

To the Board of Directors  
Jefferson County Rural Fire Protection District #1  
765 S Adams Drive  
Madras, OR 97441

In planning and performing our audit of the financial statements of the governmental activities and the General Fund of Jefferson County Rural Fire Protection District #1 (the District) as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in internal control to be material weaknesses:

The District does not employ an accountant or other person with the capability to prepare financial statements in accordance with generally accepted accounting principles (GAAP). The District does not make closing entries or draft disclosures for GAAP financial statements. As a result, the District does not have staff responsible for both the preparation and review of the financial statements. By definition, a control must involve at least two qualified individuals who provide oversight for specific functions. Therefore, internal controls are not in place to assure that the financial statements are correctly presented in accordance with generally accepted accounting principles.

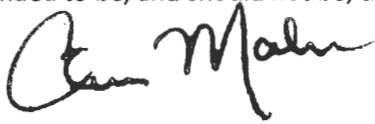
Because of the limited size of the District's administrative staff, the District has limited segregation of duties such that no one individual controls a transaction from inception to completion. While we recognize that cost considerations may not permit adequate segregation of duties in all respects, it is important that you acknowledge this condition. Compensating controls do exist including two directors' signatures on all checks and review of all disbursements by the Board of Directors.

**Management's response:** It is management's belief that the cost of correcting these material weaknesses would exceed the benefits to be derived from doing so. The District will continue to use the existing mitigating controls as noted above.

The District's written response to the material weaknesses identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

In addition, we noted other matters involving internal control and its operation that we have reported to management of the District in a separate letter dated December 20, 2024.

This communication is intended solely for the information and use of management, the Board of Directors, others within Jefferson County Rural Fire Protection District #1, and the State of Oregon Audits Division and is not intended to be, and should not be, used by anyone other than these specified parties.



Chris Mahr, Principal  
Chris Mahr + Associates | CPAs

Bend, Oregon

December 20, 2024

