



# GREEN COUNTRY FIRE DISTRICT

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED  
JUNE 30, 2024

GREEN COUNTRY FIRE DISTRICT  
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## **INDEPENDENT AUDITOR’S REPORT**

Honorable Chairman and Board of Directors  
Green Country Fire District  
Osage County, OK

### **OPINION**

We have audited the accompanying modified cash basis financial statements of the governmental activities of Green Country Fire District (the “District”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, as listed in the table of contents.

In our opinion, the financial statements, referred to above, present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, which collectively comprise the basic financial statements of the Green Country Fire District, as of June 30, 2024, thereof, for the year then ended, in accordance with the modified cash basis of accounting described in Note 2C.

### **BASIS FOR OPINIONS**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Green Country Fire District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **BASIS OF ACCOUNTING**

We draw attention to Note 2C of the financial statements, which describes the basis of accounting. The financial statements are prepared on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation, and fair presentation, of these financial statements, in accordance with the modified cash basis of accounting, which is described in Note 2C. This includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements, in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control, relevant to the preparation, and fair presentation, of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregated, that raise substantial doubt about Green Country Fire District’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Green Country Fire District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregated, that raise substantial doubt about Green Country Fire District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report, dated September 30, 2024, on our consideration of the District's internal control over financial reporting, and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting, and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting, or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the District's internal control over financial reporting and compliance.

Sincerely,



OBER & LITTLEFIELD, CPAS, PLLC  
MIAMI, OKLAHOMA

SEPTEMBER 30, 2024

GREEN COUNTRY FIRE DISTRICT  
STATEMENT OF NET POSITION – MODIFIED CASH BASIS  
AS OF JUNE 30, 2024

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	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash and cash equivalents	\$ 148,690.73
Total Current Assets	<u>148,690.73</u>
Property and Equipment	
Buildings and improvements	253,437.42
Equipment	14,886.69
Furniture & fixtures	49,856.05
Vehicles	431,310.07
Construction in process	<u>114,921.55</u>
Total property and equipment	864,411.78
Less: Accumulated depreciation	<u>(404,887.58)</u>
Net property and equipment	459,524.20
Total Assets	<u><u>\$ 608,214.93</u></u>
Liabilities and Net Position	
Current Liabilities	
Current portion of capital leases payable	\$ 96,308.85
Total Current Liabilities	<u>96,308.85</u>
Non Current Liabilities	
Leases payable	<u>269,219.19</u>
Total Non Current Liabilities	<u>269,219.19</u>
Total Liabilities	365,528.04
Net Position	
Invested in capital assets, net of related debt	93,996.16
Unrestricted	<u>148,690.73</u>
Total Net Position	<u>242,686.89</u>
Total Liabilities and Net Position	<u><u>\$ 608,214.93</u></u>

The accompanying notes are an integral part of these financial statements.

GREEN COUNTRY FIRE DISTRICT  
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2024

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Functions/Programs	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>	<u>Net (Expense)/ Revenue</u>
Governmental activities:					
Fire	\$ 193,680.75	\$ -	\$ -	\$ 29,993.53	\$ (163,687.22)
Total governmental activities	193,680.75	-	-	29,993.53	(163,687.22)
General revenues					
Special assessment revenues					213,716.50
Donations					2,913.00
Interest income					834.26
Gain/(loss) on sale of asset					2,250.42
Miscellaneous					4,763.10
Total general revenues					<u>224,477.28</u>
Change in net position					<u>60,790.06</u>
Net position, beginning of year					<u>181,896.83</u>
Net position, end of year					<u>\$ 242,686.89</u>

The accompanying notes are an integral part of these financial statements.

GREEN COUNTRY FIRE DISTRICT  
 BALANCE SHEET – GOVERNMENTAL FUND - MODIFIED CASH BASIS  
 AS OF JUNE 30, 2024

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	<u>Fire Fund</u>
Assets	
Current Assets	
Cash and cash equivalents	<u>\$ 148,690.73</u>
Total Current Assets	<u>148,690.73</u>
Fund balances:	
Unassigned	<u>148,690.73</u>
Total fund balance	<u>148,690.73</u>
Total Liabilities and Fund Balance	<u><u>\$ 148,690.73</u></u>
Reconciliation to Statement of Net Position:	
Total fund balance - governmental funds	\$ 148,690.73
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds, net of accumulated depreciation	459,524.20
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet:	
Due within one year	96,308.85
Long-term portion	<u>269,219.19</u>
Net Position of Governmental Activities	<u><u>\$ 242,686.89</u></u>

The accompanying notes are an integral part of these financial statements.

GREEN COUNTRY FIRE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – GOVERNMENTAL FUND – MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2024

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	<u>Fire Fund</u>
Operating Revenues	
Special assessment revenues	\$ 213,716.50
Grant revenues	29,993.53
Donations	2,913.00
Miscellaneous	4,763.10
Gain/(loss) on sale of asset	2,250.42
Interest	<u>834.26</u>
Total Operating Revenues	254,470.81
Operating Expenses	
Maintenance and operations	
Communications	5,107.52
Bank fees	24.00
Dues/memberships	20.00
Firefighting equipment	28,553.84
Fuel/oil	8,180.48
General insurance	12,474.00
Maintenance - building and grounds	720.00
Maintenance - equipment and vehicles	16,582.84
Other	15,196.11
Postage	372.97
Supplies - medical	1,636.71
Supplies - office	983.56
Supplies - shop and rehab	2,497.78
Training	4,157.89
Utilities	<u>7,378.43</u>
Total Maintenance and Operations	103,886.13
Capital outlay	150,356.48
Debt service - principal	70,360.17
Debt service - interest	<u>12,345.99</u>
Total Expenditures/Expenses	336,948.77
Excess of Revenues Over/(Under) Expenditures	(82,477.96)
Other Financing Sources (Uses)	
Loan proceeds	<u>114,921.55</u>
Total Other Financing Sources (Uses)	114,921.55
Net change in fund balance	32,443.59
Fund Balance, Beginning of Year	<u>116,247.14</u>
Fund Balance, End of Year	<u><u>\$ 148,690.73</u></u>

The accompanying notes are an integral part of these financial statements.



GREEN COUNTRY FIRE DISTRICT  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES AND  
 CHANGE IN NET POSITION - GOVERNMENTAL FUND – MODIFIED CASH BASIS  
 YEAR ENDED JUNE 30, 2024

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Reconciliation of the statement of revenues, expenditures, and changes in fund balance of governmental funds to the statement of activities and changes in net position

Net change in fund balance - total governmental funds \$ 32,443.59

Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital assets purchased, net of disposals	150,356.48
Depreciation expense	(77,448.63)

Repayment of capital leases is reported as an expenditure in governmental funds and has the effect of reducing fund balance because current financial resources have been used. For the District, as a whole, however, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.

Loan proceeds	(114,921.55)
Principal payments made on capital leases	<u>70,360.17</u>
Change in net position of governmental activities	<u><u>\$ 60,790.06</u></u>

The accompanying notes are an integral part of these financial statements.

### **Note 1 - Nature of Organization**

The Green Country Fire District, (the "District"), was organized for the purpose of providing fire protection services for the owners, and occupants, of land located within the District.

The accounting policies of the District conform to generally accepted accounting principles, applicable to governmental units. The District complies with generally accepted accounting principles, and applies all relevant Government Accounting Standards Board (GASB) pronouncements. In addition, the District applies Financial Accounting Standards Board (FASB) pronouncements, and Accounting Principles Board opinions, issued on or before November 30, 1989, unless those pronouncements conflict with, or contradict, GASB pronouncements, in which case, GASB prevails. The District has elected not to follow FASB pronouncements issued since that date.

### **Note 2 - Summary of Significant Accounting Policies**

A - Financial Reporting Entity - The District complies with GASB Statement No. 14, "*The Financial Reporting Entity*," as amended by GASB 61. This statement establishes standards for defining, and reporting on, the financial reporting entity. It defines component units as legally separate organizations, for which the elected officials of the primary government are financially accountable, and other organizations for which the nature, and significance, of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading, or incomplete.

The District considered all potential component units in determining what organizations should be included in the financial statements. Based on these criteria, there are no component units to include in the District's financial statements.

### B - Basis of Presentation

#### *Government-Wide Statements*

The statement of net position – modified cash basis, and the statement of activities – modified cash basis, present financial information about the reporting government, as a whole. These statements include the financial activities of the overall government, in its entirety, except those that are fiduciary. Eliminations have been made to minimize duplicate transactions. Governmental activities generally are financed through taxes and other exchange, and non-exchange, transactions. Operating grants include operating-specific and discretionary (either operational or capital) grants. The statement of activities – modified cash basis presents a comparison between direct expenses and direct revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with, and are clearly identifiable to, a function. Direct revenues include charges paid by the recipients of goods or services offered by the District, and grants and contributions that are restricted to meeting the operational, or capital, requirements of a particular function. Revenues that are not classified as direct revenues, including all taxes, are presented as general revenues.

**Note 2 - Summary of Significant Accounting Policies (continued)**

*Fund Financial Statements*

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity, and report a fund balance. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund balance or net position, revenues, and expenditures. There is only one governmental fund for the District.

*Governmental Funds*

The fire fund is the principal operating fund of the District. It is used to account for all financial resources.

C - Measurement Focus and Basis of Accounting

*Measurement Focus*

In the government-wide statement of net position – modified cash basis, and statement of activities – modified cash basis, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as subsequently defined.

In the fund financial statements, the current financial resources measurement focus, or the economic resources measurement focus, as applied to the modified cash basis of accounting, is used, as appropriate:

All governmental funds utilize a current financial resources measurement focus, within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources, and uses, of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

*Basis of Accounting*

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than GAAP, as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position, or balance sheets, cash transactions or events that provide a benefit, or result in an obligation, that covers a period greater than the period in which the cash transaction, or event, occurred. Such reported balances include investments, interfund receivables and payables, capital assets and related depreciation, and short-term and long-term liabilities arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustments to fair value.

If the District utilized the basis of accounting recognized as generally accepted in the United States, the fund financial statements for governmental funds would use the modified accrual basis of accounting, and the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

**Note 2 - Summary of Significant Accounting Policies (continued)**

D - Cash and Cash Equivalents - Cash and cash equivalents include all cash on hand, demand deposits, and highly liquid investments, with an original maturity of twelve months or less, when purchased.

E - Fair Value of Financial Instruments - The District's financial statements include cash and investments. The District's estimates of the fair value of all financial instruments do not differ materially from the aggregate carrying values of its financial instruments, recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

F - Equity Classifications - Equity is classified as net position, and displayed in three components:

- a. *Invested in capital assets, net of related debt* - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* - Consists of net position, with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* - All other net position that do not meet the definition of "restricted," or "invested in capital assets, net of related debt."

G - Concentrations of Credit and Market Risk - Financial instruments that potentially expose the District to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions, and credit exposure is limited at any one institution. The District has not experienced any losses on its cash equivalents.

H - Capital Assets - The fixed assets over \$2,000 are recorded at cost. Donated capital assets are reported at estimated fair market value, at the date of donation. Maintenance and repairs, which do not significantly extend the value or life of property, plant, and equipment, are expensed, as incurred.

All reported capital assets are depreciated on the straight-line basis, over the estimated useful lives, ranging from five to fifty years.

I - Revenues - The District's major source of revenue is tax assessments. Property owners, within the District, are assessed a millage levy, as determined by the Board of Directors, as part of the budgeting process, and the County Assessor adds the millage to the tax rolls, which is then collected by the County Treasurer, and remitted to the District in the month after it is collected. These revenues are recorded on a cash basis until June 30, at which time, uncollected receivables are recorded as revenues, less an allowance for uncollectible accounts.

J - Use of Estimates - The preparation of financial statements, in conformity with the U.S. generally accepted accounting principles, requires management to make estimates, and assumptions, that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**Note 3 - Deposits and Investments**

State statutes govern the District's investment policy. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts, or savings certificates, of savings and loan associations, and trust companies. Collateral is required for demand deposits and certificates of deposit, for all amounts not covered by federal deposit insurance. Investments are stated at cost. The District invests entirely in certificates of deposit.

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's cash deposits, including interest-bearing certificates of deposit, are maintained in financial institutions. The District does have a deposit policy for custodial credit risk.

The table presented below is designed to disclose the level of custody credit risk assumed by the District based upon how its deposits were insured or secured with collateral at June 30, 2024. The categories of credit risk are defined as follows:

Category A – Insured by FDIC or collateralized with securities held by the District or by its agent in its name

Category B – Uninsured but collateralized with securities held by the pledging financial institution’s trust department or agent in the District’s name.

Category C – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the District’s name; or collateralized with no written or approved collateral agreement.

	Category			Bank Balance	Carrying Amount
	A	B	C		
Demand deposits	\$ 129,781.40	\$ -	\$ -	\$ 129,781.40	\$ 127,862.17
Certificate of Deposits	20,828.56	-	-	20,828.56	20,828.56
Total	<u>\$ 150,609.96</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,609.96</u>	<u>\$ 148,690.73</u>

**Note 4 - Capital Assets**

Capital asset activity during the year was as follows:

	Balance				Balance
	6/30/2023	Additions	Disposals		6/30/2024
Furniture and fixtures	\$ 49,856.05	\$ -	\$ -		\$ 49,856.05
Fire Trucks	399,430.56	40,184.51	(8,305.00)		431,310.07
Buildings	253,437.42	-	-		253,437.42
Equipment	14,886.69	-	-		14,886.69
Construction in process	-	114,921.55	-		114,921.55
Total Property and Equipment	717,610.72	155,106.06	(8,305.00)		864,411.78
Accumulated Depreciation	(330,994.37)	(77,448.63)	3,555.42		(404,887.58)
Net Property and Equipment	<u>\$ 386,616.35</u>	<u>\$ 77,657.43</u>	<u>\$ (4,749.58)</u>		<u>\$ 459,524.20</u>

**Note 5 – Capital Leases**

The District entered into a lease purchase agreement, dated January 31, 2021, with Welch State Bank. The total commitment was approximately \$155,830.32, bearing interest at 4.75%, with annual payments of \$14,487.50, principal and interest. The lease matures on January 31, 2035. The remaining principal balance, at June 30, 2024, was \$121,536.34.

The District entered into a lease purchase agreement, dated February 4, 2022, with Welch State Bank. The total commitment was approximately \$180,300, bearing interest at 2.99%, with annual payments of \$39,369.41, principal and interest. The lease matures on February 4, 2026. The remaining principal balance, at June 30, 2024, was \$74,872.75.

The District entered into a lease purchase agreement, dated March 4, 2022, with Welch State Bank. The total commitment was approximately \$130,300, bearing interest at 3.11%, with annual payments of \$28,549.25, principal and interest. The lease matures on March 4, 2026. The remaining principal balance, at June 30, 2024, was \$54,197.40.

The District entered into a lease purchase agreement, dated January 10, 2024, with Welch State Bank. The total commitment was approximately \$114,921.55, bearing interest at 5.27%, with annual payments of \$29,792.14, principal and interest. The lease matures on January 10, 2029. The remaining principal balance, at June 30, 2024, was \$114,921.55.

Debt activity during the year was as follows:

	Balance 6/30/2023	Additions	Payments	Balance 6/30/2024
Welch State Bank #64616	\$129,830.31	\$ -	\$ (8,293.97)	\$ 121,536.34
Welch State Bank #66113	110,902.56	-	(36,029.81)	74,872.75
Welch State Bank #66493	80,233.79	-	(26,036.39)	54,197.40
Welch State Bank #126978	-	114,921.55	-	114,921.55
Total Lease Purchases	<u>\$320,966.66</u>	<u>\$ 114,921.55</u>	<u>\$ (70,360.17)</u>	<u>\$ 365,528.04</u>

Principal and interest, until maturity, is as follows:

Year Ending	Principal	Interest	Total
June 30			
2025	96,308.85	15,889.45	112,198.30
2026	98,475.07	12,936.59	111,411.66
2027	35,066.24	9,213.40	44,279.64
2028	36,867.81	7,411.83	44,279.64
2029	25,023.41	5,532.63	30,556.04
2030-2034	60,270.60	1,216.90	61,487.50
2035-2039	13,516.06	658.18	14,174.24
	<u>\$365,528.04</u>	<u>\$52,858.98</u>	<u>\$418,387.02</u>

**Note 6 - Subsequent Events**

Management has evaluated subsequent events up to, and including, September 30, 2024, which is the date the financial statements were available for issuance, and no additional disclosures are required.



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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Chairman and Board of Directors  
Green Country Fire District  
Osage County, OK

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits, contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities of the Green Country Fire District, and the related notes to the financial statements, which collectively comprise the basic modified cash basis financial statements of the Green Country Fire District, as of June 30, 2024, and have issued our report thereon dated, September 30, 2024.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning, and performing, our audit of the financial statements, we considered Green Country Fire District’s internal control over financial reporting (internal control), as a basis for designing the 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 Green Country Fire District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Green Country Fire District’s internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit, we did not identify certain any new deficiencies in internal control we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompany schedule findings and responses as item 2024-1 that we consider to be a significant deficiency.

### **COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether Green Country Fire District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct, and material, effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance, or other matters, that are required to be reported under *Government Auditing Standards*.

### **DISTRICT'S RESPONSE TO FINDINGS**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control, and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control, or on compliance. This report is an integral part of an audit, performed in accordance with *Government Auditing Standards*, in considering the entity's internal control, and compliance. Accordingly, this communication is not suitable for any other purpose.



OBER & LITTLEFIELD, CPAs, PLLC  
MIAMI, OKLAHOMA

SEPTEMBER 30, 2024



**2024-1 – MAINTENANCE AND RECORDING OF CAPITAL ASSETS**

*Criteria or Specific Requirement* – The District is required to maintain adequate internal controls to account for its capital assets.

*Condition* – The District does not have written policies or procedures on recording, adjusting, or inventorying capital assets.

*Cause* – There are no written policies or procedures for the recording, adjusting, or inventorying of capital assets

*Effect* – Without adequate internal controls to ensure proper recording, adjusting, and inventorying, assets are at risk and vulnerable to misappropriation, misuse, or loss, which would not be detected in a timely manner.

*Recommendation* – We recommend the District implement internal controls by developing written policies and procedures that describe how capital assets will be recorded and managed, and perform timely inventories of capital assets on an annual basis.

*Management Response* – Management understands and is continuing to implement necessary processes and procedures.