

**CONFIRE**

STAFF REPORT

DATE: 05/27/25

FROM: Rogers, Anderson, Malody & Scott, LLP
Certified Public Accountants

By: Nathan Cooke, Director
Damian Parsons, Finance/Administration Director
Erika Torres-Murillo, Staff Analyst II

TO: CONFIRE Board of Directors

SUBJECT: FY 2023-2024 Audited Financial Statements

Recommendation

Accept the CONFIRE Financial Statements with Independent Auditor's Report as of June 30, 2024.

Background Information

Rogers, Anderson, Malody, & Scott (RAMS) Certified Public Accountants, have audited the financial information supporting the attached Financial Statements as of June 30, 2024. It is RAMS' opinion that the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund as of June 30, 2024.

Audit Findings

The audit identified a material weakness in CONFIRE's capital asset tracking process. The specific deficiencies included:

- Misclassification and improper capitalization of various assets in prior years.
- Capitalization of assets that did not meet the capitalization criteria.
- Premature capitalizing of assets before being placed into service.

The misclassification and premature capitalization of assets resulted in:

- Overstatement/understatement of capital assets on financial statements.
- Compliance risks related to financial reporting requirements.

RAMS's Recommendations

RAMS outlines the following recommendations to address the above-mentioned issues:

1. Develop and implement comprehensive policies and procedures for capital asset accounting, ensuring alignment with GAAP and relevant government standards.
2. Provide targeted training to personnel responsible for asset tracking and financial reporting.
3. Establish a robust review process to ensure assets are properly classified and capitalized only when placed into service.
4. Conduct a retrospective review of prior-year capitalized assets to identify and correct any remaining misstatements.

Fiscal Impact

CONFIRE's Management is in agreement with all of RAMS's recommendations and will be working on implementing all of the four measures indicated. There will be no fiscal impact in implementing these measures.

Attachments:

- Financial Statements with Independent Auditor's Report (June 30, 2024)
- Audit Letter (April 03, 2025)