

**PENN VALLEY FIRE PROTECTION DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2022**

PENN VALLEY FIRE PROTECTION DISTRICT
JUNE 30, 2022
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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Directors
Penn Valley Fire Protection District
Penn Valley, California

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Penn Valley Fire Protection District (the District), as of and for the year ended June 30, 2022, 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 financial position of the governmental activities and each major fund as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America and the California State Controller's Minimum Audit Requirements and Reporting Guidelines for Special Districts.

Basis for Opinions

We conducted our audit in accordance with 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. 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 the 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 aggregate, that raise substantial doubt about the 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 Responsibilities for the Audit of the Financial Statements

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 generally accepted auditing standards 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 generally accepted auditing standards 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 the 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 aggregate, that raise substantial doubt about the 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-7 and 23-25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2023, on our consideration of Penn Valley Fire Protection District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Penn Valley Fire Protection District's internal control over financial reporting and compliance.



Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California
June 6, 2023

**PENN VALLEY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Under management of the Penn Valley Fire Protection District ("District"), this discussion and analysis of the financial performance of the District offers readers an overview of the District's financial activities for the fiscal year ended June 30, 2022 based on currently known facts, decisions or conditions.

Financial Highlights

- The financial statements included in this report provide insight into the financial status for the year.
- The capital assets of the District's governmental activities at the end of the year were \$2,446,816, net of accumulated depreciation in the amount of \$4,266,939 (page 8).
- During the year, total expenses for District governmental activities were \$2,796,440, \$479,900 less than the \$3,276,340 the District generated in tax and other revenues received during the same period (page 9).
- In the District's General Fund activities, revenues were \$2,900,896 while expenditures were \$2,567,700 (page 11).
- In the District's Building and Equipment Fund activities, revenues were \$155,383, while expenditures were \$135,439 (page 11).
- In the District's Impact/Special Revenue Fund activities, revenues were \$58,732, while expenditures were \$21,855 (page 11).

Using this Annual Report - Overview of the Financial Statements

This report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Pages 8 & 9) provide information about the financial activities of the District as a whole and a longer view of the District's finances.

The Balance Sheet - Governmental Funds (page 10) and the Statement of Revenues, Expenditures and Changes in Fund Balances (page 11) illustrate how the governmental type activities were financed in the short term, as well as what remains for future spending. These financial statements also report the District's operations in more detail than government-wide statements by providing information about the District's individual funds.

Government-wide Financial Statements

The analysis of the District as a whole begins on page 8. The government-wide financial statements, consisting of the Statement of Net Position and the Statement of Activities, are designed to provide readers with a broad overview of the District as a whole and about its activities for the current period. They include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting methods used in the private sector. In this method, all of the current year's revenues and expenses are taken into account regardless of when cash is paid or received.

The Statement of Net Position reports the difference between all of the District's assets and liabilities, and the Statement of Activities reports on the changes in net position during the fiscal year. Examining the net position is an effective way to measure the District's financial health or position, with increases or decreases in net position an indicator of whether the District's financial position is improving or deteriorating.

Both of these statements report only governmental-type activities (including cash, receivables, capital assets, accounts payables, compensated absences and long-term liabilities).

Fund Financial Statements

The District's fund financial statements begin on page 10 and provide detailed information about the District's three funds, not the District as a whole. These funds include: Operating (General), Building & Equipment, and Impact (Special Revenue).

The District's services are reported in three funds, all of which are governmental, to help control and manage the financial activities for particular purposes. Those purposes are comprised of General Operating, Capital Replacement and AB1600 Development Fees. These governmental funds focus on how money flows into and out of those funds and the balances left at period end that are available for spending. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental funds statements provide a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer resources that can be spent in the near future. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is described in reconciliations following the fund financial statements (pages 12 and 13).

Financial Analysis

The District as a Whole – Government-wide Financials

- The District's total assets, including capital assets net of accumulated depreciation of \$4,266,939, were \$5,163,576 at fiscal year-end. This is an increase of \$415,773 from the previous year.
- The District's total liabilities at fiscal year-end were \$1,307,521. This is a decrease of \$64,127 from the previous year.
- The District's total net position at fiscal year-end was \$3,856,055. This is an increase of \$479,900 from the previous year.
- Total revenues for the fiscal year were \$3,276,340 (\$900,349 program revenues and \$2,375,991 general revenues). This is an increase of \$391,823 from the previous year.
- Total expenses were \$2,796,440, a decrease of \$488,579 from the previous year.

The District's Funds - Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As the District completed the year, its government funds reported a combined ending fund balance of \$2,193,883 (page 10).

The general fund is the chief operating fund of the District. At the end of the twelve-month period ended June 30, 2022, the unassigned balance of the general fund was \$1,335,738. This amount constitutes a balance that is available for spending at the District's discretion. The remainder of the fund balance (committed and restricted) is not necessarily available for new spending because it has already been either committed by the District or restricted by regulation to specific expenditures. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures.

Fund Financial Highlights

Income:

In the General Fund, we experienced an increase in total income of \$110,526 from the previous fiscal year.

In the General Fund, we experienced a 7% (\$32,718) increase in property tax income.

We experienced a \$67,969 increase in income from ambulance service fees.

In the Building and Equipment Fund, our income increased by \$75,023 (93%) from the previous fiscal year.

In the Fire Facility Fee Account (Impact), our income decreased by \$16,388. Development fees decreased by \$16,033 (22%).

Expenses:

In personnel costs, the District spent \$188,540 less than the previous year.

Fuel costs have decreased by \$13,799 from the previous year.

There was a decrease in expenditures in our Building and Equipment Fund of \$11,423 due to decreased acquisition of new equipment and structural improvements.

The Impact Fund expenditures also decreased by \$38,688.

Capital Assets and Long-Term Debt Activity

Capital Assets

At the end of the fiscal year, the District had a net amount of \$2,446,816 invested in capital assets net of related capital lease debt, including buildings, furniture, fire-fighting equipment, and vehicles, after accumulated depreciation in the amount of \$4,266,939. This year, there were additions to capital assets of \$160,313. More detailed information about the District's capital assets is presented in Note 4 of the financial statements.

Long-Term Debt

At fiscal year end, the District had a balance outstanding of \$133,227 on a capital lease. The capital lease agreement was executed on July 1, 2016 to fund the acquisition of a new engine.

The District also had a balance outstanding of \$958,550 on Series 2020 Lease Obligation. The agreement was executed in FY 20-21 for the payoff of unfunded pension obligations.

Budget

The District adopts a preliminary budget each year by June 30 per California Health and Safety Code Section 13890. The final budget is adopted by October 1.

Variances between budget and actual figures are detailed on pages 23-25.

Economic Factors and Next Year's Budget

We anticipate Impact Fees will begin to slowly increase as the housing market continues its stabilization from recent increases in interest rates.

Requests for Information

This financial report is designed to provide a general overview of the Penn Valley Fire Protection District's finances for all those with an interest in the government's finances and to show the District's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Fire Chief or the Finance Administrator, Penn Valley Fire Protection District, P.O. Box 180, Penn Valley, CA 95946.

PENN VALLEY FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 2,299,307
Accounts Receivable	13,155
Ambulance Accounts Receivable, less allowance for doubtful accounts of \$94,898	379,594
Fire Reimbursement Receivable	24,704
Total Current Assets	2,716,760

Non-Current Assets:

Capital Assets, net of accumulated depreciation of \$4,266,939	2,446,816
Total Non-Current Assets	2,446,816

Total Assets	5,163,576
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LIABILITIES AND NET POSITION

Current Liabilities:

Accounts Payable	60,390
Wages and Benefits Payable	110,195
Current Portion of Capital Lease Payable	33,031
Current Portion of Series 2020 Lease Obligation	56,344
Total Current Liabilities	259,960

Non-Current Liabilities:

Compensated Absences Payable	45,159
Capital Lease Payable	100,196
Series 2020 Lease Obligation	902,206
Total Non-Current Liabilities	1,047,561

Total Liabilities	1,307,521
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NET POSITION

Invested in Capital Assets, net of related debt	2,290,276
Restricted	89,962
Unrestricted	1,475,817
Total Net Position	\$ 3,856,055

See accompanying notes.

**PENN VALLEY FIRE PROTECTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022**

	GOVERNMENTAL FUND TYPES			Total Governmental Funds
	General	Building & Equipment	Special Revenue	
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,977,618	\$ 231,727	\$ 89,962	\$ 2,299,307
Accounts Receivable	13,155	-	-	13,155
Ambulance Accounts Receivable	52,006	-	-	52,006
Total Assets	\$ 2,042,779	\$ 231,727	\$ 89,962	\$ 2,364,468
 <u>Liabilities & Fund Balances</u>				
Liabilities:				
Accounts Payable	\$ 39,884	\$ 18,844	\$ 1,662	\$ 60,390
Wages Payable	110,195	-	-	110,195
Total Liabilities	150,079	18,844	1,662	170,585
Fund Balances:				
Restricted	-	-	88,300	88,300
Committed	556,962	212,883	-	769,845
Unassigned	1,335,738	-	-	1,335,738
Total Fund Balances	1,892,700	212,883	88,300	2,193,883
Total Liabilities & Fund Balances	\$ 2,042,779	\$ 231,727	\$ 89,962	\$ 2,364,468

See accompanying notes.

PENN VALLEY FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

	GOVERNMENTAL FUND TYPES			Total Governmental Funds
	General	Building & Equipment	Special Revenue	
Revenues:				
Property Taxes	\$ 482,631	\$ -	\$ -	\$ 482,631
Special Assessments-Fire	572,153	-	-	572,153
Special Assessments- Rescue	788,378	-	-	788,378
Ambulance Fees	568,685	-	-	568,685
Fees for Services	17,376	-	-	17,376
Development Fees	-	-	57,929	57,929
Proposition 172	167,938	-	-	167,938
HOPTR	3,349	-	-	3,349
Donations	14,130	135,030	4	149,164
Interest Income	16,884	2,483	799	20,166
Fire Reimbursements	250,701	-	-	250,701
Grants	10,628	17,870	-	28,498
Other Sources	8,043	-	-	8,043
Total Revenues	<u>2,900,896</u>	<u>155,383</u>	<u>58,732</u>	<u>3,115,011</u>
Expenditures:				
Current General Governmental:				
Personnel Costs	2,060,780	-	-	2,060,780
Communications	65,683	-	-	65,683
Meals & Household	3,500	-	-	3,500
Insurance	36,587	-	-	36,587
Interest Expense	35,781	3,625	1,554	40,960
Medical Supplies	58,080	-	-	58,080
Maintenance	56,047	-	-	56,047
Dues & Subscriptions	3,845	-	-	3,845
Office Expense	10,560	-	-	10,560
Professional Fees	143,522	-	-	143,522
Fire Prevention	1,344	-	-	1,344
Training	7,594	-	-	7,594
Travel / Per Diem / Spec. Dept.	-	-	-	-
Fuel	42,310	-	-	42,310
Utilities	33,714	-	-	33,714
Miscellaneous	-	-	-	-
Small Equipment	155	-	-	155
Equipment & Asset Purchases	8,198	131,814	20,301	160,313
Total Expenditures	<u>2,567,700</u>	<u>135,439</u>	<u>21,855</u>	<u>2,724,994</u>
Excess of Revenues Over (Under) Expenditures				
Before Other Financing Sources (Uses)	333,196	19,944	36,877	390,017
Other Financing Sources (Uses)				
Payment of Principal - Capital Lease Payable	-	(23,145)	(9,919)	(33,064)
Payment of Principal - Lease Obligation	(54,380)	-	-	(54,380)
Transfers In	-	30,000	-	30,000
Transfers Out	(30,000)	-	-	(30,000)
Total Other Financing Sources (Uses)	<u>(84,380)</u>	<u>6,855</u>	<u>(9,919)</u>	<u>(87,444)</u>
Net Change in Fund Balances	248,816	26,799	26,958	302,573
Fund Balance, beginning of year	1,643,884	186,084	61,342	1,891,310
Fund Balance, end of year	<u>\$ 1,892,700</u>	<u>\$ 212,883</u>	<u>\$ 88,300</u>	<u>\$ 2,193,883</u>

See accompanying notes.

**PENN VALLEY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total Fund Balances for Governmental Funds	\$ 2,193,883
Total net assets reported for governmental activities in the statement of net assets is different because:	
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.	2,446,816
Receivables received after sixty days after the year end are not considered currently available and therefore are not reported in the governmental fund activities:	
Ambulance Receivables	327,588
Fire Reimbursement Receivables	24,704
Long-term liabilities and deferred inflows of resources are not due and payable in the current period, and therefore are not reported in the governmental funds:	
Compensated Absences Payable	(45,159)
Capital Lease Payable	(133,227)
Net Pension Liability	(958,550)
	(1,136,936)
Total Net Position of Governmental Activities	\$ 3,856,055

See accompanying notes.

**PENN VALLEY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2022**

Net change in fund balances - total governmental funds	\$ 302,573
Total change in net assets for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized as fixed assets.	160,313
Governmental funds report the proceeds from long-term notes payable and subsequent principal payments as other financing sources and uses. However, in the statement of activities, they are not reported. Rather, the current balance of long-term notes payable is recorded in the statement of net position.	87,444
Revenues in the statement of activities that do not provide current financial resources within 60 days after year end are not reported as revenues in the funds.	161,331
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported as expenditures in the governmental funds.	
Depreciation Expense	<u>(231,761)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 479,900</u></u>

See accompanying notes.

PENN VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – NATURE OF THE ORGANIZATION

The District was established in April 1974 to provide fire prevention, suppression and rescue services in the Penn Valley Area of Nevada County, California. Revenues are derived primarily from the fees for services provided for ambulance services, a special assessment on improved parcels within the district and the countywide tax levy. The District also collects fees for construction within the District, which are used to offset the increased capital costs associated with development.

The District is administered by a Board of Directors who is elected by the public. The Board of Directors acts as the authoritative and legislative body of the entity. The Board is comprised of five board members. Of the five, two are nominated and approved by the board to be officers of the District; Chairman, and Vice-Chairman. No board members receive compensation for serving on the Board although they may receive reimbursement for expenses incurred on behalf of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the primary government (District) as a whole.

The statement of activities presents a comparison between direct expenses and program revenues for the District's governmental activity. Direct expenses are those that are clearly identifiable as specifically associated with the District. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of the District. Revenues that are not classified as program revenues, including investment income, are presented instead as general revenues. The individual governmental funds are reported in separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

PENN VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District only uses governmental funds.

Governmental Funds

Governmental funds are those through which most governmental functions typically are transacted. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

Governmental activities consisted of the following major funds:

General Fund

The General Fund is the general operating fund of the District. Fire and Rescue operations and administrative support are the focus of the activity in this fund.

In 2005-2006, the District received funds in the amount of \$112,500 for development of property known as Wildwood Ridge II. These funds are currently held in the General Fund and are committed for the additional operational expenses that this new development would bring. Development is currently on hold pending recovery of the housing market. Another \$112,500 will be received when development begins. The General Fund also includes funds in the amount of \$426,575 held as reserve and \$17,887 held for paramedic scholarships, for a total of \$556,962 in designated general funds.

Special Revenue Fund

The Special Revenue Fund is used to account for mitigation fees restricted by California Law AB1600 for the purpose of offsetting increased capital costs due to development. A resolution by the Nevada County Board of Supervisors allows the collection of these fees and requires that they be spent only for new capital additions and additionally requires that these funds be spent and/or designated within five years of collection or they are refundable with interest to the payers. The District's policy is to fully expend or designate these funds within the required time frame and, accordingly, no liability has been recognized.

Building and Equipment Fund

The Building and Equipment Fund is used to account for financial resources committed for the acquisition or construction of major capital facilities and equipment purchases.

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as invested in capital assets (net of related debt), restricted and unrestricted. If situations arise where there is a possibility of an expenditure being classified into more than one category, the restricted funds will be used first followed by the unrestricted funds.

PENN VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Fund Balances

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories as noted below.

Nonspendable –

This category includes elements of the fund balance that cannot be spent because of their form, or because they must be maintained intact. For example:

- Assets that will never convert to cash, such as prepaid items and inventories of supplies;
- Assets that will not convert to cash soon enough to affect the current period, such as non-financial assets held for resale; or
- Resources that must be held intact pursuant to legal or contractual requirements, such as revolving loan fund capital or the principal of an endowment.

Restricted –

This category includes resources that are subject to constraints that are externally enforceable legal restrictions. Examples include:

- Funding from the state or federal entities or foundations that are legally restricted to specific uses. For example, funds advanced by a federal entity under specific agreements for services, or matching funds for specific initiatives.
- Funds legally restricted by County, state, or federal legislature, or a government’s charter or constitution.
- Amounts collected from non-spendable items, such as the long term portion of loans outstanding, if those amounts are also subject to legal constraints.
- Funding that has been designated for legally enforceable contracts but not yet spent. This includes multi-year contracts.

Committed –

Two criteria are used to determine the District’s fund balance:

1. Use of funds is constrained by limits imposed by the government’s highest level of decision making. The highest level of decision making for the District would be the Board of Directors.
2. Removal or modification of use of funds can be accomplished only by formal action of the authority (i.e., Board of Directors) that established the constraints.

Commitments, modifications or removals must occur prior to the end of the reporting period; that is, the fiscal year being reported upon.

Assigned –

The assigned portion of the fund balance reflects the District’s intended use of resources, which is established either by the Board of Directors, a body created by the Board such as a finance committee, or an official designated by the Board (e.g., Fire Chief). The “assigned” component is similar to the “committed” component, with two essential differences, shown in the following table:

**PENN VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Key Differences Between Committed and Assigned Fund Balance		
	Committed	Assigned
A decision to use funds for a specific purpose requires action of the Board of Directors	Yes	No
Formal action of the Board of Directors is necessary to impose, remove or modify this constraint and formal action has taken place before end of reporting period	Yes	No

Another key difference is that the purpose of the assignment must be narrower than the fund itself. Resources that fit into this category include:

- Appropriation of a portion of existing fund balance sufficient to eliminate a projected deficit in the subsequent year’s budget, where the Fire Chief may decide whether to use the entire amount.
- Resources assigned to a specific program or project or organization for which the Board has approved a plan or budget
- Resources approved by the Board for a long range financial plan where formal approval is not required to modify the amount.

Unassigned –

This category includes the fund balance that cannot be classified into any of the other categories.

If situations arise where there is a possibility of assignment into more than one category, the committed amount will be reduced first, followed by assigned amounts and then unassigned amounts.

Budget

The Board provides for a budget for the fiscal year in accordance with Chapter 7 of the Fire Protection District Law of 1987 as contained in the Health & Safety Code Sections 13890 and 13895, inclusive. The Board prepares a preliminary budget by June 30 and adopts a final budget by October 1. Supplemental appropriations are adopted throughout the year as necessary.

Estimates

The preparation of financial statements in conformity with 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**PENN VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Fixed Assets

Capital assets are capitalized at acquisition cost; donated equipment is recorded at the fair market value at the time of donation. The District does not possess any infrastructures. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not. Depreciation for the government-wide financial statements is calculated using the straight-line method over the estimated life of the asset. Replacement equipment will be replaced using funds allocated 80% from the building and equipment fund and 20% from the special revenue fund. In some cases that involve significant improvements or additional features, the District may opt to replace equipment using funds allocated 70% from the building and equipment fund and 30% from the special revenue fund.

Allowance for Doubtful Accounts

The District estimates bad debts based on Medicare/MediCal disallowances and amounts outstanding over a year that have been forwarded to a collections agency.

NOTE 3 – CREDIT RISK, CARRYING VALUE AND MARKET VALUE OF INVESTMENTS

Most cash at June 30, 2022 is pooled for investment purposes and held by Nevada County. Interest is apportioned quarterly to the District based on the average daily balances on deposit with the County of Nevada. The Nevada County Treasury is an external investment pool for the District and the District is considered an involuntary participant. The investments made by the Treasurer are regulated by the California Government Code and by the County’s investment policy.

The County established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer is accountable to the County Treasury Oversight Committee. The District’s fair value portion in the pool is the same as the District’s pool share.

The District deposits all funds in interest bearing accounts with Nevada County. The District does not own any specific identifiable investments in the pool. Information regarding categorization of cash and investments held in the County can be found in the County of Nevada’s financial statements.

The District’s carrying amount and fair value of investments as of June 30, 2022 are as follows:

	Carrying Amount	Fair Value	Difference
Pooled Investments:			
Nevada County	\$2,306,459	\$2,306,459	\$ -

At June 30, 2022, the difference between the carrying value and the fair value of cash and investments was not regarded as material therefore an adjustment to fair value was not required for GASB 31 compliance. Fair value was based on un-audited quoted market values provided by the Nevada County Treasurer.

**PENN VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 – CREDIT RISK, CARRYING VALUE AND MARKET VALUE OF INVESTMENTS - Continued

The State law and County’s Investment Policy limit investments in commercial paper to the rating of A1 by Standards & Poor’s or P1 by Moody’s Investors Services. State law and the County’s Investment Policy also limit investments in corporate bonds to the rating of A by Standard & Poor’s and Moody’s Investors Services. The investments of the County can be viewed in the Nevada County financial reports.

Credit Risk

Financial instruments which potentially subject the District to concentrations of credit risk consist principally of cash accounts. The District places its temporary cash with creditworthy, high-quality financial institutions. At June 30, 2022, the District had no funds in excess of Federal Deposit Insurance Corporation (FDIC) insured limits. The District has not experienced any losses in these accounts.

NOTE 4 –FIXED ASSETS

The following is a summary of changes in the general fixed asset account group:

<u>Description</u>	<u>Balance at June 30, 2022</u>
Equipment	\$ 3,930,509
Building	2,280,247
Land	502,999
Total Capital Assets	<u>6,713,755</u>
Less: Accumulated Depreciation	<u>(4,266,939)</u>
Total Capital Assets net of Accumulated Depreciation	<u>\$ 2,446,816</u>

Depreciation expense for the fiscal year ended June 30, 2022 was \$231,761.

NOTE 5 – COMPENSATED ABSENCES

Accumulated unpaid personal leave and vacation amounted to \$45,159 at June 30, 2022. Accrued compensated absences include 100% of all employees’ vacation and holiday time earned.

NOTE 6 – LEASE COMMITMENTS

For fiscal year ended June 30, 2022, the District implemented Governmental Accounting Standards (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the government’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the District’s financial statements and had no impact on the financial statements.

**PENN VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 – LEASE COMMITMENTS - CONTINUED

The District leases from the Lake Wildwood Association a tract of land described as Lot 1053 at Lake Wildwood Unit 2 to establish, operate, and maintain a fire station to conduct fire protection, rescue and related activities. This lease was entered into on December 9, 1988, and expires on December 9, 2087 and requires a payment of \$1 annually.

NOTE 7 – NOTES AND CAPITAL LEASES PAYABLE

On July 1, 2016, the District executed a ten-year capital lease agreement for a new engine. The lease is to be paid back in annual installments of \$38,243, including interest of 3.04%. The balance of this capital lease at June 30, 2022 was \$133,227.

Maturities of long-term debt are as follows for the year ending:

	<u>Capital Lease</u>
2023	33,031
2024	34,035
2025	35,069
2026	31,092
2027	-
Thereafter	-
	<u>\$ 133,227</u>

On December 16, 2020, the District executed a fifteen-year lease obligation for the payoff of unfunded pension obligations. The lease is to be paid back in twice-annual installments of \$45,080, including interest of 3.58%. The balance of this lease obligation at June 30, 2022 was \$958,550.

Maturities of long-term debt are as follows for the year ending:

	<u>Lease Obligation</u>
2023	56,344
2024	58,379
2025	60,488
2026	62,672
2027	64,936
Thereafter	655,731
	<u>\$ 958,550</u>

NOTE 8 – SPECIAL TAX COLLECTIONS

Taxes are levied on November 1 of the fiscal year and can be paid in two equal installments. The first and second installments are due November 1 and February 1, respectively, and are considered delinquent if not paid before the close of business on December 10 and April 10, respectively. After June 30, delinquent taxes are in tax default and a property lien attaches to the secured property the following fiscal year on March 1. Tax default property can be sold after five years.

**PENN VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 – DEFINED BENEFIT PENSION PLAN

A. Plan Description and Provisions

The Penn Valley Fire District’s defined benefit pension plan, California State Public Employees Retirement System (PERS), provides pension benefits, and death and disability benefits to plan members and beneficiaries. The District joined PERS effective July 1, 1997.

The PERS is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employee’s Retirement Law. The Penn Valley Fire District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS’ annual financial report may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814.

B. Funding Policy

The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Active plan members in the PERS are required to contribute a percentage of their annual covered salary. For the fiscal year ended June 30, 2022, the required plan member contributions were as follows:

Miscellaneous <u>Plan</u>	PEPRA <u>Misc</u> <u>Plan</u>	Safety <u>Plan</u>	PEPRA Safety <u>Plan</u>
7.000%	7.000%	7.000%	10.000%

The District has created a Memorandum of Understanding (MOU) between itself and the full-time employees of the District. Under this MOU, the District contributes the amount that is required by the active Miscellaneous and Safety plan members directly to CalPERS. PEPRA employees are responsible for their own contributions.

The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration.

For the fiscal year ended June 30, 2022, the required employer contribution rates were as follows:

Miscellaneous <u>Plan</u>	PEPRA <u>Misc</u> <u>Plan</u>	Safety <u>Plan</u>	PEPRA Safety <u>Plan</u>
9.465%	7.650%	15.660%	11.130%

**PENN VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 – DEFINED BENEFIT PENSION PLAN - continued

C. Funding Policy – Continued

It is CalPERS position that their ratio constitutes an annual required contribution. For fiscal years ending June 30, 2016 through 2022, the CalPERS required contributions were made, as were the contributions for full-time employees as specified by the MOU between the district and its employees. The total employer contributions, including CalPERS required contributions and MOU contributions for full-time employees, were as follows:

June 30, 2022	\$177,794
June 30, 2021	\$168,829
June 30, 2020	\$212,260
June 30, 2019	\$205,432
June 30, 2018	\$175,693
June 30, 2017	\$169,759
June 30, 2016	\$182,582

The following employees were covered by the benefit terms of the plans:

<u>June 30, 2022</u>	
Inactive employees or beneficiaries currently receiving benefits	2
Active employees	16
Total	18

D. Pension Liabilities

As detailed in Note 7 -Notes and Capital Leases Payable, on December 16, 2020, the District executed a fifteen-year lease obligation for the payoff of unfunded pension obligations as of that date. The lease is to be paid back in twice-annual installments of \$45,080, including interest of 3.58%. The District contributes the actuarially determined remaining amounts necessary to fund the benefits for its members.

NOTE 10 – SUBSEQUENT EVENTS

Events subsequent to June 30, 2022 have been evaluated through June 6, 2023, the date at which the District’s audited financial statements were available to be issued. No events requiring disclosure were noted.

REQUIRED SUPPLEMENTARY INFORMATION

PENN VALLEY FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL

GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	<u>General Fund</u> <u>Original Budget</u>	<u>General Fund</u> <u>Final Budget</u>	<u>General Fund</u> <u>Actual</u>	<u>Variance with</u> <u>Final Budget</u> <u>(Unfavorable)</u>
Revenues				
Property Taxes	\$ 445,700	\$ 447,700	\$ 482,631	\$ 34,931
Special Assessments - Fire	564,000	561,000	572,153	11,153
Special Assessments - Rescue	780,000	776,000	788,378	12,378
Ambulance Fees	425,000	425,000	568,685	143,685
State Funding - Prop 172	119,000	119,000	167,938	48,938
Homeowners Property Tax Relief	3,400	3,400	3,349	(51)
Donations	-	-	14,130	14,130
Interest Income	10,000	10,000	16,884	6,884
State Reimbursements	75,000	100,000	250,701	150,701
Grants	-	-	10,628	10,628
Other Sources	11,400	11,400	25,419	14,019
Total Revenue	<u>2,433,500</u>	<u>2,453,500</u>	<u>2,900,896</u>	<u>447,396</u>
Expenditures				
Personnel Costs	2,109,600	2,112,600	2,060,780	51,820
Clothing	15,000	15,000	-	15,000
Communications	69,500	69,500	65,683	3,817
Meals & Household	7,000	7,000	3,500	3,500
Insurance	19,400	36,600	36,587	13
Interest Expense	-	-	35,781	(35,781)
Medical Supplies	54,000	54,000	58,080	(4,080)
Maintenance	65,100	65,100	56,047	9,053
Dues & Subscriptions	4,100	4,100	3,845	255
Office Expense	14,900	14,900	10,560	4,340
Professional Fees	114,800	114,800	143,522	(28,722)
Fire Prevention	3,500	3,500	1,344	2,156
Training	7,000	7,000	7,594	(594)
Travel / Per Diem / Spec. Dept.	-	-	-	-
Fuel	30,000	30,000	42,310	(12,310)
Utilities	35,600	35,600	33,714	1,886
Small Equipment	600	600	155	445
Equipment & Asset Purchases	-	-	8,198	(8,198)
Miscellaneous	1,501	1,501	-	1,501
Contingencies	25,000	25,000	-	25,000
Total Expenditures	<u>2,576,601</u>	<u>2,596,801</u>	<u>2,567,700</u>	<u>29,101</u>
Excess of Revenues Over (Under) Expenditures				
Before Other Financing Sources (Uses)	\$ (143,101)	\$ (143,301)	\$ 333,196	\$ 476,497
Other Financing Sources (Uses)				
Payment of Principal - Series 2020 Obligation	-	-	(54,380)	(54,380)
Transfers Out	(30,000)	(30,000)	(30,000)	-
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(84,380)</u>	<u>-</u>
Excess of Revenues and Other Sources				
Over (Under) Expenditures and Other Uses	<u>\$ (173,101)</u>	<u>\$ (173,301)</u>	<u>\$ 248,816</u>	<u>\$ 422,117</u>

See independent auditor's report and notes to financial statements.

**PENN VALLEY FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL**

**BUILDING AND EQUIPMENT FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Building & Equipment Original Budget</u>	<u>Building & Equipment Final Budget</u>	<u>Building & Equipment Actual</u>	<u>Variance with Final Budget (Unfavorable)</u>
Revenues				
Donations	\$ 50,000	\$ 90,000	\$ 135,030	\$ 45,030
Grants	-	17,870	17,870	-
Interest Income	2,500	2,500	2,483	(17)
Total Revenue	<u>52,500</u>	<u>110,370</u>	<u>155,383</u>	<u>45,013</u>
Expenditures				
Clothing	11,000	25,195	-	25,195
Interest Expense	-	-	3,625	(3,625)
Other Expenses/Contingencies	1,000	1,000	-	1,000
Equipment & Structural Improvements	143,500	157,000	131,814	25,186
Total Expenditures	<u>155,500</u>	<u>183,195</u>	<u>135,439</u>	<u>47,756</u>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)				
	(103,000)	(72,825)	19,944	92,769
Other Financing Sources (Uses)				
Payment of Principal - Capital Lease Payable	-	-	(23,145)	(23,145)
Transfers In	30,000	30,000	30,000	-
Total Other Financing Sources (Uses)	<u>30,000</u>	<u>30,000</u>	<u>6,855</u>	<u>(23,145)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses				
	<u>\$ (73,000)</u>	<u>\$ (42,825)</u>	<u>\$ 26,799</u>	<u>\$ 69,624</u>

See independent auditor's report and notes to financial statements.

**PENN VALLEY FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL**

**SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Special Revenue Original Budget</u>	<u>Special Revenue Final Budget</u>	<u>Special Revenue Actual</u>	<u>Variance with Final Budget (Unfavorable)</u>
Revenues				
Development Fees	\$ 30,000	\$ 30,000	\$ 57,929	\$ 27,929
Donations	-	-	4	4
Interest Income	500	500	799	299
Total Revenue	<u>30,500</u>	<u>30,500</u>	<u>58,732</u>	<u>28,232</u>
Expenditures				
Interest Expense	-	-	1,554	(1,554)
Other Expenses/Contingencies	2,000	2,000	-	2,000
Equipment & Structural Improvements	40,500	40,500	20,301	20,199
Total Expenditures	<u>42,500</u>	<u>42,500</u>	<u>21,855</u>	<u>22,199</u>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(12,000)	(12,000)	36,877	50,431
Other Financing Sources (Uses)				
Payment of Principal - Capital Lease Payable	-	-	(9,919)	(9,919)
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>(9,919)</u>	<u>(9,919)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (12,000)</u>	<u>\$ (12,000)</u>	<u>\$ 26,958</u>	<u>\$ 40,512</u>

See independent auditor's report and notes to financial statements.

P.O. Box 160
Lincoln, CA 95648
Office (916) 434-1662
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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

Members of the Board of Directors
Penn Valley Fire Protection District
Penn Valley, California

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 financial statements of the governmental activities and each major fund of the Penn Valley Fire Protection District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Districts basic financial statements, and have issued our report thereon dated June 6, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, 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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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*.

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.



Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California
June 6, 2023

P.O. Box 160
Lincoln, CA 95648
Office (916) 434-1662
Fax (916) 434-1090

June 6, 2023

Management & Board of Directors
Penn Valley Fire Protection District
Penn Valley, California

Dear Ladies and Gentlemen,

In planning and performing our audit of the financial statements of the governmental activities and major funds of Penn Valley Fire Protection District (District), as of and for the year ended June 30, 2022, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we may become aware of the matters which are an opportunity for strengthening internal controls and operating efficiency. We are pleased to report that no such matters have come to our attention.

We previously reported on the District's internal control in the preceding report dated June 6, 2023. This letter does not affect our report dated June 6, 2023, on the financial statements of the District.

As always, if you have any questions, please feel free to contact us.

Sincerely,



Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California