



INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors and Management
Crescent Sanitary District

We have performed the procedures enumerated below for each section applicable to Crescent Sanitary District contained in Oregon Administrative Rules (OAR) 162-040-0165. Crescent Sanitary District's management is responsible for compliance with the Oregon Statutes and OAR 162-040-0165.

Crescent Sanitary District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purposes of assisting Crescent Sanitary District and the Oregon Secretary of State Audit Division in evaluating compliance with various requirements described in OAR 162-040-0165 for the fiscal year ended June 30, 2025. 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.

General information

Our procedures and findings are as follows:

Procedure	Result
Municipal Corporation Name	Crescent Sanitary District
Fiscal year end	June 30, 2025
Municipal Corporation Type and Oregon Statute of formation	Sanitary Districts and Authorities, ORS 450

Financial report

Our procedures and findings are as follows:

Procedure	Result
Obtain a copy of the municipal corporation's financial report and compute the threshold.	Sensiba obtained the District's financial report and computed threshold of \$37,189.
Compare amounts reported on the financial report to the municipal corporation's general ledger/trial balance used to prepare the financial report plus all the adjustments to the financial report basis. Inspect any differences greater than the calculated threshold and inquire of management about the reason for difference.	No differences exceeding the calculated threshold were identified.
Does the financial report include the names and addresses of officers of the municipal corporation and members of its governing body?	The report included the names and addresses of officers and members of its governing body.
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?	Name and address of registered agent is included in the financial report
Does the financial report include the statements and schedules required by GAAP as dictated by GASB and considering the basis of accounting used?	All statements and schedules required by GAAP for the accrual basis of accounting have been used.
Does the financial report include a budget to actual schedule for each fund for which budgets are legally required?	A budget to actual schedule for each fund is included in the financial report.
Does the financial report include management's representations regarding compliance required by rule?	The financial report includes management's representation regarding compliance.

Operations, policies and procedures

Our procedures and findings are as follows:

Procedure	Result
Obtain and inspect the municipal corporation's written policies and procedures and determine whether they address each of the categories listed below.	Sensiba obtained the District's policies and procedures from the District.
Budgeting	No
Purchasing	No
Disbursements	No
Receipts / collections	Yes - Credit and Debit cards only
Contracting / procurement	No
Travel and expense reimbursement	Yes
Credit cards (debit, fuel, p-card)	No
Ethics	No
Debt service	No

Public meetings

Our procedures and findings are as follows:

Procedure	Result
Haphazardly select two meetings held during the reporting period and perform the following:	
Meeting #1 date	1/16/2025
Was required notice given?	Yes
Did the notice include an agenda?	The District's public meeting notice is on its website listing only the date and time for each monthly meeting. Sensiba was unable to determine whether the agendas available on the website were uploaded prior to the meeting's time and place.
Was there a process for public comment?	Yes
If a portion of the meeting was closed to the public, determine that:	N/A
Before the meeting was closed, the reason for holding the closed meeting was documented in the minutes and a roll call was taken.	N/A
The reason for closing the meeting was permitted under statute.	N/A
Meeting #2 date	3/20/2025
Was required notice given?	Yes
Did the notice include an agenda?	The District's public meeting notice is on its website listing only the date and time for each monthly meeting. Sensiba was unable to determine whether the agendas available on the website were uploaded prior to the meeting's time and place.
Was there a process for public comment?	Yes
If a portion of the meeting was closed to the public, determine that:	N/A
Before the meeting was closed, the reason for holding the closed meeting was documented in the minutes and a roll call was taken.	N/A
The reason for closing the meeting was permitted under statute.	N/A

Accounting records

Our procedures and findings are as follows:

Procedure	Result
Inquire of management regarding whether policies and procedures are current and reflect the operations in place during the reporting period. Report management’s response.	Management stated policies and procedures are current and reflect the policies in place during the fiscal year.
Inquire of the governing body chairperson whether they receive periodic financial information updating them on budgeted vs. actual spending and report the chairperson’s response.	Yes this is presented at board meetings.
Inquire of the governing body chairperson whether the governing body, or certain members of the governing body, approves payments and contracts and report the chairperson’s response. If not, report the position title approval authority is delegated to.	Yes the Board approves payments and contracts.

Related parties

Management reviewed a list of disbursements and noted no related party payments had been made.

Payment cards

Management represents that they have no payment cards.

Property taxes

Our procedures and findings are as follows:

Procedure	Result
If the municipality receives property tax revenue, obtain a property tax revenue schedule or turnover report from the municipality and perform the following.	Sensiba obtained the Districts property tax revenue schedule and turnover report.
Report the property tax revenue received by type.	Permanent Rate
Trace amounts to the financial records, such as the trial balance or general ledger.	Sensiba traced the balance to the general ledger noting a difference of \$1,193.00 related to recording of transactions between accounts and timing.

Accounts receivable

Our procedures and findings are as follows:

Procedure	Result
For municipal corporations reporting on an accrual basis of accounting perform the following:	The District reports on the accrual basis of accounting.
Obtain an accounts receivable aging report as of the last day of the fiscal year and agree to accounting records.	Sensiba obtained the accounts receivable aging reports and agreed to accounting records w/o/e.
For all accounts greater than 90 days, inquire of management whether the amount is collectible.	Per Management, all accounts receivable balances aged over 90 days are collectible.
Report the balance that is considered by management to be uncollectable, if any.	N/A
If the accountant is unable to agree the aging report to the accounting records, report the reason why, if known.	Sensiba agreed the aging report to the accounting records without exception.

Accounts payable

Our procedures and findings are as follows:

Procedure	Result
For municipal corporations reporting on an accrual basis of accounting perform the following:	The District reports on an accrual basis of accounting.
Obtain an accounts payable listing as of the last day of the fiscal year and agree to accounting records.	Sensiba obtained the listing and noted a difference of \$200 from to the accounting records.
Obtain a listing of disbursements subsequent to fiscal year end and haphazardly select a sample of five transactions, or transactions totaling the calculated threshold, whichever is less.	Sensiba haphazardly selected five transactions, totaling \$1,004.77.
Inspect supporting documentation for each sample transaction and confirm it was reported in the correct period.	Sensiba noted that one of the selections was for cellular services and the portion related to the fiscal year ended June 30, 2025, \$87, was not accrued.

Fund balance / net position

Our procedures and findings are as follows:

Procedure	Result
Agree beginning fund balance/net position to prior year ending fund balance/net position and reconcile any differences.	Sensiba reconciled the beginning net position to prior year net position. No differences were identified.
If there are any changes to beginning fund balance/net position, confirm that the financial report discloses the changes to fund balance/net position and the reason for the difference.	No changes to beginning fund balance/net position.

Revenue – charges for services

Our procedures and findings are as follows:

Procedure	Result
(a) If the municipal corporation reports charges for services perform the following:	The District reports charges for services.
(b) Obtain the fee schedule(s) and haphazardly select a sample of 10 transactions, or transactions totaling the calculated threshold, whichever is less.	Sensiba selected 10 transactions.
Based on the fee schedule(s), recalculate the charges for services.	Sensiba recalculated 10 charges for service selected without exception.

Payroll

The District has employees, but payroll expenses did not exceed 20% of annual operating expenditures.

Cash

Our procedures and findings are as follows:

Procedure	Result
Obtain a listing of all bank accounts from management and obtain year-end statements and trace ending balances to the year-end bank reconciliations.	Sensiba obtained the listing and traced the ending balance to the year-end bank reconciliations.
If the independent accountant can view accounts online, vouch that each account listed online was included in the list of accounts provided by management.	Sensiba viewed accounts online and vouched that each account listed online was included in management's list of accounts.
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:	Sensiba obtained the District's June 2025 and November 2024 bank reconciliations.
<i>Year end bank reconciliation, June 30, 2025:</i>	
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 two months.	Sensiba noted that all year end reconciliations were prepared within 2 months of the closing date.
The statement balance traces to the reconciliation.	Yes
The reconciled book balance traces to the general ledger and the trial balance or summary schedule.	Yes
Mathematically, the reconciliation and detailed supporting schedules are accurate.	Yes

Bank reconciliation, November 30, 2024:	
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 two months.	The operation checking account was reconciled within two months. The two savings accounts were not reconciled and per management these accounts are reconciled at year end.
The statement balance traces to the reconciliation.	The checking statement traces to the reconciliation.
The reconciled book balance traces to the general ledger and the trial balance or summary schedule.	Sensiba noted that the checking account's reconciled book balance did not match trial balance. There was a difference of \$1,980.20. The savings accounts were not reconciled .
Mathematically, the reconciliation and detailed supporting schedules are accurate.	The checking account reconciliation was mathematically accurate.
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.	Sensiba identified gaps in check numbers. Management provided documentation that the checks have not been used and are located on top of a file cabinet.
Inquire of the municipal corporation whether they are required to maintain any separate bank accounts for a particular fund, program, loan, grant, or other purpose. If yes, observe whether the municipal corporation maintains a separate bank account as required.	Per management, the District maintains a separate contingency fund reserve account for the loan agreement with DEQ.
If accounts were opened or closed during the year, inspect the minutes of the governing body and observe that the decisions are included. If approval authority is delegated to open and close accounts and not approved by the governing body, report the position title that authority is delegated to only if there were new or closed accounts during the year.	No accounts were opened or closed during the year.
Determine whether deposits are covered by Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) insurance, or deposited with institutions participating in the public funds collateralization pool.	All funds at year end were covered by FDIC insurance.

Debt

Our procedures and findings are as follows:

Procedure	Result
Obtain a complete list of debt issued during the fiscal period and management’s representations that the listing is complete.	Management represented the list provided to Sensiba was complete.
Obtain supporting documentation for all newly issued debt and carried forward debt.	No new debt was identified.
Reconcile new debt to the list of debt, and the list of debt to the reported amount on the financial report, as applicable.	Sensiba reconciled the list of debt with amounts reported on the financial statement. We noted balances tied without exception.
Inquire of management about any debt covenants, such as a required cash reserve or coverage ratio. If such covenants exist, report the requirements and report management’s responses on:	The District's loan agreements with Department of Environmental Quality include covenants to maintain reserve accounts of \$100,236 and requirements to establish rates in amount sufficient to cover operations and debt service payments.
How the entity monitors the requirements.	The District does not monitor the requirements.
Whether the municipal corporation met the requirements throughout the year.	<p>The District is in default on the Department of Environmental Quality (DEQ) loan and scheduled payments were not made on the obligation during the fiscal year ended June 30, 2025.</p> <p>The District's reserve account balance of \$56,394 is not sufficient to meet the requirement per the loan agreement.</p>

Local budget law requirements June 30, 2025

Our procedures and findings are as follows:

Procedure	Result
If the municipal corporation is subject to local budget law complete the following:	The District is subject to local budget law
<i>Adopted Budget</i>	
Obtain a copy of the original approved and adopted budget and determine whether the budget was adopted before the start of the budget year.	The budget was adopted prior to the start of the budget year.
Determine whether the budget committee passed a motion to approve each tax levy and the budget dollar amount.	The budget committee passed a motion to approve the tax levy and budget amount.
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.	Sensiba compared the adopted budget to the budget resolution and levy. No changes were identified.
If resources do not equal requirements, document which funds are not balanced and report management's response as to why they are not balanced. Report N/A if the budget is balanced.	N/A
<i>Budget Resolution</i>	
Obtain a copy of the resolution and observe whether the municipal corporation has appropriated by organization unit or program.	The District appropriated by the organizational unit of Administration.
<i>Budget Committee Meetings</i>	
Obtain a copy of budget committee meeting notice(s).	Sensiba obtained budget committee notice.
Compare the dates of published notice to the meeting dates and conclude whether notices were published timely.	Notices were published timely.
<i>Budget Hearing</i>	
Obtain a copy of the notice of budget hearing.	Sensiba obtained budget hearing notice.
Observe each statement to ensure the notices of budget hearing are complete and published timely.	Notices were complete and published timely.
<i>Budget Execution</i>	
Compare the budget resolution to final, actual spending and report whether the municipal corporation overspent any appropriation category.	The District did not overspend any appropriation category.
Obtain a copy of any resolution transfer or supplemental budget.	Sensiba obtained Supplemental Budget resolution No. 01.16.2025. Expenditures contained in the supplemental budget were reduced by less than 10% of the original adopted budget and publishing was not required.
Determine whether the transfer or changes were made prior to overspending appropriation authority.	This does not apply as expenditures in the supplementary budget were reduced.

Local Budget Law requirements June 30, 2026

Our procedures and findings are as follows:

Procedure	Result
If the municipal corporation is subject to local budget law complete the following:	The District is subject to local budget law
<i>Adopted Budget</i>	
Obtain a copy of the original approved and adopted budget and determine whether the budget was adopted before the start of the budget year.	The budget was adopted prior to the start of the budget year.
Determine whether the budget committee passed a motion to approve each tax levy and the budget dollar amount.	The budget committee passed a motion to approve the tax levy and budget amount.
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.	Sensiba compared the adopted budget to the budget resolution and levy. No changes were identified.
If resources do not equal requirements, document which funds are not balanced and report management's response as to why they are not balanced. Report N/A if the budget is balanced.	N/A
<i>Budget Resolution</i>	
Obtain a copy of the resolution and observe whether the municipal corporation has appropriated by organization unit or program.	The District appropriated by functional area.
<i>Budget Committee Meetings</i>	
Obtain a copy of budget committee meeting notice(s).	Sensiba obtained budget committee notice.
Compare the dates of published notice to the meeting dates and conclude whether notices were published timely.	Notices were published timely.
<i>Budget Hearing</i>	
Obtain a copy of the notice of budget hearing.	Sensiba obtained budget hearing notice.
Observe each statement to ensure the notices of budget hearing are complete and published timely.	Notice of budget hearing was complete and published timely.

Fidelity bond and insurance

Our procedures and findings are as follows:

Procedure	Result
Obtain a copy of the fidelity or faithful performance bond covering the principal responsible officials.	Sensiba obtained a copy of the bond.
Observe that the bond was in force during the fiscal period.	Sensiba observed the bond was in force during the fiscal year ended June 30, 2025
Observe that the bond was in an amount sufficient as required by ORS 297.435(3).	The District's bond, in the amount of \$25,000, was not sufficient. Statute requirement is \$44,087.

Contracting and procurement

Sensiba obtained 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. No contracts on management’s list exceeded the calculated threshold.

Programs funded from outside sources

Management represents that no grants or similar funding was received during the fiscal year ended June 30, 2025.

Highway funds

Per response of management, the District does not receive highway funds.

We were engaged by Crescent Sanitary 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. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Crescent Sanitary District financial accounts or compliance with various laws and regulations. Accordingly, we do not express such 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 Crescent Sanitary District and to meet our other 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 Crescent Sanitary District and the Oregon Secretary of State Audits Division, and is not intended to be, and should not be, used by anyone other than these specified parties.

Brenda Bawlett

Sensiba LLP
Bend, Oregon

December 31, 2025