



**MINUTES**  
**AVRA VALLEY FIRE DISTRICT**  
**SPECIAL MEETING OF THE BOARD OF DIRECTORS**

**Meeting Date:** Tuesday, April 7, 2015  
**Meeting Time:** 10:00 AM  
**Location:** 21021 E Homestead Drive, Red Rock, Az 85145

Recording On.

- 1) **Call To Order** Chairman Castaneda called the meeting to order at 10:17 AM.
- 2) **Pledge of Allegiance** The *Pledge of Allegiance* was recited by all present.
- 3) **Roll Call** Secretary Palmquist called roll. In attendance:

Chairman Castaneda, Jr.	Chief Delfs, excused
Vice-Chair Aleyna Lassen (present by phone)	Assistant Chief Klein, excused
Clerk Eric Neilson	Director Sara Bauer, excused
Lorrie Palmquist, Finance/Admin Manager	Director Brian Horch, excused

Auditors, James and Patricia Saunders, were present.

- 4) **Call To The Public** None.
- 5) **Announcements, Current Events & Correspondence** None.
- 6) **Review, Discussion and possible Action regarding presentation of the FY14 Audit Report**

Auditor, Jim Saunders, addressed the Board expressing thanks for accommodating this special meeting time for presentation of the FY2014 *Audit Report*. Mr. Saunders announced that the State has recently passed legislation which will take effect July 3, 2015. This legislation clarifies auditor responsibility for audited financials as “attests to” instead of “certifies” the financial data. Further, the new legislation will allow the auditor to present the annual audit report via Skype or telephone beginning with the fiscal year 2015 reports. Mr. Saunders commented that Fire Districts are the only entities required by State statute to have audit presentations.

Mr. Saunders summarized the FY2014 Audit Report as follows:

- The District financial statements do present fairly the position of the District with no findings.
- District Management and the Board of Directors are responsible for the information. The Auditors’ responsibility is to express an opinion on whether or not the information is correctly presented according to Generally Accepted Accounting Principles, *and* whether or not the underlying information is accurate.
- An audit report must contain both a *Management Discussion and Analysis* section and a budgetary comparison which put the financial statements in an understandable context. Furthermore, the State of Arizona has added some specific items to be included, such as Board meeting dates and boundary changes.
- In addition to Generally Accepted Auditing Standards, the Comptroller General of the United States has imposed additional internal control standards on special districts. Therefore, the scope of the audit must include additional work to assess compliance with the written set of *Policies & Procedures* which should include internal control procedures.
- The auditors found no problems with the Districts’ internal controls, nor any instances of non-compliance with laws and regulations. The auditors found nothing to indicate the financial environment of the District is contrary to what was reported.

Clerk Neilson inquired about how our District compares to other districts in terms of financial control and reporting. Mr. Saunders responded that Avra Valley Fire administration is very capable and that with the policies and procedures and the written internal controls document in place, financial operations have greatly improved recently.

Chairman Castaneda inquired about the impact of recent legislation. Mr. Saunders responded that all members of the Board are required to have training completed one year from their date of election or appointment, sharing that AFDA is no longer going forward with online courses. Therefore, it is absolutely recommended that all Board members attend the AFDA conference in June to obtain the required training under penalty of law. The State statute requires that the training must be conducted by "an association of the Arizona Fire Districts". If all Board members do not obtain the required training, any lack of compliance may affect future audits.

Chairman Castaneda moved to accept the Audit Report for FY 2014. Vice-Chairman Lassen seconded.  
**Motion carried unanimously, 3:0.**

**7) Future Agenda Items**

- adopt FY16 *Proposed* Budget (May 27, 2015)
- Public Hearing and Adopt *Final* Budget (June 24, 2015)

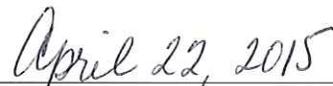
**8) Date of Next Board Meeting - Tuesday, April 22, 2015**

**9) Adjournment**

Vice-Chairman Lassen motioned to adjourn the meeting. Clerk Neilson seconded. Motion carried unanimously, 3:0. Meeting adjourned at 10:45 AM.

Recording Off.

  
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APPROVED

  
\_\_\_\_\_  
DATE

**Board Members**

**Luis Castaneda, Jr. Aleyna Lassen Sara Bauer Eric Neilson Brian Horch**

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