

May 4, 2022

Mescal J-6 Fire District Governing Board:

DUE TO THE NATURE OF FUNDING BEING SO TIGHT, AUDITING BEING IMMINENT, TONIGHT IS VERY TIMELY TO CONSIDER TWEAKING THE BUDGETING PROCESS. THE BOARD HAS THE OPPORTUNITY TO DELAY POSTING DOCUMENTS BEFORE THE PUBLIC UNTIL THEY BETTER UNDERSTAND THE SCOPE AND RAMIFICATIONS OF THE NUMBERS THEY ARE BEING PRESENTED.

THE CURRENT PROCESS MAY NOT BE THE BEST PRACTICE:

1. The Board has limited opportunity to discuss presented numbers, to see documentation, or formulate meaningful questions when asked to approve a draft at first reading.
2. A posted budget, at minimum, should reflect a document that has been reviewed, questioned, and reflects numbers that are sufficient to operate the District for one year. The Board needs discussion time, not just individually approaching the Chief, before the final discussion on June 29th where the public is asked to process multiple last minute changes to a document on which they are to comment on 30 minutes later.
3. After County training, it WOULD BE UNDERSTANDABLE FOR THE BOARD to consider how THIS YEAR'S FINANCES and any carry over might impact the budget numbers for fiscal year 2023.
 - a. Has there been discussion with the 3rd party reviewer or a financial advisor to determine if the additional \$56,000 from the Reserve to pay off the Ford 550 this year plus the unexpected \$7,500 Helipad donation will be considered additional income kicking in an audit at the end of this year that might need to be funded in the upcoming budget?
 - b. Does the District have to follow the Special District Handbook mentioned during training that states the budget has to be published for 30 days - can the County require a different standard than state statute?
 - c. Does the Helipad Account require a separate budget?
 - d. Are transfers between main accounts properly documented under Income and Expenditures?
 - e. Are this year's payroll associated expenses that are paid for with the Visa Card tracked and incorporated into the Salary and Wages category?
 - f. Is the 2023 Reserve Budget reflecting a possible zero balance as Ms. Trawick explained?
 - g. Has the math been checked for accuracy? . Please remember last year's Reserve Budget was approved and posted on the web for 10 months with a \$35,000 error - was finally removed and never replaced.

THIS BOARD HAS THE RESPONSIBILITY TO PRESENT THE MOST ACCURATE BUDGET DOCUMENTS BEFORE THE PUBLIC FOR THEIR REVIEW. **As Board Members, will you adequately be prepared to DO THAT THIS EVENING?**

ADDITIONAL REQUEST: PLEASE CONSIDER IMPROVING THE FUNCTIONALITY OF THE MONTHLY CASH FLOW PROJECTION REPORT:

1. WOULD IT BE BENEFICIAL TO ADJUST THE CASH FLOW PROJECTION REPORT DURING THE LAST QUARTER TO SHOW THE NEW DECISION SPACE THAT THE BOARD HAS?

The April, May, and June income projection cells should account for \$50,000 more dollars in taxes.

The April, May and June expense projection cells should be decreased by \$16,000.

Sincerely,

Mary McCool, Chair

J-6/Mescal CDO