

Communication with Those Charged with Governance

February 23, 2026

Board of Directors
Mescal-J6 Fire District
Benson, Arizona

We have audited the financial statements of Mescal-J6 Fire District (the District) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 22, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statement. As described in Note 1, the District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures*, for the year ended June 30, 2025. Implementation of this Statement required the District to evaluate and disclose information about concentrations and constraints that expose the District to significant risks. Based on this evaluation, management determined that no such risks met the criteria for disclosure, and implementation of GASB 102 did not result in any significant changes to the District's financial statements. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Because the District reports on the modified cash basis of accounting, recognition is generally limited to cash receipts and disbursements; therefore, the financial statements rely primarily on actual cash transactions rather than significant management assumptions or projections. Based on our audit procedures and discussions with management, we did not identify any accounting estimates that were significant or particularly sensitive to the financial statements or related disclosures. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in working with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Misstatements identified during the course of our audit are attached as *Exhibit 1*. Management has corrected all such misstatements. There were no uncorrected misstatements.

Disagreements with Management

For purposes of this letter a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter, attached as *Exhibit 2*.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Walker & Armstrong, LLP

Attachments

Client: MESCAL-J6 FIRE DISTRICT
Report: Adjusting Journal Entries
Date: June 30, 2025

Exhibit 1

Account	Description	Workpaper Reference	Debit	Credit	Net Income Effect
AJE01		6410			
To reclassify contingency amounts to the proper account.					
5229	Contingencies & emergencies		0.00	19,224.05	
5227	Maintenance & Repair - Operating		12,000.00	0.00	
5227	Maintenance & Repair - Operating		0.00	11,727.28	
4411	Miscellaneous Revenue		11,727.28	0.00	
5334	Capital Outlay		7,224.05	0.00	
Total			30,951.33	30,951.33	0.00
AJE02		6410			
Reclassify vehicle repairs from Capital Outlay.					
5225	Vehicle Repair		18,961.01	0.00	
8001	Apparatus/Vehicle Refurbishment		0.00	18,961.01	
Total			18,961.01	18,961.01	0.00
GRAND TOTAL			49,912.34	49,912.34	0.00

**Mescal-J6 Fire District
448 North Warren Road
Benson, Arizona 85602**

Walker & Armstrong LLP
1850 N Central Ave., Suite #400
Phoenix, Arizona 85004

Exhibit 2

This representation letter is provided in connection with your audit of the financial statements of Mescal-J6 Fire District (hereinafter referred to as the “District”) as of and for the year ended June 30, 2025, which is comprised of the statement of cash receipts, disbursements, and change in cash and investment balances – governmental funds and the related disclosures (collectively, the “financial statements”), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with the modified cash basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date below, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 6, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with the modified cash basis of accounting and include all properly classified funds and other financial information of the District required to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with the modified cash basis of accounting.

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- 6) Related party relationships and transactions, including cash receipts, disbursements, loans, transfers, leasing arrangements, guarantees and amounts receivable or payable to related parties have been appropriately accounted for and disclosed in accordance with the modified cash basis of accounting.
- 7) Adjustments or disclosures, if any, have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements through the date of this letter that would require adjustment to or disclosure in the financial statements.
- 8) We have reviewed and are in agreement with the journal entries in the attached *Exhibit 1* that you have recommended for the year ended June 30, 2025, and we have posted all proposed adjusting journal entries to our accounting records.
- 9) There are no uncorrected misstatements.
- 10) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with the modified cash basis of accounting.
- 11) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 12) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the District or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statement.
- 14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

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- 15) We have no knowledge of any fraud or suspected fraud that affects the District and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 17) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 19) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

Government—Specific

- 20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 21) We have a process to track the status of audit findings and recommendations.
- 22) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 23) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 24) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 25) The District has no plans or intentions that may materially affect the carrying value or classification of cash and investment balances.

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- 26) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 27) We have appropriately identified, recorded, and disclosed all leases in accordance with GASBS No. 87.
- 28) We have appropriately identified, recorded, and disclosed subscription-based information technology arrangements in accordance with GASBS No. 96.
- 29) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 30) Except as made known to you, there are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, as a basis for reporting a loss contingency, or for reporting on noncompliance.
- 31) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for the financial statements and disclosures.
- 32) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
- 33) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 34) The financial statements properly classify all funds and activities in accordance with the modified cash basis of accounting.

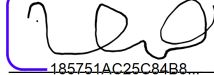
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- 35) Disbursements have been appropriately classified in or allocated to functions and programs in the statement of cash receipts, disbursements and change in cash and investment balances – governmental funds, and allocations have been made on a reasonable basis.
- 36) Receipts are appropriately classified in the statement of cash receipts, disbursements and change in cash and investment balances – governmental funds.
- 37) Deposits and investment securities are properly classified as to risk and are properly disclosed.

Mescal-J6 Fire District

Signed by:



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Ed Nied, Fire Chief

Signed by:



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Natalie Galgano-Pinkley, Outsourced Accounting Consultant

2/23/2026

Date