the next fiscal period. Fiscally responsible management practices continue to be reviewed and pursued, with the goal of ensuring a continued level of service to our community and long-term planning.

Based on Santa Cruz County (SCC) preliminary assessment and based on the reduced debt service from bond issuance, management projects a stability in property tax rate. For next fiscal year, the District is increasing the tax rate from \$3.25 to \$3.375 per \$100 of secondary assessed valuation.

Under current statute, the tax rate is limited to \$3.375. With that said, the District maintains a positive outlook for the short-term and long-term goals and financial health.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's administrative office at 822 Pendleton Dr., Rio Rico, AZ 85648.

STATEMENT OF FINANCIAL POSITION FOLLOW



NOGALES SUBURBAN FIRE DISTRICT  
STATEMENT OF GOVERNMENTAL FUND BALANCE

June 30, 2022

ASSETS

Current assets:	
Cash	\$ 188,272
Tax levied receivable	2,474
Prepaid expenses	<u>3,588</u>
Total current assets	<u>194,334</u>
Property and Equipment:	
Building station A	369,787
Building station B	67,403
Apparatus	394,710
Operations equipment	212,986
Communications equipment	108,828
Computer and office equipment	22,176
Leasehold improvements	<u>4,100</u>
	1,179,990
Less accumulated depreciation	<u>1,021,704</u>
Total property and equipment	<u>158,286</u>
TOTAL ASSETS	<u>\$ 352,620</u>

LIABILITIES AND FUND BALANCE

Current liabilities:	
Accounts payables	\$ 131
Due to Rio Rico Medical and Fire District	<u>66,296</u>
Total current liabilities	66,427
Fund balance:	
Fund balance-unrestricted	<u>286,193</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 352,620</u>

The accompanying notes and independent accountants' review report should be read with these financial statements.

NOGALES SUBURBAN FIRE DISTRICT  
STATEMENT OF ACTIVITIES AND CHANGES IN FUND BALANCE

Year ended June 30, 2022

	<u>Amount</u>
<b>Revenues:</b>	
Ad valorem tax	\$ 318,452
Intergovernmental revenues	43,473
Interest on banks	26
Grants	14,991
Miscellaneous	114
Expense reimbursements	1,294
Investment earnings	4,201
Uncashed warrants	<u>1,014</u>
Total revenues	<u>383,565</u>
<b>Expenditures:</b>	
Operations and administration	311,593
Grant expense	14,991
Professional fees	6,485
Insurance	12,101
Repairs and maintenance	7,732
Leases expenses	10,832
Depreciation	19,559
Bank charges	24
Interest expense	<u>1,093</u>
Total expenditures:	<u>384,410</u>
Net change in fund balance	(845)
Unrestricted fund balance at beginning of year	<u>287,038</u>
Unrestricted fund balance at end of year	<u>\$ 286,193</u>

NOGALES SUBURBAN FIRE DISTRICT

STATEMENT OF CASH FLOWS

Year ended June 30, 2022

Cash flows from operating activities:	
Unrestricted revenues received	\$ 384,764
Cash paid to employees and suppliers	(378,370)
Interest received	<u>26</u>
Net cash received in operating activities	<u>6,420</u>
Cash flows from investing activities:	
Transfer of suspense account to operating account	<u>130,452</u>
Net cash received in investing activities:	<u>130,452</u>
Cash flows from financing activities:	
Payments made on long-term debts	<u>(27,862)</u>
Net cash used in operating activities	<u>(27,862)</u>
Net increase in cash	109,010
Cash at beginning of year	<u>79,262</u>
Cash at end of year	<u>\$ 188,272</u>

The accompanying notes and independent accountants' review report should be read with these financial statements.

NOGALES SUBURBAN FIRE DISTRICT  
STATEMENT OF CASH FLOWS (CONTINUED)

Year ended June 30, 2022

Reconciliation of net change in fund balance to net cash received in operating activities:	
Change in fund balance	<u>\$ (845)</u>
Adjustments to reconcile change in fund balance to net cash provided by operating activities:	
Gain on investments	(4,201)
Depreciation expense	19,558
Changes in assets and liabilities:	
Decrease in tax levied receivable	5,426
Increase in prepaid expenses	(3,588)
Decrease in due to Rio Rico Fire and Medical District	<u>(9,930)</u>
Total adjustments	<u>7,265</u>
Net cash received in operating activities	<u>\$ 6,420</u>

The accompanying notes and independent accountants' review report should be read  
with these financial statements.

NOGALES SUBURBAN FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Nogales Suburban Fire District (District), is presented to assist in understanding the District's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

Reporting Entity

The District is a special-purpose government that is governed by a separately elected governing board. It is legally separate and fiscally independent of other state and local governments. The accompanying financial statements present the activities of the District (the primary government).

Use of Estimates

The preparation of financial statements in conformity with accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation and Accounting

The basic financial statements include the Governmental Fund Balance Sheet and the Statement of Activities and Changes in Fund Balance. Since the District is a single-program government, it presents the government-wide financial statements in combination with the fund financial statements.

The Governmental Fund Balance Sheet/Statement of Net Position provides information about the assets, liabilities, and fund balance of the District at the end of the year. Assets and liabilities are presented by relative order of liquidity. Net assets is

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## Basis of Presentation and Accounting (Continued)

classified according to external donor restrictions or availability of assets to satisfy district obligations. Net investment in capital assets represents the value of capital assets, net of accumulated depreciation, less any outstanding debt incurred to acquire or construct the assets. The District does not have any net position that is externally restricted for specific purposes. Unrestricted net position consists of all other resources, including those that management has designated to be used for anything other than general operating purposes.

The Statement of Activities and Changes in Fund Balance provides information about the District's financial activities during the year. Revenues are classified as general, and all changes in net position are reported.

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government.

The Governmental Fund Balance Sheet, and the Statement of Activities and Changes in Fund Balance are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. The District considers all revenues reported in the governmental fund to be available if the revenues are collected within 60 days after year-end. The District's major revenue sources susceptible to accrual are tax levied revenues, and state and county appropriations. Expenditures are recorded when the related fund liability is incurred.

It is the District's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

### Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

### Capitalization and Depreciation

Property and equipment are recorded at cost. Maintenance and repairs and supplies are charged to operations as incurred. Major renewals and betterments are capitalized. Upon sale or disposition of property and equipment, the asset account is reduced by the

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capitalization and Depreciation (Continued)

cost and the accumulated depreciation account is reduced by the depreciation taken prior to the sale. Any resultant gain or loss is then recorded as income or expense.

The property and equipment categories are depreciated over the following estimated useful lives:

	<u>Life</u>	<u>Method</u>
Building	39 years	Straight-Line
Leasehold improvements	15 years	Straight-Line
Operational Equipment	7 years	Straight-Line
Communications Equipment	5 years	Straight-Line
Furniture and equipment	7 years	Straight-Line
Computer equipment	5 years	Straight-Line

Depreciation expense for the year ended June 30, 2022 was \$19,559.

Leasehold Improvements

Leasehold improvements are reported at actual cost. Leasehold improvements are classified as intangible assets and amortized using the straight-line method over the shorter of their useful life of the improvement or the remaining lease term.

Ad Valorem Taxes

The District's tax levied revenue is adopted by the Governing Board and reviewed on an annual basis. The Santa Cruz County Treasurer is responsible for collecting property taxes for all governmental entities within the County. The County 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 assessed against real and personal property attaches on the first day of January preceding assessment and levy.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Fund Balance Classifications

The governmental fund's fund balance is reported separately within classifications based on a hierarchy of the constraints placed on those resources' use. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are non-spendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications. The District's fund balance consists of only unrestricted and unassigned.

The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form, such as inventories, prepaid items, or are legally or contractually required to be maintained intact.

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, the District uses restricted fund balances first. For the disbursement of unrestricted fund balances, the District uses committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

### TAX LEVIED RECEIVABLE

The District's tax levied receivable consists of tax levied revenues collected within one month after the District's year end. As of June 30, 2022, the tax levied receivable was \$2,474. The weighted average is used to establish an allowance for doubtful accounts. At June 30, 2022, the District determined that \$0 of the tax levied receivables are to be uncollectible. The estimate is based on historical information.

### INTERGOVERNMENTAL AGREEMENT

On February 18, 2021, the District entered into an Intergovernmental Agreement (IGA) for the management and operations of the District, that Rio Rico Medical and Fire District (RRMFD), a political subdivision of the State of Arizona, would provide for the management and operations of the District, to include emergency service delivery, administrative, financial accounting, and related support services. The IGA commenced on March 7, 2021 and shall remain in force and effect from that date until June 30<sup>th</sup>, 2022. In the original agreement, In exchange for operating and managing the District under the terms and



INTERGOVERNMENTAL AGREEMENT (CONTINUED)

conditions of the IGA, the District would allocate ninety-five percent (95%) of its' total annual revenue from all sources to RRMFD. On March 17, 2022, an amendment to the IGA was signed to change the allocation percentage from 95% to 100% of the annual revenue of the District to be assigned to RRMFD for the purpose of management and operations. This calculation was to be retroactive to the original agreement date.

At the beginning of the year, the amount due to RRMFD per IGA agreement was \$79,262. During the year ended, the District's revenue from all sources from the date of the IGA date was \$384,782. The amount allocated to RRMFD was \$384,782. The amount paid during the year by the District was \$397,748. The amount due to RRMFD was at June 30, 2022 was \$66,296.

FULL-TIME AND VOLUNTEER FIREFIGHTERS RETIREMENT ACCOUNT

The District's full-time employees participated in a 457(b) Deferred Compensation Plan with Nationwide Retirement Solutions. The District contributed a matching 8% of the employee wages into the retirement account. For the year ended June 30, 2022, the District did not have any employees, as per the IGA agreement, personnel would be provided by RRMFD. Thus, District's contribution to the pension was \$0. The District also maintained a separate retirement account for their volunteer firefighters. The volunteer firefighters would contribute 8% of their wages and the District would match the contribution at 100%. The matching contribution had a vesting period of 20 percent each year for 5 years. After 5 years, the matching portion was 100% vested. In addition, the State Fire Marshall's office would make contributions to the volunteer firefighters retirement account on a discretionary basis. These State Fire Marshall's funds would be matched with the District's matching funds and go through the same vesting process. Any unvested amounts would be forfeited to the Districts suspense account. On February 2021, the District discontinued the volunteer retirement account program and disbursed all volunteer firefighter's accounts. During 2022, the District's transferred the suspense account balance of \$130,452 was transferred into the general operating accounts of the District where the District was to use it as a contingency fund.

OPERATING LEASES

The District leases real property where the two fire stations reside. Under the provisions of a long-term lease agreement classified as an operating lease for accounting purposes. Rental expenses under the terms of the operating lease were \$10,833 for the year ended June 30, 2022. The following future minimum payments are required under the operating lease at June 30, 2022:

Year ending June 30,

2023	\$ 8,112
2024	8,112
2025	8,112
2026	8,619
2027	9,328
Thereafter	<u>93,697</u>
	<u>\$ 135,980</u>

CONCENTRATIONS

Ad valorem taxes and the Santa Cruz County grant comprise the majority of the District's revenues. Ad valorem taxes of \$318,452 collected during the year ending June 30, 2022 accounted for approximately 83.0% of total revenues. The Santa Cruz County grant received of \$41,410 accounted for 10.8% of the total revenue.

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, or damage to assets, errors and omissions, injuries to employees and natural disasters. The District has purchased commercial insurance to protect against loss from substantially all of these perils. There were no significant changes in coverages, retentions, or limits during the year ended June 30, 2022. Settle claims have not exceeded the commercial coverages in any of the previous three fiscal years.

## BUDGETARY ACCOUNTING

The District is required, under Arizona Revised Statutes, to adopt a budget each fiscal year and to submit to the County Treasurer and the County Board of Supervisors no later than the first day of August each year; under statute only the general fund must legally adopt an annual budget. The adopted budget is on the accrual basis of accounting, which is legally allowable basis for budgetary purposes. All annual appropriations lapse at fiscal year-end. The Authority is subject to expenditure limitations under Arizona Revised Statutes. Statutes also do not permit the Authority 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. The District does not have legal authority to spend in excess of the total budgeted amount without an amended budget formally adopted by the Board of Directors.

## SUBSEQUENT EVENT

The Organization has evaluated subsequent events through November 2, 2022, which is the date the financial statements were available to be issued.

The full impact of COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial conditions, or liquidity for fiscal year 2022.

REQUIRED SUPPLEMENTARY INFORMATION

NOGALES SUBUBAN FIRE DISTRICT

SCHEDULE I - BUDGETARY COMPARISON SCHEDULE GENERAL FUND

YEAR ENDED JUNE 30, 2022

	Original Budget	Actual	Variable Favorable (Un-favorable)
<b>Revenues:</b>			
Ad valorem tax	\$ 342,654	\$ 318,452	\$ (24,202)
FDAT	41,410	41,410	-
State funds	-	2,063	2,063
Interest on banks	20	26	6
Miscellaneous	-	114	114
Investment earnings	-	4,201	4,201
Grants	-	14,991	14,991
Uncashed warrants	-	1,014	1,014
Expense reimbursements	-	1,294	1,294
Total revenues	<u>384,084</u>	<u>383,565</u>	<u>(519)</u>
<b>Expenditures:</b>			
Operations & admin	369,861	328,181	41,680
Insurance	14,966	12,101	2,865
Grant expenses	-	14,991	(14,991)
Interest	-	1,093	(1,093)
Depreciation	-	19,559	(19,559)
Other	4,500	8,485	(3,985)
Total expenditures	<u>389,327</u>	<u>384,410</u>	<u>4,917</u>
Net change in fund balance	(5,243)	(845)	4,398
Fund balance, beginning	<u>293,735</u>	<u>287,038</u>	<u>293,038</u>
Fund balance, ending	<u>\$ 288,492</u>	<u>\$ 286,193</u>	<u>\$ 297,436</u>
<b>Other Budget Items</b>			
Debt Service	\$ 27,862	\$ 27,862	\$ -

NOGALES SUBURBAN FIRE DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO BUDGETARY COMPARISON SCHEDULE

June 30, 2022

BUDGETARY REQUIREMENTS AND BASIS OF ACCOUNTING

The District's budget is prepared on the 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.

REVENUES SHORTFALL OF APPROPRIATIONS

For the year ended June 30, 2022, revenues fell short of final budget amounts in the general for the following programs:

	<u>Amount</u>
Ad valorem tax	\$ 24,202

During the year ended June 30, 2022, the District received \$2,063 in additional inter-governmental funds, \$14,991 in grants, \$4,207 in investment income and \$2,422 in other miscellaneous income more than budgeted amounts. Thus, overall shortfall of total budgeted revenues was \$519.

EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the year ended June 20, 2022, total operating expenditures exceeded final budget amounts in the general fund by \$4,917. The excess for the above expenditures were the result of overall unexpected expenditures incurred. In addition, the District monitors expenses on an ongoing basis to ensure that expenditures are within the budget.