

## COLUMNS

# Notes From SEFD: Follow the Money



by Eddie McArthur  
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Sonoita Elgin Fire District personnel took part in extrication training with Whetstone Fire District, Patagonia Volunteer Fire & Rescue and the Nogales Fire Department. *Photo by Tricia Flaherty*

News of the nearly \$40 million missing from Santa Cruz County funds shocked all of us at Sonoita Elgin Fire District. Our financial services firm has reviewed the past five years income from property taxes via the County and has not found discrepancies. The caveat to that is that the same entity advising us what we should receive in property tax revenue is also the entity that makes the payment. We have no means of checking the accuracy of the initial figure of what we should receive, and it is certain that we have losses.

It seems a good time to let the communities we serve know how we manage your tax dollars, what controls are in place, and just how all this works at SEFD.

We are required by law to maintain a balanced budget. Each year we go through a careful planning process leading to a proposed budget. We use a financial services firm that has substantial experience with other fire districts. They are able to advise whether our numbers are realistic in light of others in the industry.

This year in particular we committed to using funds to raise what our firefighters are paid to be more closely in line with other agencies in the area. We fund not just salaries, but benefits, a certain amount of retirement funding, and training, such as the training day in the accompanying photo. For this and other reasons, we raised our tax rate for the first time since 2017.

We have tightened procedures significantly in the past few years. We first moved from internal bookkeeping to external bookkeeping, and have since moved to external financial services rather than bookkeeping. Our accounts are reconciled monthly, and detailed financial reports are presented to the Board for review and approval at each monthly meeting.

Expenditures are now handled in a multi-step process. One individual enters an invoice into the system, a second person validates that invoice, the Chief ok's payment and finally the President of the Board actually clicks a button to make electronic payment.

No one person ever has complete control over payments. In the rare event of payment by paper check, the system uses the same procedure to enter and validate the invoice, and the check requires two signatures. We submit purchases and major expenses for bid whenever possible.

This year we have contracted with a new firm to conduct the annual audit of all our finances. This was not done due to any problems with our prior auditors but simply to have new eyes looking over our financial shoulders. We at SEFD are well aware that the major part of our funding comes from the taxes paid locally. We are doing all possible to respect that, be entirely transparent, and use this funding to the benefit of our communities.