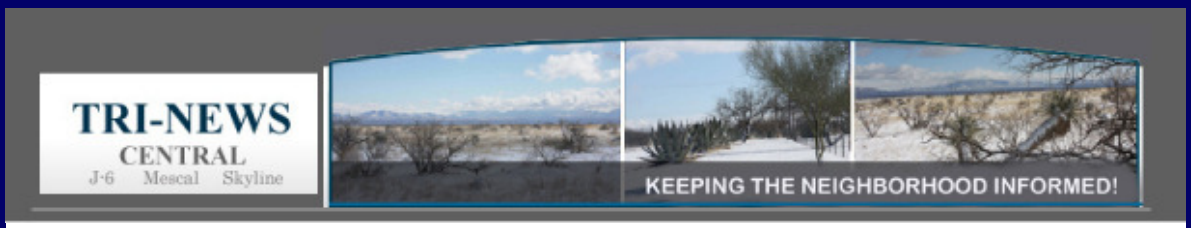
Subj: **May lst, 2016**
Date: 5/1/2016 7:37:13 P.M. US Mountain Standard Time
From: info@cdonewsletter.com
To: info@cdonewsletter.com

TRI-NEWS
CENTRAL
J·6 Mescal Skyline



UPDATE ON MESCAL-J6 FIRE DISTRICT FINANCIAL DISCLOSURES…….

Mescal-J6 Board Member action on April 27th continues to illustrate disregard for ARS 48-807 that specifies what financial records are to be produced and how Governing Boards are to be reviewing them on a monthly basis.

The state statute says that each month, the fire district board shall review reconciled financial reports, the updated 12-month cash flow projections report and all month-end fund statements and reports of the preceding month to include those reports provided by the county treasurer and each of the financial institutions in which the district maintains an account.

On April 27th, the 5-member Board of the Mescal-J6 Fire District received 9 months of financial documents at the beginning of the meeting to review and approve. Board Member action did not reflect the intent of the state statute when the 9 packets were approved with one motion in ten minutes. The bulk of the ten minute discussion was that the 3rd party reviewer has not yet provided a list of corrections that were needed to correct last year's fiscal records, the qualifications of the District hired CPA, Curtis Ohlhauser, and his letter stating "It is my professional opinion that the accounting records and reports are currently properly prepared and that the statements reflect correct current balances and represent a true and accurate picture of the District's financial status."

Even though CDO reviewed public records and notified the Board of missing documents a week earlier, the Fire District Board unanimously approved the 9 packets with missing information:

a. Missing in Title of Summary Sheets: "Revised" or "Amended" is missing from the title of 5 packets to indicate they were corrections to previously approved financial documents that are permanent records. Only Profit and Loss, Balance Sheets were attached to the five Summary Sheets – other support documents in the originally approved packets with known mistakes were not corrected and provided.

b. Missing Reconciliation Reports: Reconciliation Reports for all accounts are missing in 6 packets. Reconciliation for the Payroll Account is missing from yet another. The following statement is on cover sheets for six packets: "Any changes that were made to the above accounts AFTER it was originally reconciled are NOT reflected on the reconciliation report summaries. Therefore, the discrepancies cannot be fixed until the recommended adjustments from the auditor are performed.

At that time the bank accounts will need to be reconciled a second time.

c. Missing Profit and Loss, Balance Statements: Missing from 2 packets.

d. Missing List of Warrants and Checks: Missing from 6 packets.

e. Missing 12-Month Cash Flow Projection Reports: Missing from 8 packets.

With Approval, the 5 member board essentially authorizes the Boardchair and Board Clerk to sign a check list for each of the 9 reports that indicates they have reconciled accounts, reviewed all financial reports for the month, etc.

The CDO Board is not sure what term best describes the action when Mark Lee, Boardchair and Jerry Conrad, Boardclerk continue to sign these Certificates. Two certificates from public records show their signatures attesting to compliance in August and September this fiscal year in spite of:

1) Public Records requests showing that the Board was not given financial documents prior to the meeting either electronically or in a Board Pack for August.
2) August meeting recording and time stamps indicating that there was insufficient time for Board Members present to review the one hard copy of the reports provided so had to vote depending upon review of only a Summary Sheet (previous article showing thousands of dollars of discrepancies between summary sheet and support documents).
3) Public Records and communication with their Attorney indicating no 12-month cash flow projection existed for either August or September.
4) CDO members in attendance to observe non-compliance.

©2016 J-6/Mescal CDO | 3111 W.Clark Road

Web Version Forward Unsubscribe