

# \* Central Yavapai Fire District

HB2572 - Financial Standards of Arizona  
Fire Districts

## History behind HB2572:

- \* Fire Chief and Secretary/ Treasurer Governance
  - \* Financial failure of Fire Districts
  - \* County Board of Supervisors lack of oversight
  - \* RLC (Revolving Lines of Credit)
  - \* Burden to neighboring agencies
  - \* Taxpayers ultimately suffered
  - \* Supported by AFDA for Fiscal Responsibility
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- \* **Central Yavapai Fire District HB2572**

## Annual Budget - Adoption Processes

- Begins FY 2015
- Draft budget must be posted 20 days before public hearing:
  - \* Fire District Website
  - \* Post in three public places
- Final adopted budget must be posted within 7 days and maintained for 60 months:
  - \* Fire District Website
- 2 year Financial Forecast required:
  - \* Revenues, Expenditures, Property Values, Levy Limits

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## Annual Budget - Certification

### ➤ Board Chair and Clerk responsibility

- \* Must accompany budget submittal to County BOS (Aug 1, 2015)
- \* No debt in excess of taxes
- \* No violation of registered financial warrants - (Responsible for payment/ no fraudulent issuance or stop payments)

(Auditor, District Lawyer and County Treasurer contacted but no exact requirements of the Certification)

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## Annual Budget - Audit Process (FY 2014)

- Independent Auditor
- Upon completion of annual audit - Certification
  - \* No debt in excess of taxes
  - \* No violation of registered warrants
- Must appear in person for Audit Report to Fire Board

This is usually includes the MD & A Report (Management Discussion and Analysis)

- Fire Board must vote to accept audit report

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## Monthly Financial Reports - Reconciliation

- Documents Required October 2013
  - \* Disclose Credits and Debits with Fire Board
  - \* Income Statement
  - \* Balance Sheet
  - \* Register of Checks, Warrants
- Annual Cash Flow Report
  - \* Projected vs. Actual
  - \* Identify funding shortfalls, lack of liquidity, and financial impacts

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Microsoft Excel - Cash Flow - CYFD FY2014.xlsx

**CENTRAL YAVAPAI FIRE DISTRICT**

**2013 - 2014 Cash Flow by Month : October Board Meeting**

	Actual			Projected								
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June
<b>Revenues:</b>												
Property Taxes	49,130	31,390	648,106	955,265	955,265	955,265	955,265	955,265	955,265	955,265	955,265	955,265
Fire Protection Contracts	875	15,596	39,802	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417
FDAT	1,979	902	15,016	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779
Fee for Service	15,177	10,504	19,814	3,288	3,288	3,288	3,288	3,288	3,288	3,288	3,288	3,288
Interest Income	1,029	9,267	2,126	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Misc. Non Levy	1,076	2,335	10,229	23,350	23,350	23,350	23,350	23,350	23,350	23,350	23,350	23,350
<b>Revenue Totals:</b>	<b>69,266</b>	<b>69,994</b>	<b>735,093</b>	<b>1,014,349</b>	<b>1,014,349</b>	<b>1,014,349</b>	<b>1,014,349</b>	<b>1,014,349</b>	<b>1,014,349</b>	<b>1,014,349</b>	<b>1,014,349</b>	<b>1,014,349</b>
<b>Expenditures:</b>												
Personnel Costs	915,480	763,689	1,064,045	954,469	954,469	954,469	954,469	954,469	954,469	954,469	954,469	954,469
Supplies/ Consum.	14,269	51,010	86,921	86,360	86,360	86,360	86,360	86,360	86,360	86,360	86,360	86,360
Build./ Veh./ Equip. Maint.	6,661	6,579	21,384	28,312	28,312	28,312	28,312	28,312	28,312	28,312	28,312	28,312
Utilities	11,399	14,662	13,744	21,193	21,193	21,193	21,193	21,193	21,193	21,193	21,193	21,193
Misc. Service Expenses	38,699	52,537	100,193	80,174	80,174	80,174	80,174	80,174	80,174	80,174	80,174	80,174
Capital Expenses	(1,653)	721	3,625	116,005	116,005	116,005	116,005	116,005	116,005	116,005	116,005	116,005
<b>Expenditure Totals:</b>	<b>984,855</b>	<b>889,198</b>	<b>1,289,912</b>	<b>1,286,513</b>	<b>1,286,513</b>	<b>1,286,513</b>	<b>1,286,513</b>	<b>1,286,513</b>	<b>1,286,513</b>	<b>1,286,513</b>	<b>1,286,513</b>	<b>1,286,513</b>
<b>Monthly Net Cash</b>	<b>-915,589</b>	<b>-819,204</b>	<b>-554,819</b>	<b>-272,164</b>	<b>-272,164</b>	<b>-272,164</b>	<b>-272,164</b>	<b>-272,164</b>	<b>-272,164</b>	<b>-272,164</b>	<b>-272,164</b>	<b>-272,164</b>
<b>Cummulative Net Cash</b>	<b>(915,589)</b>	<b>(1,734,793)</b>	<b>(2,289,612)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Balance (\$3.5 M carryover)</b>	<b>2,584,411</b>	<b>1,765,207</b>	<b>1,210,388</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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## Monthly Financial Reports - Fire Board Review

- Required October 2013
- Required to review monthly Financial Reports and Reconciliations - evidence of review required (adoption)
- Must occur within 30 days of end of preceding month
- IF REPORTS REVEAL LACK OF FINANCIAL VIABILITY
  - \* Must consult Legal and Auditor
  - \* Must file a public report to County Treasurer and BOS
  - \* Filed via certified mail within 10 days of "discovery"

*This is for serious financial shortfalls or if the Fire District is quickly becoming financially insolvent!*

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## Other Requirements:

### ➤ RLC (Revolving Line of Credit)

- \* Maximum of 45% of direct property tax levy
- \* Must be factored in to monthly Cash Flow Report

### ➤ Outside Bank Accounts

- \* Creation of Commercial bank accounts for payroll, ambulance, special revenues is allowed

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## Conclusion

- CYFD is compliant or in process of compliance (FY2015)
  - \* Income Statement
  - \* Balance Sheets
  - \* Revenue and Expenditure Reports
  - \* Check Register
  - \* Cash Flow Report
- Policy changes for the Fire Board Policy Manual

*If you have questions of any financial document - feel free to contact me*

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