

**PEARDALE-CHICAGO PARK  
FIRE PROTECTION DISTRICT  
FINANCIAL STATEMENTS  
JUNE 30, 2023**

**PEARDALE-CHICAGO PARK FIRE PROTECTION DISTRICT  
JUNE 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Peardale - Chicago Park Fire Protection District  
Chicago Park, California

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Peardale-Chicago Park Fire Protection District (the District), as of and for the year ended June 30, 2023, 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, 2023, 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.

### ***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 3 through 7 and 28 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 May 9, 2024, on our consideration of the 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 the District's internal control over financial reporting and compliance.



Jensen Smith  
Certified Public Accountants, Inc.  
Lincoln, California  
May 9, 2024

PEARDALE-CHICAGO PARK  
FIRE PROTECTION DISTRICT  
P.O. BOX 697  
CHICAGO PARK CA 95712

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

Our discussion and analysis of the Peardale-Chicago Park Fire Protection District's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023.

The Management's Discussion and Analysis is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 issued in June 1999. Comparative information with the previous year, which is by design included in this reporting model, will be included in this analysis.

**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 9 and 10) 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 11) and the Statement of Revenues, Expenditures and Changes in Fund Balances (Page 12) 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 9. 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 represents 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 the 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 11 and provide detailed information about the District's three funds, not the District as a whole. These funds include: General (Operating), Building & Equipment (Capital Improvement) and Special Revenue (Mitigation).

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 fund statements provide a detailed short-term view of the District's general government 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* (reported in the Balance Sheet-Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balances) is described in the reconciliations on pages 13 and 14.

## **Financial Analysis**

### **The District as a Whole** – Government-wide Financials

- The District's total net position at fiscal year-end was \$2,158,440, which is a decrease of \$218,282 from the previous year.
- The assets of the District exceeded its liabilities at the close of this period by \$2,158,440 (net position). Of this amount, \$1,161,795 (unrestricted net position) may be used to meet the District's on-going obligations to its creditors, \$981,498 is invested in capital assets, and \$15,147 is restricted mitigation fees.

### **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 governmental funds reported a combined ending fund balance of \$1,246,297, which is a decrease of \$55,670 from the previous year.

The general fund is the chief operating fund of the District. At the end of the twelve-month period ended June 30, 2023, the unassigned balance of the general fund was \$383,241. This amount constitutes a balance that is available for spending at the District's discretion. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balances to total fund expenditures.

## **BUDGET**

The District adopts a preliminary budget each year at its monthly board meeting in May per California Health and Safety Code Section 13890. The final budget is adopted at the monthly meeting in September. In-budget transfers are approved by the Board of Directors prior to the end of the fiscal year.

	<u>FY 22/23</u>	<u>FY 21/22</u>
Preliminary Budget	\$667,904	\$756,850
Final Budget	\$672,704	\$769,957
Actual:		
Revenue	\$719,235	\$979,302
Expenditures	\$781,464	\$765,010

The decrease in revenue from FY 21/22 to FY 22/23 was due to a decrease in the amount of Strike Team reimbursements in FY 22/23 compared to FY 21/22.

Every year, the State of California has the potential to have a very active wildland fire season. Our department participates in state wide strike team responses to these fires. With no way to predict the level of activity during the fire season, we estimate the expected revenue and expenditures. With no way to accurately predict this fire activity, our budgeted amount versus actual revenue/expenditures, will continue to vary. However, revenue from this activity will always exceed expenditures, so there will be no adverse effect on our annual operating budget.

## **DISTRICT ASSETS & DEFERRED OUTFLOWS**

District assets, including fixed assets, and deferred outflows on June 30, 2023 totaled \$ 2,437,879.

Total fixed assets of \$981,498 is a combination of two (2) categories: Vehicles and Equipment, and Property and Buildings.

The District added \$27,414 in fixed assets/equipment in FY 22/23 and expensed depreciation in the amount of \$99,309.

As of June 30, 2023, the District had deferred outflows from pensions of \$124,355.

## **DISTRICT LIABILITIES & DEFERRED INFLOWS**

On June 30, 2023, the District had liabilities, including deferred inflows, of \$279,439.

1. As of June 30, 2023, the District had accounts payable and personnel costs payable of \$13,180.
2. As of June 30, 2023, the District would have had a compensated absences payout liability of \$4,310 in accrued vacation leave if its full time employees had retired or otherwise terminated their employment with the District on that date.
3. As of June 30, 2023, the District had net pension liability of \$223,362.

4. As of June 30, 2023, the District had deferred inflows from pensions of \$38,587.

**FUND (CASH) BALANCES**

The District maintains three (3) separate funds. All funds are kept on deposit with the County of Nevada. Interest generated by these funds is automatically deposited in the appropriate account.

The three cash funds are designated as follow:

Fund 6723-General Operations

Fund 6760-Capital Improvement

Fund 6779- Mitigation (New Construction)

Fund 6723 is the District’s general operating account for daily operations. This fund showed a decrease of \$212,229 from the beginning to the end of the fiscal year, mainly due to a transfer of funds to Fund 6760.

Account Balances:

6723	July 1, 2022	\$608,372	July 1, 2021	\$669,919
	June 30, 2023	\$396,143	June 30, 2022	\$608,372

Fund 6760 is used to fund capital purchases. This account is funded by transfer of excess funds and funds budgeted from 6723. This fund showed an increase of \$142,278, mainly due to the net transfer of funds from account 6723 for capital purchases. The fund maintains a constant balance of \$10,000.00 to pay for personnel coverage in the event that one full time employee is off work due to illness or injury for an extended period of time. The District budgets \$2,500.00 per year to accumulate funds for payout of unused vacation at an employee’s retirement. At the end of the fiscal year there was \$60,000 in the account for this eventual payout. The district will have a liability of up to 240 hours of vacation upon the retirement of a full time employee.

6760	July 1, 2022	\$705,631	July 1, 2021	\$446,364
	June 30, 2023	\$847,909	June 30, 2022	\$705,631

Fund 6779 is funded by mitigation fees paid by district residents for new construction. During the fiscal year, this fund received \$3,572 in mitigation fees and interest.

6779	July 1, 2022	\$11,575	July 1, 2021	\$23,559
	June 30, 2023	\$15,147	June 30, 2022	\$11,575

**DISTRICT FINANCIAL STATUS**

**Assets and Deferred Outflows**

Cash in County	\$ 1,259,199
Petty Cash	278
Fire Reimbursements Receivable	72,549
Fixed Assets	981,498
Deferred Outflows from Pensions	68,219

**Liabilities and Deferred Inflows**

Accounts Payable	< 4,544>
Personnel Costs Payable	< 8,636>
Vacation Leave Payout	< 4,310>
Net Pension Liability	< 223,362>
Deferred Inflows from Pensions	< <u>38,587</u> >

Total Net Position \$ 2,158,440

**ECONOMIC FACTORS**

The District projects that ad valorem property tax revenues will increase by 3%. Therefore we budgeted revenues for FY 22/23 accordingly.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to James Bierwagen, Fire Chief, 18934 Colfax Hwy, Grass Valley CA, 95945.

**PEARDALE - CHICAGO PARK FIRE PROTECTION DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

**ASSETS**

Current Assets:

Cash and Cash Equivalents	\$ 1,259,477
Fire Reimbursement Receivable	72,549

Non-Current Assets:

Capital Assets, net of accumulated depreciation \$892,632	981,498
<b>Total Assets</b>	<u>2,313,524</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Outflows from Pensions	124,355
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**LIABILITIES , DEFERRED INFLOWS, AND NET POSITION**

Current Liabilities:

Accounts Payable	4,544
Personnel Costs Payable	8,636

Non-Current Liabilities:

Compensated Absences Payable	4,310
Net Pension Liability	223,362
<b>Total Liabilities</b>	<u>240,852</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred Inflows from Pensions	<u>38,587</u>
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**NET POSITION**

Invested in Capital Assets	981,498
Restricted	15,147
Unrestricted	1,161,795
<b>Total Net Position</b>	<u><u>\$ 2,158,440</u></u>

See accompanying notes.

**PEARDALE - CHICAGO PARK FIRE PROTECTION DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenue and Change in Net Position Primary Government</u>
		<u>Charges for Services</u>	<u>Operating Grants &amp; Contributions</u>	<u>Capital Grants &amp; Contributions</u>	<u>Governmental Activities</u>
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
General Fund	\$ 865,607	\$ 289,951	\$ 9,789	\$ -	\$ (565,867)
Depreciation	99,309	-	-	-	(99,309)
Building and Equipment	-	-	-	-	-
Special Revenue	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 964,916</b>	<b>\$ 289,951</b>	<b>\$ 9,789</b>	<b>\$ -</b>	<b>(665,176)</b>
<b>General Revenues</b>					
Property Taxes					266,579
Prop. 172					28,625
Special Assessments					103,613
Development Fees					3,289
Home Owner Relief					1,683
Other Operating Revenues					17,538
Interest					25,567
<b>Total General Revenues</b>					<b>446,894</b>
<b>Change in Net Position</b>					
					(218,282)
<b>Net Position</b>					
Beginning of the Year					2,376,722
End of the year					<b>\$ 2,158,440</b>

See accompanying notes.

**PEARDALE - CHICAGO PARK FIRE PROTECTION DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	<u>GOVERNMENTAL FUND TYPES</u>			Total Governmental Funds
	<u>General</u>	<u>Building &amp; Equipment</u>	<u>Special Revenue</u>	
<u>Assets</u>				
Cash in County Investment Pool	\$ 396,143	\$ 847,909	\$ 15,147	\$ 1,259,199
Petty Cash	278	-	-	278
Fire Reimbursements Receivable	-	-	-	-
<b>Total Assets</b>	<u>\$ 396,421</u>	<u>\$ 847,909</u>	<u>\$ 15,147</u>	<u>\$ 1,259,477</u>
<u>Liabilities &amp; Fund Balances</u>				
Liabilities:				
Accounts Payable	\$ 4,544	\$ -	\$ -	\$ 4,544
Personnel Costs Payable	8,636	-	-	8,636
<b>Total Liabilities</b>	<u>13,180</u>	<u>-</u>	<u>-</u>	<u>13,180</u>
Fund Balances:				
Restricted	-	-	15,147	15,147
Committed	-	847,909	-	847,909
Unassigned	383,241	-	-	383,241
<b>Total Fund Balances</b>	<u>383,241</u>	<u>847,909</u>	<u>15,147</u>	<u>1,246,297</u>
<b>Total Liabilities &amp; Fund Balances</b>	<u>\$ 396,421</u>	<u>\$ 847,909</u>	<u>\$ 15,147</u>	<u>\$ 1,259,477</u>

See accompanying notes.

**PEARDALE - CHICAGO PARK FIRE PROTECTION DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	GOVERNMENTAL FUND TYPES			Total Governmental Funds
	General	Building & Equipment	Special Revenue	
Revenues:				
Current Secured	\$ 251,446	\$ -	\$ -	\$ 251,446
Current Unsecured	4,002	-	-	4,002
Prior Secured	-	-	-	-
Prior Unsecured	101	-	-	101
Supp Secured & Unsecured	10,991	-	-	10,991
Supp Prior Un	39	-	-	39
Interest	11,058	14,226	283	25,567
HO Tax Relief	1,683	-	-	1,683
Misc Other Income	15,668	1,870	-	17,538
Prop 172	28,625	-	-	28,625
Mitigation Fees	-	-	3,289	3,289
Special Assessment	103,613	-	-	103,613
Fire Reimbursement - Strike Team	282,220	-	-	282,220
Grants	9,789	-	-	9,789
Total Revenues	<u>719,235</u>	<u>16,096</u>	<u>3,572</u>	<u>738,903</u>
Expenditures:				
Current General Governmental:				
Personnel Costs	545,765	-	-	545,765
Clothing	17,037	-	-	17,037
Communications	21,331	-	-	21,331
Food	931	-	-	931
Household	916	-	-	916
Insurance	55,907	-	-	55,907
Maintenance - Equipment	4,020	-	-	4,020
Maintenance - Vehicles	30,447	-	-	30,447
Maintenance - Structures	5,874	-	-	5,874
Memberships	100	-	-	100
Medical Supplies	3,080	-	-	3,080
Miscellaneous	-	-	-	-
Office Supplies	3,113	-	-	3,113
Professional Service	30,239	-	-	30,239
Rental Expense	2,980	-	-	2,980
Small Tools	683	-	-	683
Special Dist. Expense	11,088	-	-	11,088
Travel	4,056	-	-	4,056
Fuel & Oil	19,614	-	-	19,614
Utilities	9,078	-	-	9,078
Equipment - Other	3,203	23,818	-	27,021
Improvements	1,293	-	-	1,293
Total Expenditures	<u>770,755</u>	<u>23,818</u>	<u>-</u>	<u>794,573</u>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(51,520)	(7,722)	3,572	(55,670)
Other Financing Sources (Uses)				
Operating Transfers In	-	150,000	-	150,000
Operating Transfers Out	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(201,520)	142,278	3,572	(55,670)
Fund balance, beginning of year	584,761	705,631	11,575	1,301,967
Fund balance, end of year	<u>\$ 383,241</u>	<u>\$ 847,909</u>	<u>\$ 15,147</u>	<u>\$ 1,246,297</u>

See accompanying notes.

**PEARDALE - CHICAGO PARK FIRE PROTECTION DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

Total Fund Balances for Governmental Funds	\$	1,246,297
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.		981,498
Receivables received more than sixty days after the year end are not considered currently available and therefore are not reported in the governmental fund activities.		72,549
Deferred outflows of resources which are not collected within sixty days after fiscal year end are not included in fund assets.		124,355
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		(4,310)
Net Pension Liability		(223,362)
Deferred Inflows of Resources		(38,587)
		(266,259)
Total Net Position of Governmental Activities	\$	2,158,440

See accompanying notes.

**PEARDALE - CHICAGO PARK 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, 2023**

Net change in fund balances - total governmental funds	\$	(55,670)
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Total change in net position 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.		28,314
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Receivables received more than sixty days after the year end are not considered currently available and therefore are not reported in the governmental fund activities.		7,731
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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 governmental funds.

Deferral of Pension Related Expenses		(99,348)
Change in Compensated Absences		-
Depreciation Expense		(99,309)
		(99,309)

Change in Net Position of Governmental Activities	\$	(218,282)
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**PEARDALE-CHICAGO PARK FIRE PROTECTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – NATURE OF THE ORGANIZATION**

Description of the Organization

The District was established to provide fire prevention, suppression and rescue services in the Peardale – Chicago Park Area of Nevada County, California. Revenues are derived primarily from property taxes, a special tax on improved parcels within the district, and strike team responses. 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 that acts as the authoritative and legislative body of the entity. The Board is comprised of five board members. No Board members receive compensation for serving on the Board.

**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 and changes in net position) report information on the primary government (District) as a whole. Inter-fund transfers are eliminated in the government-wide statement of activities.

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 both are 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 basis accounting.

**PEARDALE-CHICAGO PARK FIRE PROTECTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**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.

Special Revenue Fund (Mitigation)

The Special Revenue Fund is used to account for mitigation fees allowed 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 capital additions due to development 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 these funds within the required time frame and, accordingly, no liability has been recognized.

Building and Equipment Fund (Capital Improvement)

The Building and Equipment Fund is used to account for financial resources to be used 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.

**PEARDALE-CHICAGO PARK FIRE PROTECTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**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 committed 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.

**PEARDALE-CHICAGO PARK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued**

**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:

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 general fund 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 in May and adopts a final budget in September. Supplemental appropriations are adopted throughout the year as necessary. The building and equipment fund and the special revenue fund budgets are prepared using a five year capital improvement plan. The plan is approved each year.

**PEARDALE-CHICAGO PARK FIRE PROTECTION DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2023**

**NOTE 2 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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.

Fixed Assets

Capital assets are capitalized at acquisition cost; donated equipment is recorded at the fair market value at the time of donation. 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.

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

Nearly all cash at June 30, 2023 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 Treasury 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 difference between the carrying amount and the fair value of cash and investments was not considered material to the financial statements as a whole; therefore, an adjustment to fair value was not required for GASB 31 compliance.

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, 2023 are as follows:

	Carrying Amount	Fair Value	Difference
Pooled Investments:			
Nevada County	\$1,259,199	\$1,259,199	\$ -

**PEARDALE-CHICAGO PARK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

Fair value was based on unaudited quoted market values provided by the Nevada County Treasurer.

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 County’s investment reports can be obtained from the County of Nevada.

At June 30, 2023, \$278 was held in a bank account. This amount is therefore not included in the Pooled Investments above.

**NOTE 4 – CAPITAL ASSETS**

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

<u>Description</u>	<u>Balance at June 30, 2022</u>	<u>Changes</u>	<u>Balance at June 30, 2023</u>
Land	\$ 54,000	\$ --	\$ 54,000
Equipment	965,295	27,021	992,316
Building	<u>826,521</u>	<u>1,293</u>	<u>827,814</u>
Total Capital Assets	1,845,816	28,314	1,874,130
Less: Accumulated Depreciation	<u>(793,323)</u>	<u>(99,309)</u>	<u>(892,632)</u>
Total Capital Assets net of Accumulated Depreciation	<u>\$ 1,052,493</u>	<u>\$ (70,995)</u>	<u>\$ 981,498</u>

Depreciation expense for the fiscal year ended June 30, 2023 was \$99,309.

**NOTE 5 – COMPENSATED ABSENCES**

Accrued compensated absences include 100% of all employees’ vacation and holiday time earned. The balance of accrued compensated absences at June 30, 2023 was \$4,310.

**NOTE 6 – LEASE COMMITMENTS**

In the 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. In the fiscal year ended June 30, 2023, there were no leases that met the requirements for this new lease standard.

**PEARDALE-CHICAGO PARK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 – 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.

**NOTE 8 – PENSION OBLIGATION INCLUDING GASB STATEMENT NO. 68**

**A. Plan Description and Provisions**

The Peardale - Chicago Park 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 Peardale - Chicago Park Fire Protection 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 – or on CalPERS’ website.

**B. Funding Policy**

Active plan members in the PERS are required to contribute 7% of their annual covered salary. 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.

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. 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 plan members directly to CalPERS. The required employer contribution rates for safety personnel were as follows:

<u>Period:</u>	<u>Safety Plan</u>	<u>PEPRA Safety</u>
July 1, 2022 to June 30, 2023	14.740%	10.800%
July 1, 2021 to June 30, 2022	14.740%	10.800%
July 1, 2020 to June 30, 2021	14.810%	11.130%
July 1, 2019 to June 30, 2020	13.540%	10.216%
July 1, 2018 to June 30, 2019	12.848%	-
July 1, 2017 to June 30, 2018	12.242%	-
July 1, 2016 to June 30, 2017	12.055%	-
July 1, 2015 to June 30, 2016	17.194%	-

**PEARDALE-CHICAGO PARK FIRE PROTECTION DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2023**

**NOTE 8 – PENSION OBLIGATION INCLUDING GASB STATEMENT NO. 68 – Continued**

**B. Funding Policy – Continued**

It is CalPERS position that their ratio constitutes an annual required contribution. For fiscal years ending June 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, the required contributions to CalPERS, including member contributions, were made. Total plan contributions to CalPERS were as follows:

June 30, 2023	\$ 30,102
June 30, 2022	\$ 26,612
June 30, 2021	\$ 57,319
June 30, 2020	\$ 64,182
June 30, 2019	\$ 54,147
June 30, 2018	\$ 29,355
June 30, 2017	\$ 29,188
June 30, 2016	\$ 27,653
June 30, 2015	\$ 27,501
June 30, 2014	\$ 34,671

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

<u>June 30, 2023</u>	
Inactive employees or beneficiaries currently receiving benefits	3
Active employees	6
<b>Total</b>	<b>9</b>

**C. Pension Liabilities**

At June 30, 2023, the District reported a net pension liability of \$223,362 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating districts and the State, actuarially determined. At June 30, 2023, the District's proportionate share was 0.00325%, and increase of .00145% for the Safety plan.

**D. Pension Plan Fiduciary Net Position**

Detailed information about the Plans' fiduciary net position is available in the separately issued CalPERS financial report.

**PEARDALE-CHICAGO PARK FIRE PROTECTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8: PENSION OBLIGATION INCLUDING GASB STATEMENT NO. 68 – Continued**

E. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the District recognized pension expense/(credit) of \$129,451. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows Resources</b>	<b>Deferred Inflows Resources</b>
June 30, 2023		
Changes of assumptions	\$ 22,522	\$ -
Differences between expected and actual experience	9,244	2,426
Differences between projected and actual investment earnings	35,272	-
Differences between employer's contributions and proportionate share of contributions	-	36,162
Change in employer's proportion	27,215	-
Contributions made subsequent to measurement date	30,102	-
<b>Total</b>	<b>\$ 124,355</b>	<b>\$ 38,587</b>

An amount of \$30,102, reported as deferred outflows of resources related to contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

<u>Years Ending June 30</u>	
2024	\$ 19,110
2025	12,357
2026	2,682
2027	21,516
2028	-
Thereafter	-
<b>Total</b>	<b>\$ 55,665</b>

**PEARDALE-CHICAGO PARK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 - PENSION OBLIGATION INCLUDING GASB STATEMENT NO. 68 – Continued**

F. Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

G. Actuarial Assumptions

The June 30, 2021 valuation was rolled forward to determine the June 30, 2022 total pension liability, based on the following actuarial methods and assumptions:

<u>June 30, 2023</u>	
Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by entry age and service
Mortality rate table	Derived using CalPERS' membership data
Post retirement benefit increase	Contract COLA up to 2.0% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

**PEARDALE-CHICAGO PARK FIRE PROTECTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 - PENSION OBLIGATION INCLUDING GASB STATEMENT NO. 68 - Continued**

H. Change of Assumptions

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS considered long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

I. Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS considered both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

. The expected real rates of return by asset class are as follows:

Asset Class (A)	Assumed Asset Alloc.	Real Return (A,B)
Global Equity – Cap-weighted	30.00%	4.54%
Global Equity – Non-Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)

(A) An expected inflation of 2.3% used for this period

(B) Figures are based on the 2021 Asset Liability Management study.

**PEARDALE-CHICAGO PARK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 – PENSION OBLIGATION INCLUDING GASB STATEMENT NO. 68 – Continued**

**J. Discount Rate**

The discount rate used to measure the total pension liability was 6.9 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**K. Sensitivity Analysis**

The sensitivity of the proportionate share of the net pension liability to changes in the discount rate is as follows:

	Discount Rate – 1%	Current Discount Rate	Discount Rate + 1%
District’s Net Pension Liability	5.90%	6.90%	7.90%
Total (Safety)	<u>\$404,430</u>	<u>\$223,362</u>	<u>\$75,380</u>

**L. Subsequent Events**

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

**NOTE 9 – FUND BALANCE**

The District has a policy of transferring an approved amount of the remaining funds in the General Account to the Building and Equipment Fund (Capital Improvement) each year. Funds are either transferred back or borrowed from the County Treasurer to pay normal operating expenses until tax money is received.

**PEARDALE-CHICAGO PARK FIRE PROTECTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 10 – SUBSEQUENT EVENTS**

Events subsequent to June 30, 2023 have been evaluated through May 9, 2024, the date at which the District's audited financial statements were available to be issued. No events requiring disclosure have occurred through this date.

**REQUIRED SUPPLEMENTARY INFORMATION**

**PEARDALE-CHICAGO PARK FIRE PROTECTION DISTRICT  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND**

**JUNE 30, 2023**

	<b>General Fund Original Budget</b>	<b>General Fund Final Budget</b>	<b>General Fund Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>Revenues</b>				
Special Assessment	\$ 105,000	\$ 105,000	\$ 103,613	\$ (1,387)
Property Taxes	249,400	249,400	266,579	17,179
Prop. 172 Funds	20,000	20,000	28,625	8,625
Interest Income	6,000	6,000	11,058	5,058
Fire Reimbursement	250,000	250,000	282,220	32,220
Other Sources/Donations/Grants	10,000	10,000	25,457	15,457
St. Timber Yield/HO Tax Relief	2,000	2,000	1,683	(317)
Total Revenue	<u>642,400</u>	<u>642,400</u>	<u>719,235</u>	<u>76,835</u>
<b>Expenditures</b>				
Personnel Costs	528,793	528,793	554,796	(26,003)
Clothing	4,800	4,800	17,341	(12,541)
Communications	17,550	17,550	21,577	(4,027)
Food	1,000	1,000	863	137
Household	1,500	1,500	916	584
Insurance	18,000	18,000	55,907	(37,907)
Maintenance - Equipment	3,450	3,450	3,732	(282)
Maintenance - Vehicles	18,000	18,000	30,447	(12,447)
Maintenance - Structures	3,000	3,000	6,247	(3,247)
Memberships	100	100	100	-
Medical Supplies	4,500	4,500	3,080	1,420
Office Supplies	3,750	3,750	4,253	(503)
Professional Service	10,161	14,961	30,239	(15,278)
Rental Expense	2,000	2,000	3,102	(1,102)
Small Tools	1,000	1,000	683	317
Special Dist. Expense	9,300	9,300	11,088	(1,788)
Travel	3,500	3,500	4,027	(527)
Fuel & Oil	15,000	15,000	19,614	(4,614)
Utilities	7,500	7,500	8,956	(1,456)
Equipment	10,000	10,000	3,203	6,797
Improvements	-	-	1,293	(1,293)
Contingencies	5,000	5,000	-	5,000
Total Expenditures	<u>667,904</u>	<u>672,704</u>	<u>781,464</u>	<u>(108,760)</u>
<b>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</b>				
	(25,504)	(30,304)	(62,229)	(31,925)
<b>Other Financing Sources (Uses)</b>				
Transfers In	25,504	30,304	-	30,304
Transfers Out	-	-	(150,000)	(150,000)
Total Other Financing Sources	<u>25,504</u>	<u>30,304</u>	<u>(150,000)</u>	<u>(119,696)</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (212,229)</u>	<u>\$ (151,621)</u>
			\$ (212,229)	
		Change in Revenue Accruals	-	
		Change in Accruals	10,709	
			<u>\$ (201,520)</u>	

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

**PEARDALE-CHICAGO PARK FIRE PROTECTION DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY - CALPERS**  
**JUNE 30, 2023**

	Fiscal Years Ended June 30,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>									
Service cost	17,803	9,033	13,152	11,632	10,645	10,346	8,887	7,792	10,665
Interest on total pension liability	59,767	32,055	45,951	40,138	36,315	34,485	32,816	28,318	36,100
Changes of benefit terms	25	7	-	-	-	5	10	-	-
Changes of Assumptions	30,863	-	-	-	(2,567)	29,327	-	(7,076)	-
Actual vs. expected experience	(3,324)	8,065	10,297	11,485	2,854	2,022	(61)	(1,538)	-
Benefit payments, including refunds of employee contributions	(44,489)	(23,382)	(32,688)	(28,114)	(25,117)	(23,497)	(21,729)	(18,548)	(23,111)
Net change in total pension liability	60,646	25,779	36,712	35,141	22,130	52,688	19,922	8,948	23,654
Change in proportions	378,765	(231,435)	48,882	21,154	4,622	2,174	42,324	(127,050)	-
Total pension liability - beginning	473,207	678,863	593,269	536,974	510,221	455,359	393,112	511,214	487,560
<b>Total pension liability - ending (a)</b>	<b>912,618</b>	<b>473,207</b>	<b>678,863</b>	<b>593,268</b>	<b>536,974</b>	<b>510,221</b>	<b>455,359</b>	<b>393,112</b>	<b>511,214</b>
<b>Plan Fiduciary Net Position</b>									
Contributions – employer (proportionate)	45,984	21,896	25,692	19,090	16,626	12,632	11,436	10,335	12,249
Contributions – employee (proportionate)	6,761	3,576	5,042	4,365	3,830	3,591	3,348	2,825	3,807
Net investment income	(56,432)	75,515	23,764	27,085	31,089	37,380	1,674	6,680	60,522
Benefit payments	(44,489)	(23,382)	(32,688)	(28,114)	(25,117)	(23,497)	(21,729)	(18,548)	(23,111)
Net plan to plan resource movement	1	5,433	4,065	3,519	(24)	3,874	(29)	(13)	-
Administrative expense	(465)	(336)	(663)	(295)	(570)	(499)	(205)	(341)	-
Other Misc Income/(Expense)	-	-	-	1	(1,083)	-	-	-	-
Net change in plan fiduciary net position	(48,640)	82,702	25,212	25,651	24,751	33,481	(5,505)	938	53,467
Change in proportions	328,049	(169,217)	35,865	15,526	3,316	1,581	32,706	(100,154)	-
Plan fiduciary net position - beginning	409,847	496,362	435,284	394,108	366,040	330,979	303,778	402,994	349,527
<b>Plan fiduciary net position - ending (b)</b>	<b>689,256</b>	<b>409,847</b>	<b>496,362</b>	<b>435,284</b>	<b>394,108</b>	<b>366,040</b>	<b>330,979</b>	<b>303,778</b>	<b>402,994</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>223,362</b>	<b>63,361</b>	<b>182,501</b>	<b>157,984</b>	<b>142,866</b>	<b>144,181</b>	<b>124,380</b>	<b>89,335</b>	<b>108,220</b>
Plan fiduciary net position as a percentage of the total pension liability	75.5%	86.6%	73.1%	73.4%	73.4%	71.7%	72.7%	77.3%	78.8%
Measurement Date June 30,:	2022	2021	2020	2019	2018	2017	2016	2015	2014

*See Auditor's Report and accompanying notes to the required supplementary information.*

**PEARDALE-CHICAGO PARK FIRE PROTECTION DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS AND RATIOS- CALPERS  
JUNE 30, 2023**

**NET PENSION LIABILITY**

Fiscal Year ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016
Agency's proportion of the net pension liability	0.00325%	0.00181%	0.00274%	0.00253%	0.00243%	0.00241%	0.00240%	0.00217%
Agency's proportionate share of the net pension liability	\$223,362	\$63,361	\$182,501	\$157,984	\$142,866	\$144,181	\$124,380	\$89,335
Agency's proportionate share of covered payroll	\$254,210	\$150,211	\$182,081	\$182,081	\$143,214	\$123,818	\$116,890	\$113,555
Agency's proportionate share of the net pension liability as a percentage of covered employee payroll	87.9%	42.2%	100.2%	86.8%	99.8%	116.4%	106.4%	78.7%
Plan fiduciary net position as a percentage of the total pension liability	75.5%	86.6%	73.1%	73.4%	73.4%	71.7%	72.7%	77.3%
Measurement date - June 30,	2022	2021	2020	2019	2018	2017	2016	2015

**CONTRIBUTIONS**

	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contributions	\$30,102	\$26,612	\$50,110	\$30,499	\$54,147	\$20,505	\$21,614	\$19,568
Contributions in relation to the actuarially determine contributions	(30,102)	(26,612)	(50,110)	(30,499)	(54,147)	(20,505)	(21,614)	(19,568)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Agency's covered-employee payroll*	\$254,210	\$150,211	\$182,081	\$182,081	\$143,214	\$123,818	\$116,890	\$113,555
Contributions as a percentage of covered-employee payroll	11.84%	17.72%	27.52%	16.75%	37.81%	16.56%	18.49%	17.23%
*Measurement period July-June	2022	2021	2020	2019	2018	2017	2016	2015

*See Auditor's Report and accompanying notes to the required supplementary information.*

**PEARDALE-CHICAGO PARK FIRE PROTECTION DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**1. CHANGES OF BENEFIT TERMS**

There were no changes to benefit terms that applied to all members of the CalPERS Public Agency Pool. However, public agencies who participate in CalPERS can make changes to their plan provisions, and such changes occur on an ongoing basis. The District did not make changes to their plan provisions during the fiscal year.

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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  
Peardale-Chicago Park Fire Protection District  
Chicago Park, 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 Peardale-Chicago Park Fire Protection District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 9, 2024.

**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) to determine 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

**Finding 22-01 - Reliance on the Auditor for Generally Accepted Accounting Principles (uncorrected from previous year)**

Condition: Management relies on the auditor to prepare for approval the adjusting journal entries for accruals and the footnote disclosures required for the District's financial statements to be in compliance with generally accepted accounting principles.

Criteria: Auditing standards state that the auditor may not be part of an organization's internal control system. Someone within the organization must be knowledgeable in generally accepted accounting principles and capable of preparing financial statements in conformity with generally accepted accounting principles.

Cause: The District does not employ an accountant educated or trained in generally accepted accounting principles and does not contract with such an individual or firm to prepare financial statements in conformity with generally accepted accounting principles prior to the annual audit.

Effect: Unknown

Recommendation: We recommend that if it is necessary for the District to issue financial statements to third party users prior to the annual audit, management consider the cost benefit of hiring an accountant familiar with generally accepted accounting principles or hiring an independent CPA firm to compile full-disclosure financial statements.

Response: Management has determined there is no cost-benefit to hiring an accountant familiar with generally accepted accounting principles and feels that the District Secretary and fire chief provide reliable financial statements for management and board decision-making and reliance upon the auditor for generally accepted accounting principles and disclosures is cost effective. However, should the need arise for issuing financial statements to third-party users prior to the annual audit, management will consider the cost benefit of hiring an accountant familiar with generally accepted accounting principles or hiring an independent CPA firm to compile full-disclosure financial statements.

**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 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*.

**Peardale-Chicago Park Fire Protection District's Response to Finding**

The District's response to the finding identified in our audit is described above. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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  
May 9, 2024

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May 9, 2024

Board of Directors  
Peardale-Chicago Park Fire Protection District  
Chicago Park, California

In planning and performing our audit of the financial statements of the Peardale-Chicago Park Fire Protection District (District) for the year ended June 30, 2023, 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 an audit we may come across matters that should be considered and corrected to assure maximum compliance and operating efficiency. We are pleased to report that no such matters were noted. We previously reported on the District's internal control in our report dated May 9, 2024 (page 32). This letter does not affect our report dated May 9, 2024, on the financial statements of the District (page 1).

If you have any questions, feel free to contact us.

Sincerely,



Jensen Smith  
Certified Public Accountants, Inc.  
Lincoln, California