

NOTICE OF PUBLIC MEETING

SUNSTITES-PEARCE FIRE DISTRICT GOVERNING BOARD OF DIRECTORS

105 TRACY RD., POB 507
PEARCE, AZ. 85625
PHONE (520) 826-3645 / FAX (520)826-3586
September 20th 2011 @5:00 PM

Pursuant to A.R.S. 38-431.02 notice is hereby given to the members of the Sunsites-Pearce Fire District and the general public that the Sunsites-Pearce Fire Districts Governing Board will hold a meeting open to the public on September 20th, 5:00 p.m. at the Sunsites Fire Station located at 105 Tracy RD. Pearce, Arizona.

AGENDA

1. **CALL TO ORDER**- Chairman Fino
 Declaration of Conflict of Interest- If you have a conflict of interest you will need to declare that conflict prior to any discussion of the agenda item and excuse yourself from the vote on the issue.
2. **ROLL CALL**-
3. **THE PLEDGE OF ALLEGEANCE**
4. **CONSENT AGENDA**- Documentation concerning the matters on the consent agenda may be reviewed at the Fire Station. Any matter on the Consent Agenda will be removed from the Consent Agenda and discussed as a regular agenda item upon the request of any Board member.
5. **APPROVAL OF MINUTES FROM:**
 August 16th, 2011
6. **CALL TO THE PUBLIC**
 Those wishing to address the Board are required to sign in with the Clerk before the meeting and must be recognized by the Chairperson before speaking. Time permitting; each presentation will be given approximately three (3) minutes. Action taken as a result of public comment will be limited to directing staff to study or reschedule the matter for further consideration at a later date.
7. **REPORTS-**
 - A. **FINANCIAL REPORT**

**POSSIBLE VOTE BY THE BOARD TO PROCEED WITH
RECOMMENDATIONS FROM THE FIRE PERSONNEL.**

**C. DISCUSS AND POSSIBLY VOTE ON SCHEDULING A DATE FOR
THE UPCOMING AUDIT BY JAMES H. SAUNDERS (CPA) COMPANY. (SEE
ATTACHED LETTER)**

**D. DISCUSS AND POSSIBLY VOTE ON THE CHIEF'S CONTRACT,
SECTION 8-OTHER BENEFITS, TO INCREASE HIS UNIFORM
ALLOWANCE.**

**E. DISCUSS AND POSSIBLY VOTE ON THE SITUATION CONCERNING
THE VACANT POSITION OF THE SECRETARY.**

**9. DISCUSSION ON NEW AGENDA ITEMS FOR THE NEXT REGULAR
MEETING.**

10. CALL TO THE PUBLIC

Those wishing to address the Board are required to sign in with the Clerk before the meeting and must be recognized by the Chairperson before speaking. Time permitting; each presentation will be given approximately three (3) minutes. Action taken as a result of public comment will be limited to directing staff to study or reschedule the matter for further consideration at a later date.

11. ADJOURN

Time: _____

Persons with a disability may request a reasonable accommodation by contacting Chairperson Fino at (520) 678-5578 or calling the Sunsites-Pearce Fire Station at (520) 826-3645. Requests should be made as early as possible to arrange the accommodation.

Posted By _____

Date _____

Time Posted _____

MR. HEINE WILL DISCUSS THE CURRENT SITUATION AND THE CHIEF WILL DISCUSS SOME OF THE UNDER AND OVER PAYMENTS OF THE ACCOUNTS. THE CHIEF WILL DISCUSS ABOUT THE MEDICAL BILLING.

B. CHIEF'S REPORT- *Given by Chief, Mike Martinez*

Fire Report

0- Prescribe Fires

2- False Alarms

1- Structure Fire

3- Brush fires

5- Other (snake removal, bee calls and Public assistant)

Year to date Fire calls 80

Respectfully submitted by,

Chief Martinez

C. EMS REPORT-

18- Transports

3- Fly outs

2 – Second out Ambulance

7- Refusals

Year to date EMS calls 285

We currently have two ambulances ready for Advance Life Support and one for Basic Life Support.

8. NEW BUSINESS

A. DISCUSS AND POSSIBLY VOTE ON THE STATUS OF PURCHASING THE "JAWS OF LIFE".

B. PRESENTATION BY CAPTAIN JOSH CONCERNING THE PUBLIC SAFETY RETIREMENT SYSTEM, FOLLOWED BY DISCUSSION AND

November 17, 2009

James H Saunders, CPA
James H. Saunders
4454 West Larkspur Drive
Glendale, AZ 85304

Dear Mr. Saunders:

It is my pleasure to notify you that on November 10, 2009 the California Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is June 30, 2012. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,



Linda McCrone
Director

cc: Suzanne Heidenreich, CPA

Firm Number: 71238082

Review Number: 275853

JAMES H. SAUNDERS, CPA, CFE, CFF, CGFM, PI.

CERTIFIED PUBLIC ACCOUNTANT
CERTIFIED FRAUD EXAMINER
CERTIFIED GOVERNMENT FINANCIAL MANAGER
LICENSED PRIVATE INVESTIGATOR #01534603
CERTIFIED IN FINANCIAL FORENSICS

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Member: American Institute of Certified Public Accountants
Arizona Society of Certified Public Accountants

International Association of Certified Fraud Examiners

Arizona Association of Licensed Private Investigators
Arizona Association of Certified Fraud Examiners

14 May 2011

To the Governing Board

Sunsites-Pearce Fire District

P.O. Box 507

Pearce, AZ 85625-0412

We are pleased to confirm our understanding of the services we are to provide Sunsites-Pearce Fire District (the District) for the year ended June 30, 2011. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of The District as of and for the year ended June 30, 2011. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Statement of Revenue, Expenditures and Changes in Fund Balance- Budget & Actual-General Fund

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will not provide an opinion or any assurance:

- 1) Supplemental Information
- 2) Arizona Annual Report Supplemental Information

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will discuss the reasons with

you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report. You are responsible for the preparation of the supplementary information in conformity with Arizona Revised Statutes. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and

recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

We understand that management will provide adequate space for us to utilize during our onsite work. This space should be of sufficient size to allow each of our staff, desk or table space equivalent to a standard office desk or large folding table, and should have access to electrical, air conditioning and be equivalent to a normal office environment. This space should be reasonably free of interference and available for the entire time of our scheduled field work. We will be responsible for supplying reasonable notice of our scheduled site work and time requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of James H. Saunders, CPA and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to regulatory agencies or their designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of James H. Saunders, CPA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by any regulatory agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party (ies) contesting the audit finding for guidance prior to destroying the audit documentation.

James H. Saunders is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fees for these services are based on the value of services provided plus travel and other out-of-pocket costs (such as report reproduction, word processing, postage, copies, telephone, etc.). Our rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered periodically and are payable on presentation. Interest of 24% per annum will be added to all invoices which remain unpaid after thirty days from presentation. In the event of circumstances which cause us to be unable to complete our report or issue a report in this engagement, you will be obligated to compensate us for all fees and to reimburse us of all out-of-pocket costs through the date of termination. Our fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, or if the GASB, FASB, AICPA, GAO or OMB issues additional standards or audit procedures that require additional work, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Based on our preliminary estimates our fee, not including expenses, will not exceed **\$ 6750.00**

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service. You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents. In addition, with regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

We have advised you of the limitations of our audit regarding the detection of fraud and the possible effect on the financial statements (including misappropriation of cash or other assets). We have available additional procedures to detect fraud and can perform them as a separate engagement if you so desire or if a need becomes apparent. It is our understanding, at this time, you have not requested such additional procedures.

It is understood and agreed upon, in the event of disagreements or litigation between the parties to this engagement, any and all liabilities shall be limited to the fees herein agreed upon and paid in relation to this engagement and shall not exceed that amount. It is further understood, the services rendered in this engagement are of a professional time and expense nature, therefore, once rendered are compensable and shall be earned and due, unless gross negligence or gross misconduct is proven. In such case liability shall be limited to refund of actual fees paid, less any out of pocket expenses. In addition it is mutually agreed that all disputes are to be submitted to mediation.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2009 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

James H Saunders

James H. Saunders, CPA

RESPONSE:

This letter correctly sets forth the understanding of the Sunsites-Pearce Fire District.

By:

Title:

Date: