

# **WOLF CREEK RURAL FIRE DISTRICT**

**AGREED UPON PROCEDURES**

and

**FINANCIAL STATEMENTS**

**June 30, 2024**

WOLF CREEK RURAL FIRE DISTRICT

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June 30, 2024

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WOLF CREEK RURAL FIRE DISTRICT

GOVERNING BOARD AND ADMINISTRATION

June 30, 2024

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GOVERNING BOARD

Dave Clark .....President

Dale Bloom .....Vice-President

Mark Moen ..... Treasurer

Tom Barber (Registered Agent) ..... Secretary

Robert Stumbo ..... Board Member

ADMINISTRATION

William Atchley ..... Fire Chief

Board Members and Administration can receive mail at 1 Old Hwy 99 S, Wolf Creek, OR 97497.



**INDEPENDENT ACCOUNTANT'S REPORT**

Board of Directors  
Wolf Creek Rural Fire District  
1 Old Hwy 99 S  
Wolf Creek, OR 97497

We have performed the procedures enumerated in the attached appendix on financial information and presentation, operations and controls, and compliance with certain requirements for Wolf Creek Rural Fire District ("the District") as of and for the year ended June 30, 2024 ("the subject matter"). The District is responsible for the subject matter.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of compliance with the Minimum Standards for Agreed-Upon Procedures of Oregon Municipal Corporations during the year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are in the attached appendix.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States, and the applicable state and regulatory agreed-upon procedure standards and requirements. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors and management of the District and the Oregon Secretary of State, and is not intended to be, and should not be, used by anyone other than these specific parties.

Neuner Davidson & Co  
Certified Public Accountants

Kelsey Pardon  
Roseburg, OR  
December 27, 2024

**BASIC FINANCIAL STATEMENTS**

**WOLF CREEK RURAL FIRE DISTRICT**

Statement of Net Position - Cash Basis

For Fiscal Year Ended June 30, 2024

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|                           | <u>Governmental<br/>Activities</u> |
|---------------------------|------------------------------------|
| <b>ASSETS</b>             |                                    |
| Cash and Cash Equivalents | \$ 288,169                         |
| Total Assets              | <u>288,169</u>                     |
| <br>                      |                                    |
| <b>NET POSITION</b>       |                                    |
| Unrestricted              | 256,860                            |
| Restricted                | 31,309                             |
| Total Net Position        | <u>\$ 288,169</u>                  |

See accompanying notes to the financial statements



**WOLF CREEK RURAL FIRE DISTRICT**

Governmental Funds  
Balance Sheet - Cash Basis  
For Fiscal Year Ended June 30, 2024

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|                           | <u>General<br/>Fund</u> |
|---------------------------|-------------------------|
| <b>ASSETS</b>             |                         |
| Cash and Cash Equivalents | \$ 288,169              |
| Total Assets              | <u>\$ 288,169</u>       |
| <b>FUND BALANCE</b>       |                         |
| Fund Balances:            |                         |
| Restricted                | \$ 31,309               |
| Unrestricted              | 256,860                 |
| Total Fund Balances       | <u>288,169</u>          |
| Total Fund Balance        | <u>\$ 288,169</u>       |

See accompanying notes to the financial statements



**WOLF CREEK RURAL FIRE DISTRICT**

Governmental Funds

Statement of Cash Receipts, Disbursements, and Changes in Fund Balance - Cash Basis  
For Fiscal Year Ended June 30, 2024

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|   | <u>General<br/>Fund</u> |
|---|-------------------------|
| <b>RECEIPTS:</b>                              |                         |
| Property Taxes - Current                      | \$ 99,346               |
| Interest Income                               | 15,145                  |
| Grant Income                                  | 247,486                 |
| Total Receipts                                | <u>361,977</u>          |
| <b>DISBURSEMENTS:</b>                         |                         |
| Current                                       |                         |
| Personal Services                             | 26,274                  |
| Materials and Services                        | 330,043                 |
| Capital Outlay                                | 63,724                  |
| Total Disbursements                           | <u>420,041</u>          |
| Excess of Receipts Over (Under) Disbursements | (58,062)                |
| FUND BALANCE, Cash Basis, July 1, 2023        | <u>346,232</u>          |
| FUND BALANCE, Cash Basis, June 30, 2024       | <u>\$ 288,169</u>       |

See accompanying notes to the financial statements

**NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Wolf Creek Rural Fire District (the District) is organized pursuant to Chapter 478 of the Oregon Revised Statutes. The District is a mostly volunteer district with a five-person governing board, and a paid Fire Chief. The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The accounting policies of the District conform to the cash basis of accounting. The following is a summary of the more significant policies:

A. Reporting Entity

The District is not financially accountable for any other organization, and is a "primary government" as defined in professional standards. The District is not aware of any other organization that may claim to exercise financial accountability over the District.

B. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, receipts and disbursements, as appropriate. The following funds are used by the District:

Major Government Funds Reported by the District Include:

General Fund - The General Fund is the general operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

C. Basis of Accounting

The cash basis of accounting is used by all governmental fund types. Under the cash basis of accounting, revenues are recognized when received, rather than when earned. Expenditures are recorded when paid, rather than when the obligation is incurred. As a result of the use of the cash basis of accounting, certain transactions are not recorded in the financial statements. For example, accounts receivable and revenue for billed or provided services that have not been collected in cash are not accrued as revenue or receivables. Additionally, capital assets such as property, equipment, and infrastructure are not reported and long-term liabilities such as debt and compensated absences are also not reported.

D. Government-Wide and Fund Financial Statements

The District has adopted, at July 1, 2003, the principles of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management Discussion and Analysis - for State and Local Governments* (GASB 34), as they are applicable to cash basis financial statements. The Statement required that the District present both government-wide and fund financial statements, and reconcile the two types of statements, if necessary.

The District uses the cash basis of accounting for both sets of financial statements. Accordingly, there is no need for reconciling statements.

WOLF CREEK RURAL FIRE DISTRICT

Notes to the  
Financial Statements

June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Government-Wide and Fund Financial Statements (Cont'd)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) present financial information about the District as a whole. The reported information includes all of the non-fiduciary activities of the District. These statements are to distinguish between the *governmental* and *business-type activities* of the District. *Governmental activities* normally are supported by taxes and intergovernmental revenues, and are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not currently have business activity.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program receipts. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program receipts* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, State and County aid, and other items not included among program revenues are reported instead as *general receipts*.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has no fiduciary funds.

E. Budgets

The District budgets all funds as required by state law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures are controlled by total personal services, materials and services, capital outlay, operating contingency and other expenditures. The detailed budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations resolution. A supplemental budget requires hearings before the public, publications in newspapers, and approval by the District Governing Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the District Governing Board. Appropriations lapse as of year-end.

The District budgets for all funds on the cash basis as provided in ORS 294.305

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

|                                      | Budget     | Actual     | Over       |
|--------------------------------------|------------|------------|------------|
| General Fund- Materials and Services | \$ 149,700 | \$ 330,043 | \$ 180,343 |

F. Cash and Investments

Cash includes amounts held as cash on hand and demand deposits with the District's respective bank. All cash is in one checking account, one savings, and their Local Government Investment Pool (LGIP) accounts: General Fund Checking and Savings are held with Umpqua Bank.

WOLF CREEK RURAL FIRE DISTRICT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

G. Inventories

All supplies and materials are expensed at the time of purchase, therefore no amount for inventory is shown.

H. Fund Balances

As of June 30, 2024, fund balances of the governmental funds are classified as follows:

*Nonspendable* – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District did not have any nonspendable balances at June 30, 2024.

*Restricted* – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District had \$31,309 restricted through an Oregon State Fire Marshall staffing grant as of the year then ended June 30, 2024.

*Committed* – Amounts that can be used only for specific purposes determined by a formal action of the District. The Board of Directors has the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Directors. The District did not have any committed balances at June 30, 2024.

*Assigned* – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. This intent can be expressed by the Board of Directors or through the delegation of this responsibility to the Fire Chief. The District did not have any assigned balances at June 30, 2024.

*Unassigned* – Consist of all amounts not included in the other classifications previously mentioned.

The District would typically use assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

2. DEPOSITS AND INVESTMENTS

At year end, the carrying amount of the District's cash on hand and deposits was \$288,169 and consisted of the following:

|                       |                   |
|-----------------------|-------------------|
| General Fund Checking | \$ 26,917         |
| General Fund Savings  | 261               |
| General Fund LGIP     | 260,991           |
| Total                 | <u>\$ 288,169</u> |

The District maintains depository relationships with area financial institutions that are Federal Depository Insurance Corporation (FDIC) insured institutions. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. All of the bank deposits are covered by federal depository insurance up to \$250,000.

Where balances continually exceed \$250,000, ORS 295 require the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the

WOLF CREEK RURAL FIRE DISTRICT

2. DEPOSITS AND INVESTMENTS (Cont'd)

State Treasurer's Oregon Public Funds Collateralization Program (PFCP) website. ORS 295 requires all Oregon bank depositories holding public fund deposits to maintain securities totaling a value not less than 110 percent of the greater of:

- a) All public funds held by the bank depository; or
- b) The average of the balances of public funds held by the bank depository, as shown on the last four immediately preceding treasury reports.

Custodial credit risk is the risk that in the event of a financial institution failure, the district's deposits may not be returned to it. The District does not have a policy for custodial credit risk. However, the balances in excess of the FDIC insurance are considered collateralized by PFCP. As of June 30, 2024 the District had no balances exposed to custodial credit risk.

As of June 30, 2024 the District had \$260,991 invested in the Oregon LGIP which approximates market value.

Interest rate risk is the risk that changes in interest rates will adversely affect fair market value of an investment. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District has no policy for management interest or credit risk. Investments held by the District in the LGIP are not rated.

3. PROPERTY TAXES RECEIVABLE

Uncollected taxes are deemed to be substantially collectible or recoverable through liens.

4. FIXED ASSETS

The District does not maintain formal accounting records for its fixed assets.

5. FUND BALANCES

The fund balances at June 30, 2024 are:

|            | General           | Total<br>Governmental<br>Funds |
|------------|-------------------|--------------------------------|
| Restricted | \$ 31,309         | \$ 31,309                      |
| Unassigned | 256,860           | 256,860                        |
|            | <u>\$ 288,169</u> | <u>\$ 288,169</u>              |

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 27, 2024, the date on which the financial statements were available to be issued.

**SUPPLEMENTAL DATA**



**WOLF CREEK RURAL FIRE DISTRICT**

General Fund

Statement of Cash Receipts, Disbursements, and Changes in Fund Balance

Actual and Budget - Cash Basis

For Fiscal Year Ended June 30, 2024

|   | <u>Original<br/>&amp; Final<br/>Budget</u> | <u>Actual</u>     | <u>Over<br/>(Under)<br/>Budget</u> |
|---|--|-------------------|------------------------------------|
| <b>RECEIPTS</b>                           |  |                   |                                    |
| Current Taxes                             | \$ 102,090                                 | \$ 99,346         | \$ (2,744)                         |
| Interest Income                           | 6,000                                      | 15,145            | 9,145                              |
| Grant Income                              | -  | 247,486           | 247,486                            |
| Sale of Surplus Equipment                 | 5,000                                      | -                 | (5,000)                            |
| Total Receipts                            | <u>113,090</u>                             | <u>361,977</u>    | <u>248,887</u>                     |
| <b>DISBURSEMENTS</b>                      |  |                   |                                    |
| Current                                   |  |                   |                                    |
| Personal Services                         | 44,400                                     | 26,274            | (18,126)                           |
| Materials and Services                    | 149,700                                    | 330,043           | 180,343                            |
| Capital Outlay                            | 230,000                                    | 63,724            | (166,276)                          |
| Total Disbursements                       | <u>424,100</u>                             | <u>420,041</u>    | <u>(4,059)</u>                     |
| <b>OTHER FINANCING SOURCES</b>            |  |                   |                                    |
| Contingency                               | 30,000                                     | -                 | (30,000)                           |
| Total Other Financing Sources             | <u>30,000</u>                              | <u>-</u>          | <u>(30,000)</u>                    |
| Excess of Receipts Over Disbursements     | <u>(341,010)</u>                           | <u>(58,062)</u>   | <u>282,947</u>                     |
| FUND BALANCE, Budget Basis, July 1, 2023  | <u>341,042</u>                             | <u>346,232</u>    | <u>5,190</u>                       |
| FUND BALANCE, Budget Basis, June 30, 2024 | <u>\$ 32</u>                               | <u>\$ 288,169</u> | <u>\$ 288,137</u>                  |

See accompanying notes to the financial statements

**WOLF CREEK RURAL FIRE DISTRICT**

General Fund Expenditure Detail

Statement of Cash Receipts, Disbursements, and Changes in Fund Balance

Actual and Budget - Cash Basis

For the Fiscal Year Ended June 30, 2024

|                                       | <u>Original<br/>&amp; Final<br/>Budget</u> | <u>Actual</u>  | <u>Over<br/>(Under)<br/>Budget</u> |
|---------------------------------------|--|----------------|------------------------------------|
| <b>DISBURSEMENTS</b>                  |  |                |                                    |
| Personal Services:                    |  |                |                                    |
| Fire Chief & Seasonal Staffing        | \$ 24,000                                  | \$ 23,200      | \$ (800)                           |
| Workmans Compensation                 | 6,000                                      | 772            | (5,228)                            |
| Payroll Taxes                         | 2,400                                      | 2,302          | (98)                               |
| Personnel Costs                       | 2,000                                      | -              | (2,000)                            |
| Volunteer Reimbursement               | 10,000                                     | -              | (10,000)                           |
| Total Personal Services               | <u>44,400</u>                              | <u>26,274</u>  | <u>(18,126)</u>                    |
| Materials and Services:               |  |                |                                    |
| Apparatus Maintenance & Repair        | 15,000                                     | 16,908         | 1,908                              |
| Building Maintenance                  | 7,000                                      | 23,169         | 16,169                             |
| Communications                        | 5,000                                      | -              | (5,000)                            |
| Dues, Fees, Elections & Subscriptions | 4,000                                      | 779            | (3,221)                            |
| 911 Services                          | 4,000                                      | 3,978          | (22)                               |
| EMS Supplies                          | 5,000                                      | -              | (5,000)                            |
| Equipment Maintenance & Testing       | 10,000                                     | 3,323          | (6,677)                            |
| Firefighting Supplies                 | 1,000                                      | 74             | (926)                              |
| Fire Suppression Equipment            | 18,000                                     | 2,325          | (15,675)                           |
| Fuel                                  | 6,000                                      | 3,768          | (2,232)                            |
| Grant Matching Funds                  | 5,000                                      | -              | (5,000)                            |
| Insurance (excluding Workmans Comp)   | 12,000                                     | 16,830         | 4,830                              |
| Legal / Accounting                    | 8,000                                      | 7,241          | (759)                              |
| Office/Station Supplies               | 2,000                                      | 718            | (1,282)                            |
| Personal Protective & Uniforms        | 15,000                                     | 1,341          | (13,659)                           |
| Public Relations & Donations          | 2,000                                      | 505            | (1,495)                            |
| Fire Prevention                       | 1,000                                      | -              | (1,000)                            |
| Training                              | 5,000                                      | -              | (5,000)                            |
| Utilities                             | 15,000                                     | 7,227          | (7,773)                            |
| Water Supply Maintenance              | 2,000                                      | 20             | (1,980)                            |
| SCBA                                  | 4,700                                      | 1,751          | (2,949)                            |
| Firefighters Fund                     | 2,000                                      | 56             | (1,944)                            |
| Miscellaneous                         | 1,000                                      | 5,421          | 4,421                              |
| Seismic Rehabilitation Grant Exp      | -  | 188,167        | 188,167                            |
| HazMat Remediation Grant Exp          | -  | 46,442         | 46,442                             |
| Total Materials and Services          | <u>149,700</u>                             | <u>330,043</u> | <u>180,343</u>                     |

(Cont'd)

See accompanying notes to the financial statements

**WOLF CREEK RURAL FIRE DISTRICT**

General Fund Expenditure Detail

Statement of Cash Receipts, Disbursements, and Changes in Fund Balance

Actual and Budget (Cash Basis)

For the Fiscal Year Ended June 30, 2024

---

|                               | Original<br>& Final<br>Budget | Actual            | Over<br>(Under)<br>Budget |
|-------------------------------|-------------------------------|-------------------|---------------------------|
| Capital Outlay:               |                               |                   |                           |
| Computers/IT                  | \$ 5,000                      | \$ -              | \$ (5,000)                |
| Radios                        | 15,000                        | -                 | (15,000)                  |
| Apparatus Replacement         | 100,000                       | -                 | (100,000)                 |
| Fire Station Improvements     | 100,000                       | 53,046            | (46,954)                  |
| SCBA                          | 10,000                        | 10,678            | 678                       |
| Total Capital Outlay          | <u>230,000</u>                | <u>63,724</u>     | <u>(166,276)</u>          |
| Other Financing Sources:      |                               |                   |                           |
| Contingency                   | 30,000                        | -                 | (30,000)                  |
| Total Other Financing Sources | <u>30,000</u>                 | <u>-</u>          | <u>(30,000)</u>           |
| Total Disbursements           | <u>\$454,100</u>              | <u>\$ 420,041</u> | <u>\$ (34,059)</u>        |

See accompanying notes to the financial statements

**MANAGEMENT REPRESENTATION OF FISCAL AFFAIRS**

**MANAGEMENT REPRESENTATION OF FISCAL AFFAIRS**

Required by Oregon Regulation

For the Fiscal Year Ended June 30, 2024

The Wolf Creek Rural Fire District is subject to, and responsible for, compliance with various laws, rules, and regulations relating to its operation and finances. Among such laws, rules, and regulations are the requirements prescribed in Municipal Audit Law (ORS Chapter 297) and the Minimum Standards for Review of Oregon Municipal Corporations (OAR 162, division 40) including, but not limited to:

- (a) Deposit of public funds with financial institutions (ORS Chapter 295).
- (b) Indebtedness limitations, restrictions, and repayment.
- (c) Budgets legally required (ORS Chapter 294).
- (d) Insurance and fidelity bonds in force or required by law.
- (e) Programs funded from outside sources.
- (f) Authorized investment of surplus funds (ORS Chapter 294).
- (g) Public contracts, purchasing, and improvements (ORS Chapters 279A, 279B, and 279C).

The management of Wolf Creek Rural Fire District is aware of the requirements of Oregon laws and administrative rules concerning each of the above requirements and has complied, in all material respects, with such requirements. Further, we are not aware of any violations or possible violations of laws, rules, or regulations, whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, other than those listed below:

- Expenditures more than appropriations - General Fund – Materials and Services - \$180,343 (ORS 294.338).

The governing body and the District were covered the entire year ended June 30, 2024, by a \$100,000 bond carried by Travelers Insurance in conjunction with crime coverage through Special District Insurance Services.

**William A  
Atchley Jr**  
Digitally signed by William A  
Atchley Jr  
Date: 2024.12.30 10:11:03  
-08'00'

---

Signature

William Atchley  
Printed Name

Fire Chief  
Title

December 30, 2024  
Date

**WOLF CREEK RURAL FIRE DISTRICT**

**AGREED-UPON PROCEDURES REPORT**

For the Year Ended June 30, 2024

**AGREED-UPON PROCEDURES**

**FINDING**

**FINANCIAL REPORT**

A. Obtain a copy of entity's financial report

**Threshold Calculation:**

B. For the purposes of performing these procedures and reporting findings, calculate the following threshold:

*Total Expenses X 5%* 21,001.97

C. Compare amounts reported on the financial report to the entity's general ledger/trial balance. Inspect any differences greater than the calculated threshold and inquire of management about the reason for the difference(s).

No differences between general ledger and trial balance to inspect.

D. Does the financial report include the names and addresses of officers of the municipal corporation and members of its governing body?

Y

E. If a special district, does the financial report include the name and address of the registered agent or the fact that one has not been designated? (OAR 162-040-0095)

Y

F. Does the financial report include the statements and schedules required by GAAP as dictated by GASB and considering the basis of accounting used?

Y

G. Does the financial report include a budget to actual schedule for each fund for which budgets are legally required? (OAR 162-040-0060)

Y

H. Does the financial report include management's representations regarding compliance required by rule OAR 162-040-0096?

Y

**OPERATIONS, POLICIES & PROCEDURES**

Obtain and inspect the entity's written policies and procedures and determine whether they address each of the following categories:

Y - Written policies and procedures address the category  
 N - Written policies and procedures do not address the category  
 N/A - The category is not applicable to the entity

A. Budgeting

Y

B. Purchasing

N

C. Disbursements

Y

D. Receipts/Collections

N

E. Payroll/personnel

Y

F. Contracting & procurement

N

G. Travel and expense reimbursement

N

H. Credit cards (debit, fuel cards, P-cards)

Y

I. Ethics

Y

J. Debit Service

N

**PUBLIC MEETINGS**

Obtain access to (or copies of) board meeting minutes. Haphazardly select two meetings held during the reporting period and perform the following:

Board meeting minutes were obtained for the one meeting held during the year. The meeting:

Y - complied with the requirement

N - Did not comply with the requirement

N/A - This requirement is not applicable to the entity

*Selected Board Meeting:*

July 27, 2023 & April 17, 2024

**AGREED-UPON PROCEDURES**

**FINDING**

|  |     |
|--|-----|
| A. Was required notice given?  | Y   |
| B. Was there an agenda?  | Y   |
| C. Was there a process for public comment?   | Y   |
| D. If a portion of the meeting was closed to the public, determine   | N/A |
| i. before the meeting was closed, the reason for holding the closed meeting was documented in the meeting minutes and a roll call vote was taken | N/A |
| ii. the reason for closing the meeting was permitted under statute   | N/A |

**ACCOUNTING RECORDS**

**General:**

Inquire of management regarding whether the policies and procedures are current and reflect the operations in place during the reporting period. Report management's response.

*Management's response to the stated inquiry:* Y

Inquire of the governing body chairperson whether they receive periodic financial information updating them on budgeted vs. actual spending.

*Chairperson's response to the stated inquiry:* Y

Inquire of the governing body chairperson whether the governing body, or certain members of the governing body, approves payments and contracts.

*Chairperson's response to the stated inquiry:* Y

**Related Parties:**

Obtain a list of related parties (as defined in standards) from management and a list of payments during the reporting period by vendor. Determine whether any vendors on the payment listing are related parties, per management's list. Recalculate payments to related parties and report the total paid to each, and the nature of the payment (i.e. goods or services).

Related parties for this entity are as follows: Tom Barber and Brian Carlton (Cousins; Board Member and Volunteer Firefighter, respectively).

**Related Party and Nature of Payment**

N/A - No payments made to any related parties.

**Payment Cards:**

Obtain from management a complete listing of all active payment cards for the fiscal period, including the name(s) of the person(s) who maintained possession of the cards. Haphazardly select one month and request the monthly statement from each active card (but not more than 5 cards) and observe whether:

Only debit cards. Selected November 2023

A. The card had been assessed finance charges or late fees. Report amounts if applicable.

No finances charges or assessed late fees in sampled month.

B. The monthly statement was reviewed and approved for payment, in writing by someone other than the cardholder (for example: initials and date, or electronically approved, approved as noted in the governing body meeting minutes).

The monthly statement is reviewed as part of Board of Directors reporting on financials.



**AGREED-UPON PROCEDURES**

**FINDING**

**Property Taxes:**

Obtain a property tax revenue schedule or turnover report from the municipality. Report the property tax revenue received by type (for example: permanent rate tax, local option tax). Trace amounts to the financial records, such as the trial balance or general ledger.

Permanent Rate = \$99,346

**Accounts Receivable:**

- A. For municipal corporations reporting on an accrual basis of accounting perform the following:
- B. Obtain an accounts receivable aging report as of the last day of the fiscal year and agree to accounting records (trial balance).
- C. For all accounts greater than 90 days, inquire of management whether amount is collectible. N/A - Cash Basis
- D. Report the balance that is considered by management to be uncollectible, if any. N/A - Cash Basis
- E. If unable to agree the aging report to the accounting records, report the reason(s) why, if known: N/A - Cash Basis

**Accounts Payable:**

- A. For municipal corporations reporting on an accrual basis of accounting perform the following:
- B. Obtain an accounts payable listing and agree to the accounting records (trial balance).
- C. Obtain a listing of disbursements subsequent to fiscal year end and haphazardly select a sample of five transactions (or transactions totalling the calculated threshold, whichever is less). N/A - Cash Basis
- D. Inspect supporting documentation (invoice, purchase order, contract, etc.) for each sample transaction and confirm it was reported in the correct period. N/A - Cash Basis

**Fund Balance/Net Position:**

Agree beginning fund balance to prior year ending fund balance and reconcile any differences. If there are changes to beginning fund balance, confirm the financial reports disclose the changes to fund balance and the reason for the difference (error, implementation of new accounting policy, etc.) No discrepancies noted.

**Revenue - Charges for Service:**

- A. If the municipal corporation reports charges for service perform the following:
- B. Obtain the fee schedule(s).
- C. Haphazardly select a sample of 10 transactions (or transactions totalling the calculated threshold, whichever is less). N/A - No charges for service
- D. Based on the fee schedule(s), recalculate the charges for services. N/A - No charges for service

**Payroll:**

Calculate the amount of payroll expenditures compared to total operating costs. If payroll expenditures are greater than 20% of operating cost, perform the following:

**Payroll expenditures % of operating costs.**

6%

**AGREED-UPON PROCEDURES**

**FINDING**

Obtain all payroll checks, but not more than 5, for one haphazardly selected month during the reporting period. Compare the names and payrates to current employee records.

**Selected month - Report on Sample**  
N/A

Obtain a listing of employees and officials employed during the fiscal period. Haphazardly select 5 employees or officials (or all, if fewer than 5) and obtain related paid salaries or payrates and personnel files. Person(s) with the ability to enter payroll or who approves payroll related payments must be included in the sample selected. Agree paid salaries and bonuses to authorized salaries/pay rates in the personnel files. Observe that all individuals receiving pay have a corresponding personnel file and are current employees or officers.

N/A

**Cash:**

Obtain a listing of all bank accounts from management. Obtain year-end statements and trace ending balances to the year-end bank reconciliations. If possible, the year-end statement should be viewed via online account access as confirmation.

Account balances from year-end statements, viewed via paper statements, agreed to year-end bank reconciliations for all bank accounts, except as follows:

*Exception (if applicable):*

Adjustment needed for Savings Account for interest earned YTD of \$0.02.  
N/A

If the independent accountant can view bank accounts online, vouch that each account listed online was included in the list of accounts provided by management.

For each depository account, obtain the year-end bank reconciliation and one additional month's reconciliation, haphazardly selected from a different quarter, and observe whether:

*Additional Reconciliation Selected:*

Dec-23

A. Reconciliations were prepared and reviewed within 2 months of the related statement's closing date. If not, report the date prepared and reason given by management for why the reconciliation was prepared after 2 months.

Y

B. The statement balance traces to reconciliation

Y

C. The reconciled book balance traces to the general ledger and the trial balance or summary schedule.

Y

D. Mathematically, the reconciliation and detailed supporting schedules are accurate.

Y

Obtain a check register for the fiscal year and confirm if there are any gaps in check numbers issued during the year. Account for all voided checks by obtaining supporting documentation (i.e. voided check).

N/A

Inquire of the entity whether they are required to maintain any separate bank accounts for a particular fund, program, loan, grant, or other purpose; observe whether the entity maintains a separate bank account.

N/A

If account(s) were opened or closed during the year (determined by comparing the current listing to prior years), inspect the minutes of the governing body and observe that the decision(s) are included.

N/A

Determine whether deposits are covered by FDIC or NCUA insurance (under \$250,000) or deposited with institutions participating in the public funds collateralization pool. ORS 295 – Depositories of Public Funds and Securities.

Covered by:

PFCP

**AGREED-UPON PROCEDURES**

**FINDING**

**Debt:**

A. Obtain a complete list of debt (loans, mortgages, bonds, notes, or other debt instruments) issued during the fiscal period and management's representations that the listing is complete.

B. Obtain supporting documentation for all newly issued debt and carried forward debt.

N/A - No debt

C. Reconcile new debt to the list of debt, and the list of debt to the reported amount(s) on the financial report, if applicable.

N/A - No debt

D. Inquire of management about any debt covenants, such as a required cash reserve or coverage ratio. If such covenant exists, report the requirement(s) and report management's response on:

i. How the entity monitors the requirement(s) and

N/A - No debt

ii. Whether the municipal corporation met the requirement(s) throughout the year.

N/A - No debt

**LOCAL BUDGET LAW**

Determine if the entity subject to local budget law? (ORS 294) and if so, obtain a copy of the original approved and adopted budget and determine the following requirements were met:

The entity is subject to local budget law and provided a copy of the original approved, and adopted budget. The following requirements were:

Y = complied with

N = not complied with

Determine whether the budget was adopted before the start of the budget year. (ORS 297.408)

Y

Determine whether the budget committee passed a motion to approved each tax levy and the budget dollar amount. (ORS 294.428)

Y

Compare the original adopted budget levy and the budget amount to the approved budget levy and budget. If there were any changes/differences, determine whether procedures were followed to make the change. (ORS 294-456)

Y

Agree resources to requirements for each budgeted fund. Document which funds are not balanced and report management's response as to why they are not balanced.

N - Resources greater than Requirements by \$32. Management states this is due to the prior Fire Chief.

Obtain a copy of the budget resolution and observe the entity has appropriated by organization unit or program. ORS 294.388(2)

Budget was observed to be appropriated by Organizational Unit.

Compare the budget resolution to final , actual spending and report whether the municipal corporation overspent any appropriation category. If a budget exception exists per ORS 294.388, there is no violation and the accountant should exclude an overspending comment from the report. (ORS 294.388)

Overexpenditure violation - General Fund - Materials and Services - \$180,343

**AGREED-UPON PROCEDURES**

Obtain a copy of budget committee meeting notice(s) and compare the dates of published notice to the meeting dates. Conclude whether notices were published timely. (ORS 294.426)

Obtain a copy of the notice of budget hearing (LB-1, ED-1, UR-1 or CC-1) and observe each statement to ensure the notices of budget hearing are complete and published timely. (ORS 294.438)

Obtain a copy of any resolution transfer or supplemental budget and determine whether the transfer or changes were made prior to overspending appropriation authority. (ORS 294.463 and ORS 294.471)

**FIDELITY BOND + INSURANCE**

Obtain from management a copy of the fidelity or faithful performance bond covering the principal responsible official (those responsible for receiving and disbursing moneys on behalf of the municipality). Observe that the bond was in force during the fiscal period. Observe that the bond was in an amount sufficient as required by ORS 297.435(3)

**CONTRACTING & PROCUREMENT**

Obtain, from management, a list of contracts and agreements for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. For contracts or agreements over \$25,000, obtain the procurement documentation and observe whether there is evidence of obtaining multiple quotes (or bids if required due to the total contract amount) or documentation as to why sole source selection was reasonable in the circumstance. If No, document the goods or services purchased and the total amount of the purchase or contract.

**PROGRAMS FUNDED FROM OUTSIDE SOURCES**

Inquire of entity management and obtain a listings of any grant or similar funding, to identify any sources of funding whether there are requirements restricting the use or related to the timing of spending the funding. Report on the source(s) and amount(s) received during the year reported for any source that exceeds 5% of total expenses or 10% of revenues, whichever is greater.

**HIGHWAY FUNDS - ORS 294, 368, and 373; Article IX section 3a of the Oregon Constitution**

A. If the municipal corporation spent highway funds during the year, perform the following (highway funds refer specifically to revenue from taxes on motor vehicle use and fuel, and road funds):

B. Inquire of management if funds were spent in compliance with the law (as contained in Article IX, section 3a of the Oregon Constitution and ORS 294, 368 and 373 pertaining to the use of road funds. (Y/N/N/A) If N, report the violation(s).

N/A

C. Inquire of management whether highway funds were loaned to any other funds. (Y/N/N/A)

N/A

If Y, report whether amounts were repaid by the end of the following fiscal year. (ORS 294.050)

N/A

**FINDING**

Published notice of meeting was on 5/3/24 and 5/10/24; publishedly timely for the 5/15/24 Budget Committee Meeting.

Published budget hearing notice was advertised on 5/30/24 for the 6/21/24 Budget Hearing; publishedly timely.

N/A - Only General Fund (no transfers); No supplemental budget

Fidelity bond coverage for \$100,000 through Travelers Insurance in addition to \$100,000 in crime coverage.

N/A - Board of Directors passed Resolution 2023-06-21-138 - Joint Resolution of the Wolf Creek Rural Fire Protection District Board and Local Contract Review Board Exempting the Fire Station Seismic Retrofit Project from Competitive Bidding Requirements and Directing the use of an RFP and CM/GC Alternative Contracting Methods. The Board of Directors recieved applications for the projects and selected Vitus Construction as the CM/GC.

All outside funding received 23-24 over greater of 10% of revenue (\$376,565 X 10% = 37,657) or the Calculated Threshold (\$21,002): Seismic Retrofit Rehab Grant = \$185,394; HazMat Grant = \$48,527

**AGREED-UPON PROCEDURES**

**FINDING**

**OTHER PROCEDURES PERFORMED**

If additional procedures were contracted for OAR 162-040-0010, those should be clearly stated below, along with results obtained, if applicable.

Additional Procedure 1 -

Results

No additional procedures necessary

N/A

Additional Procedure 2 -

Results

N/A

N/A