

Sedona Fire District

Presentation to the Board of Directors

Year Ended June 30, 2016



Summary of Audit Results

- 1) Unmodified “clean” opinion on the basic financial statements.
- 2) Highlights:
 - Account reconciliations have improved from prior years.
 - Implementation of GASB Statement No. 72, *Fair Value Measurements*.
 - Participation in ASRS.
 - Capital lease proceeds of \$570k.
- 3) Key Financial Performance Measures:
 - Net position – \$5.1 million in 2016 versus \$3.7 million in 2015.
 - Cash and investments – Increase of \$482k.
 - Increase in combined fund balances – \$811k.
- 4) Internal control matters – Advisory comment regarding the budget. Prior year matter regarding reconciling capital asset listing have been resolved.



Financial Position

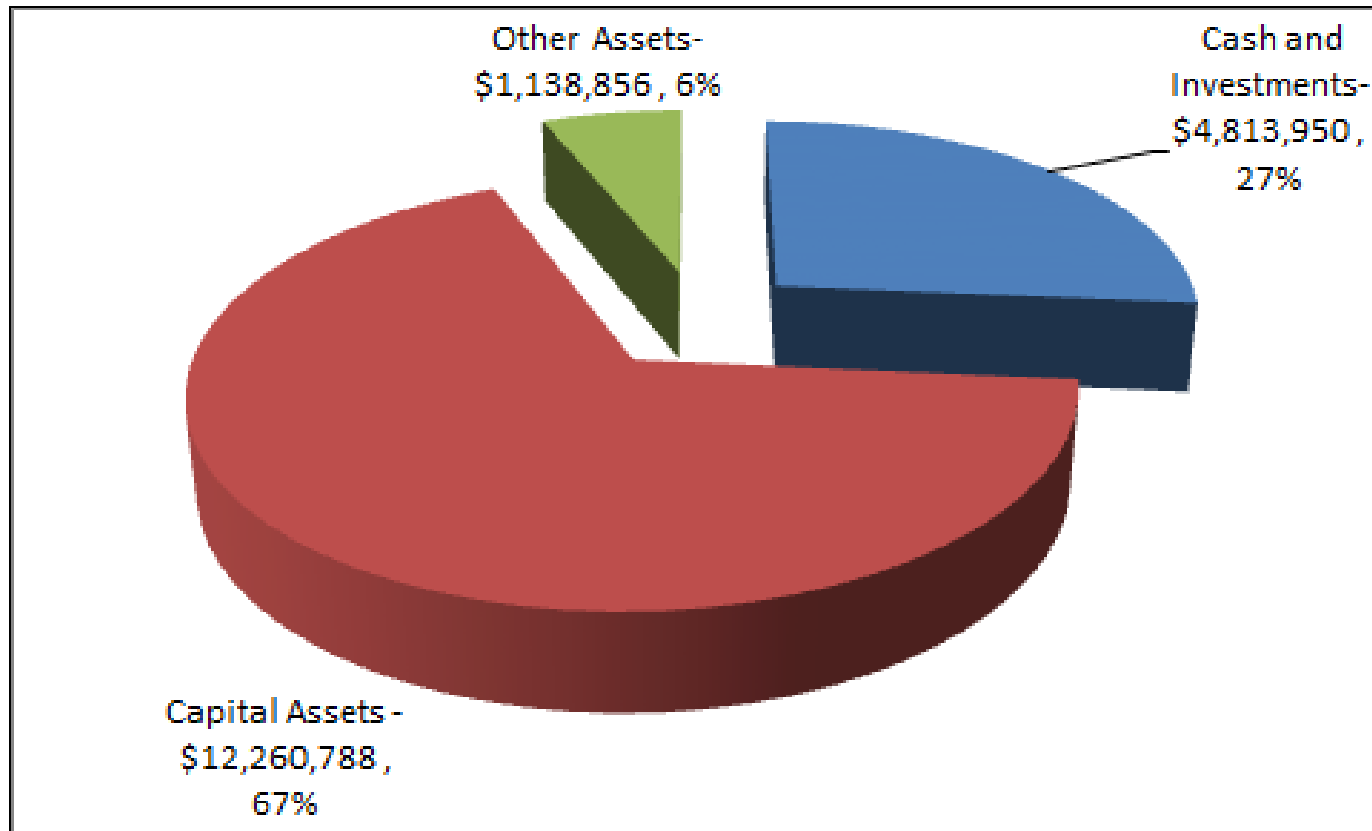
Net Position (In \$1,000s)				
	2016	Change	% Change	2015
Assets and Deferred Outflows	\$ 21,870	\$ 2,451	12.6%	\$ 19,420
Liabilities and Deferred Inflows				
Current liabilities	721	163	29.1%	558
Non-current liabilities	15,109	704	4.9%	14,405
Deferred inflows	890	89	11.2%	801
Total liabilities and deferred outflows	<u>16,720</u>	<u>956</u>	<u>45.2%</u>	<u>15,764</u>
Net Position				
Net investment in capital assets	12,261	735	6.4%	11,526
Deficit	<u>(7,111)</u>	<u>760</u>	<u>-9.7%</u>	<u>(7,871)</u>
Net position	<u>\$ 5,150</u>	<u>\$ 1,495</u>	<u>40.9%</u>	<u>\$ 3,655</u>

- Total cash and investments – Increase of \$482k.
- Property and equipment – Increase of \$735k.
- Long-term liabilities – Increase of \$704k .



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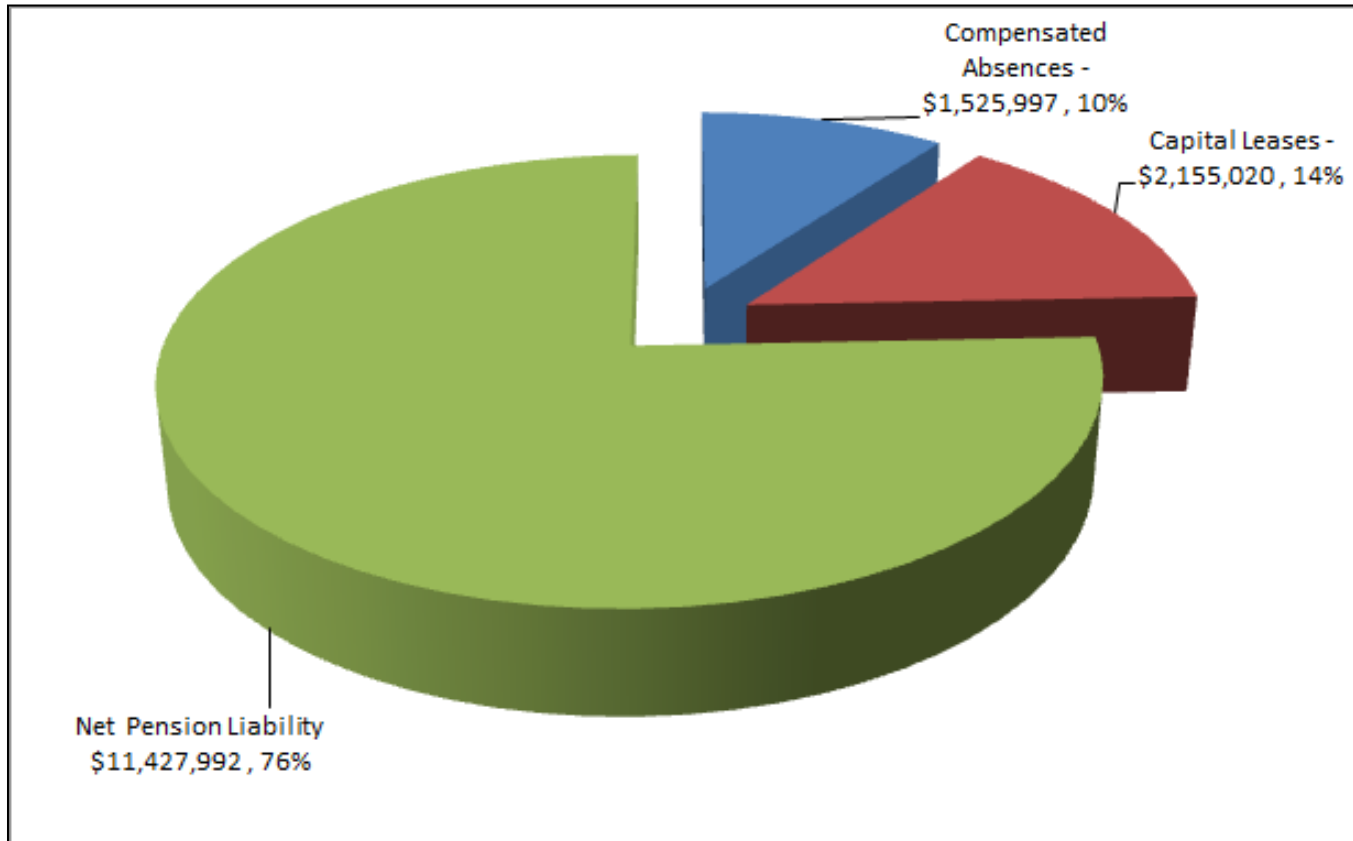
2016 Assets





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2016 Liabilities





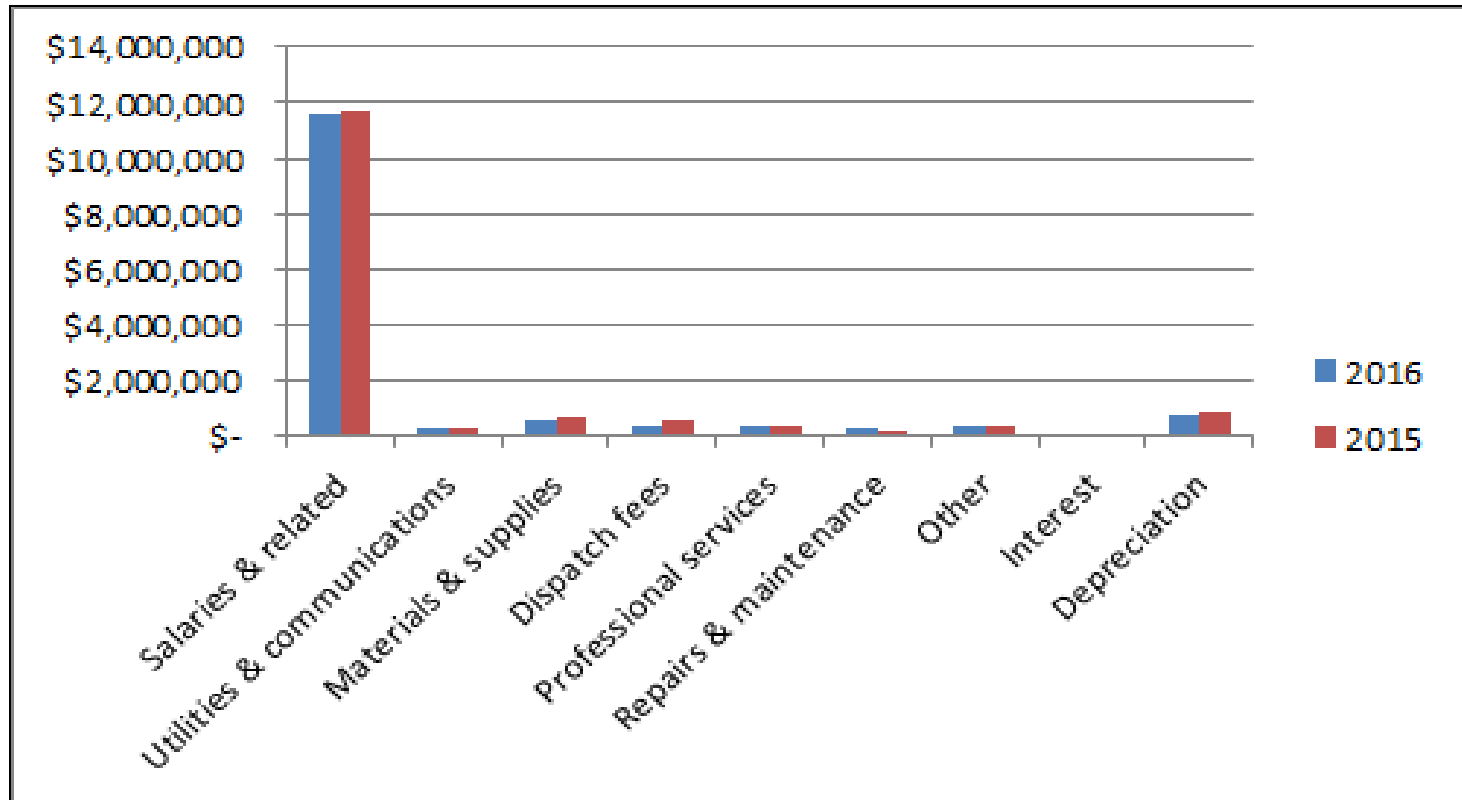
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Revenues

	<u>2016</u>	<u>Change</u>		<u>2015</u>
Taxes	\$ 12,120,845	\$ 1,581,770	15%	\$ 10,539,075
Charges for services	3,589,703	243,368	7%	3,346,335
Other	299,030	44,570	18%	254,460
	<u>\$ 16,009,578</u>	<u>\$ 1,869,708</u>	13%	<u>\$ 14,139,870</u>



Expenses





Expenses - Detail

	2016	Change	2015
Salaries & related	\$ 11,569,505	(120,952) -1.0%	\$ 11,690,457
Utilities & communications	229,602	1,523 0.7%	228,079
Materials & supplies	559,698	(80,174) -12.5%	639,872
Dispatch fees	348,092	(245,524) -41.4%	593,616
Professional services	380,685	23,320 6.5%	357,365
Repairs & maintenance	224,468	42,624 23.4%	181,844
Other	338,799	(5,773) -1.7%	344,572
Interest	54,373	(8,427) -13.4%	62,800
Depreciation	809,640	(52,989) -6.1%	862,629
	<u>\$ 14,514,862</u>	<u>\$(446,372)</u>	<u>\$ 14,961,234</u>



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Required Communications to the Governing Board

- 1) **Accounting policies** - See Note 1 to the financial statements. Changes in accounting policies from the prior year pertain to the implementation of the provisions of GASB Statement No. 72, *Fair Value Measurements and Application*.
- 2) **Accounting estimates** - The most significant estimates affecting the financial statements pertain to the allowance for uncollectible receivables and pension related balances.
- 3) **Difficulties encountered in performing the audit** - No difficulties in performing and completing the audit.
- 4) **Corrected and uncorrected misstatements** - We proposed entries to record capital lease proceeds and grant revenue for equipment received from Bullhead City FD.
- 5) **Management representations** - We have requested certain representations from management that are included in the management representation letter.
- 6) **Management's consultation with other accountants** - We are not aware that other accountants were consulted regarding matters involving external financial reporting.

**THANK YOU MANAGEMENT AND THE
GOVERNING BOARD**
