

Month Day, 2025

Office of the Secretary of State
Audits Division
255 Capitol Street NE, Suite 180
Salem, Oregon 97310

Plan of Action for Corvallis Rural Fire Protection District

Corvallis Rural Fire Protection District respectfully submits the following corrective action plan in response to the deficiencies reported in our audit of the fiscal year ended June 30, 2025. The audit was completed by the independent auditing firm, Koontz, Blasquez & Associates, P.C., Albany, Oregon, who reported the deficiencies listed below. The plan of action was adopted by the governing body of the District at their meeting on Month Day, 2025, as indicated by the signatures below.

The deficiencies are described below, including the adopted plan of action and timeframe for implementation for each.

1. Significant Deficiency: Preparation of Financial Statements in Accordance with Generally Accepted Accounting Principles (GAAP)

- a. Description:** Auditing standards require the auditor to assess the internal control system of the District. In addition, the standards require the auditor to extend this assessment of controls over financial statement preparation. Proper controls over financial statement preparation require adequate knowledge and involvement to detect errors and omissions in the financial statements. The District relies on the auditor to assist in drafting the financial statements. In addition, the auditor verifies that the financial statements, including note disclosures, contain all of the elements required to comply with accounting principles generally accepted in the United States of America. The auditor believes that the District has staff with the ability to understand, review, and take responsibility for the financial statements required to comply with independence standards; however, the auditor's assistance in drafting the financial statements described above does produce a significant deficiency in the District's internal control system.

Recommendation: The auditor does not recommend any change in the preparation of the financial statements, but that the board should be aware of this deficiency and stress the importance of thorough review of the financial statements prior to approval of the audit.

- b. **Plan of action:** Corvallis Rural Fire Protection District considers the cost of staffing the financial expertise to correct this deficiency to outweigh the benefit, and has determined that it is more beneficial to continue to outsource these matters to external experts.
- c. **Timeframe for, or date of, implementation:** This matter was considered during the review of the audit documents in fall 2023.

Signed by:

Heidi Hagler, Board Chair

Date

Anthony O'Donahue, Board Treasurer

Date