North San Juan Fire Protection District

FINANCIAL STATEMENTS

AUDIT REPORT

June 30, 2024

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December 19, 2024

Opinions

We have audited the accompanying financial statements of North San Juan Fire Protection District as of and for the year-ended June 30, 2024, as listed in the Table of Contents. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North San Juan Fire Protection District as of June 30, 2024, and the respective changes in financial position, and cash flows where applicable for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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

The District's 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The District's ability to continue as a going concern for twelve months beyond the financial statem ent 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 GAAS 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.

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In performing an audit in accordance with GAAS, 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.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information and Budget VS. Actual comparison 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 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 principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with managements 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 assurances on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide an assurance.

PNPCPA

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North San Juan Fire Protection District

Audit Report
June 30, 2024

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NORTH SAN JUAN
FIRE PROTECTION DISTRICT

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Serving Since 1862

North San Juan Fire Protection District Fiscal Year 2024

North San Juan Fire District (NSJ) provides fire protection, Basic Life Support (BLS) emergency medical treatment, and community risk reduction to an estimated population of 2,562 in 87 square miles. NSJ has four fire stations: one staffed by volunteers and three stations that house apparatus and equipment available to responding volunteers. The Department is staffed by two part-time non-uniformed support personnel and 26 volunteers for a total of 28.
Over the last ten years, the district has focused on maximizing the use of limited funds available.

Additionally, the Fire Auxiliary and Firefighters Association provide financial support by hosting various fundraising events.

The Budget process begins with a Preliminary Budget, prepared by the Finance Committee to cover the next fiscal year from July 1 through June 30, and is presented to the Board for approval in June of each year. If needed, revisions are made for the Final Budget prepared and approved by the Board in September. A Revised Adopted Budget is prepared in January reflecting several months' spending experience and the actual funding from the County. The bulk of the District's operating funds are paid through the Nevada County Tax Collectors Office and arrive in the District's account in December.

REVENUES
NSJ is funded by several sources of income. Property taxes are allocated under Proposition 13 limiting total property tax assessment to 1% of the property's value. The tax revenue is then apportioned between the various taxing units. FY 2024 tax revenue was $166,688.

NSJ's other recurring revenue sources are special assessments and Proposition 172. Special assessment collections totaled $44,136 and Proposition 172 tax amounted to $62,465.

Reimbursements for strike team deployments earned $189,397.
Other General Fund revenues included interest for FY 2024 $38,357.
NSJ's special revenues accounted for in separate funds include Mitigation and Measure Q. Measure Q was approved by voters as a special tax in 2014 for a fixed amount per tax unit to cover fire protection, emergency medical response, and other public safety. Measure Q collections totaled $114,936 in FY 2024.
The following figure indicates a detail of revenues for the last five years.

North San Juan FPD Revenues FY 2020-FY 2024

Revenue	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024
Strike Team Reimbursemer	162,531	754,555	1,300,508	890,026	189,397
Property Tax	146,623	151,793	159,413	165,985	166,688
Special Assessment	43,955	44,156	43,997	44,054	44,136
Proposition 172	29,222	29,751	50,959	53,455	62,465
Other Intergovernmental	8,874	4,048	230	18,856	
Grants	9,100		98,236		
Interest	2,929	2,119	6,732	20,846	38,357
Other Revenue		18,408	6,774	6,654	265,730
Total General Fund Reven	403,234	1,004,830	1,666,849	1,199,876	766,773
Measure Q & Mitigation Fund Revenues	116,448	119,770	116,778	119,690	125,356
Total Revenues	519,682	1,124,600	1,783,627	1,319,566	892,129

Expenses

Wages and stipends make up the personnel costs. Strike Team is a fluctuating cost, it depends on the season. It does skew the districts Salary and Benefit expenditures.

Recurring General Fund Expenses include personal protective equipment, facilities cost, apparatus and equipment maintenance, fuel, insurance utilities, professional fees, communications, dispatch, training costs, and other expenses. Insurance costs are a current concern for the Department. NSJ has experienced an increase from approximately $12,000 in 2020 to $52,000 in FY 2024.

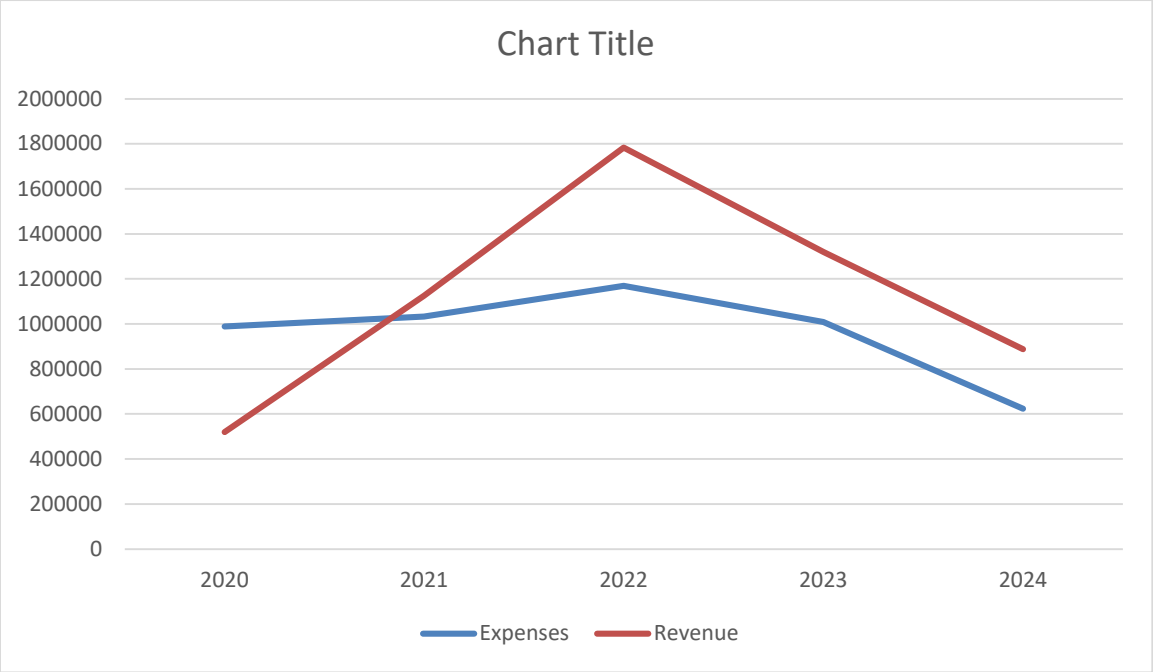
Capital Expenditures include the payment for a new engine that was purchased in 2020 using accumulated reserve funds. NSJ entered into a financing agreement of $350,000 to purchase a Rosenbauer Pumper bearing 2.94% interest.
FY 2024 capital expenses also included installation of a 10,000-gallon water treatment system, total cost $15,810. This purchase was directly made to provide water for emergency services and to integrate wildfire protection plans.
Other recurring General Fund expenses include personal protective equipment, facilities costs, apparatus and equipment maintenance, fuel, insurance, utilities, professional fees, communications, dispatch, training costs, and other expenses. Measure Q Fund expenses include capital outlay, debt service, as well as training and personnel costs. Mitigation Fund expenses include capital outlay and debt service.

Non-recurring expenses include capital outlay and miscellaneous costs.

North San Juan FPD Expenditures FY 2020 - FY 2024

Expenditures	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024
Wages & Stipends	135,848	138,838	88,572	113,775	110,359
Strike Team Payroll	80,894	566,811	582,464	487,581	193,373
Employee Benefits	66,445	93,557	102,942	115,382	53,667
Total Salary & Benefits	**283,187**	**799,206**	**773,978**	**716,738**	**357,399**
Other Recurring Expenses	141,044	153,665	115,140	182,014	183,450
Non-Recurring Expenses	373,926	21,026	223,204	52,701	67,380
Total General Fund Expenses	**798,157**	**973,897**	**1,112,322**	**951,453**	**608,229**
Measure Q/Mitigation Expenses	42,523	59,164	57,162	57,162	34,349
Total Expenses	840,680	1,033,061	1,169,484	1,008,615	642,578

Revenue and Expenses for the past 5 years



Summary of Revenues and Expenditures

Revenue & Expenditures	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Actual 2024
Total Revenue	519,682	1,124,600	1,783,627	1,319,566	887,033
Total Expenditures	988,487	1,033,061	1,169,484	1,008,615	623,769
Surplus (Deficit)	(468,805)	91,539	614,143	310,951	263,264

The "Deficit" reflected in 2020 is mainly due to the purchase of the new engine.

Respectfully submitted by
Lynn McGarva, Finance Manager

GOVERNMENT FUNDS FINANCIAL STATEMENTS

North San Juan Fire Protection District

Balance Sheet
June 30, 2024

	General Fund	Mitigation Fund	Measure Q Fund	Total
ASSETS				
Assets:				
Cash	1,368,605	22,492	168,506	$ 1,559,603
Prepaid	17,303	-	-	17,303
Accounts Receivable	151,360	-	-	151,360
Due from other Funds	2,418	-	100,645	103,063
TOTAL ASSETS	1,539,686	22,492	269,151	1,831,329
LIABILITIES, DEFERRED INFLOWS & FUND BALANCES				
Liabilities:				
Due to Other Funds	100,645	2,418	-	103,063
Accrued Liabilities	1,340	-	-	1,340
Accounts Payable	93,882	-	-	93,882
				-
TOTAL LIABILIITES	195,867	2,418	-	198,285
Deferred Inflow				
Unavailable Revenue	-	-	-	-
TOTAL LIABILITIES & DEFERRED	195,867	2,418	-	198,285
Fund Balances:				
Unassigned	562,637	-	-	562,637
Restricted for Capital Improvements	-	20,074	-	20,074
Unspendable	17,303	-	-	17,303
Committed	763,879	-	269,151	1,033,030
				-
Total Fund Balance	1,343,819	20,074	269,151	1,633,044
TOTAL LIABILITIES & FUND BALANCE	$ 1,539,686	$ 22,492	$ 269,151	$ 1,831,329

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

North San Juan Fire Protection District

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

	June 30, 2024
Total Fund Balances - Governmental Funds	$ 1,633,044
Capital Assets used in Governmental Funds are not financial resources and therefore are not reported as assets in the Governmental Funds.	
Total Historical Cost of Capital Assets	1,752,581
Less: Accumulated Depreciation	(1,063,165)
Deferred Outflows not due and receivable in the current period and therefore are not reported as an asset in the governmental funds. This is comprised of GASB 68 Pension Outflows. Deferred Outflows at June 30 was:	-
Deferred Inflows are not due in the current period and therefore, are not reported as liabilities in the governmental funds.This is comprised of GASB 68 Pension Inflows. Deferred Inflows at June 30 was:	-
Deferred Inflows reported as unavailable revenue are not available in the current period and therefore are reported as a deferred inflow in the governmental funds; while in the Government-Wide Statement of Net Position does not report them. Deferred Inflows at June 30 was:	-
Long-term liabilities are not due in the current period and therefore, are not reported as liabilities in the governmental funds.	(162,744)
Net Position	$ 2,159,716

The accompanying notes are an integral part of these financial statemnets

North San Juan Fire Protection District

Statement of Revenues, Expenditures & Change in Fund Balance
For the Year Ended
June 30, 2024

REVENUE	General Fund	Mitigation Fund	Measure Q Fund	Total
Tax Revenue	$ 168,951	$ -	$ -	$ 168,951
Special Assesment & Tax	44,091	-	114,634	158,725
State Taxes	62,472	-	-	62,472
Charges for Service	540,603	-	-	540,603
Grant Revenue	-	-	-	-
Interest & Investment Earnings	38,357	654	4,531	43,542
Mitigation Fees	-	4,912	-	4,912
Miscellaneous	1,094	-	-	1,094
TOTAL REVENUE	855,568	5,566	119,165	980,299
EXPENDITURES				
Capital Assets	-	-	17,806	17,806
Debt Service:				
Principle	-	2,300	47,616	49,916
Interest	-	-	6,141	6,141
Salaries and Employee Benefits	450,291	-	-	450,291
Services, Supplies and Refunds	167,949	-	28,779	196,728
TOTAL EXPENDITURES	618,240	2,300	100,342	720,882
Excess (Deficit) Revenues over Expenditures	237,328	3,266	18,823	259,417
Transfer in/(out)		-		-
Other financing Sources/(Uses)	-	-	-	-
CHANGE IN FUND BALANCE	237,328	3,266	18,823	259,417
FUND BALANCE, BEGINNING OF YEAR	1,106,493	16,808	250,328	1,373,629
FUND BALANCE, END OF YEAR	$ 1,343,821	$ 20,074	$ 269,151	$ 1,633,046

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

NORTH SAN JUAN FIRE PROTECTION DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

	2024
Net Change in Fund Balances - Total Governmental Funds	$ 259,417
Amounts reported for governmental activities in the Statement of Activities are different as follows:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets are allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense during the year	
Current Year Capital Outlays	15,541
Less: Current Year Depreciation Expense	(70,478)
In the Governmental Funds revenues are measured by the amount of financial resources received. In the Government-Wide Statement of Activities, revenues are measured by the amounts earned during the year	-
Repayment of principle on long-term liabilities is an expenditure for Governmental funds, but the repayment reduces long-term liabilities on the Government-Wide Statement of Net Position. The net amount principle payments made on long-term liabilities exceeded acquisistion of new debt during the year consist of:	50,649
In the Government Funds Interest expenditure is measured by the amount of financial resources used, which is the amounts actually paid. In the Government-Wide Statement of Activities,Interest expense is measured by the amounts accrued during the year.	-
Change in Net Position of Governmental Activities	$ 255,129

The accompanying notes are an integral part of these financial statements

GOVERNMENT-WIDE FINANCIAL STATEMENTS

North San Juan Fire Protection District

Statement of Net Position
June 30, 2024

ASSETS	
Current Assets:	
Cash	1,559,603
Prepaid	17,303
Accounts Receivable	151,360
Total Current Assets	1,728,266
Capital Assets:	
Land	38,223
Buildings & Improvements	449,376
Firefighting Equipment	1,264,982
Construction in Progess	-
Less: Accumulated Depreciation	(1,063,165)
Total Capital Assets	689,416
TOTAL ASSETS	2,417,682
TOTAL DEFERRED OUTFLOW	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	2,417,682
LIABILITIES	
Current Liabilities:	
Accounts Payable	93,882
Accrued Expenses	1,340
Accrued Interest	4,038
Current Portion	51,385
Total Current Liabilities	150,645
Long-term Liabilities:	
Capital Lease	107,321
Total Long-term Liabilities	107,321
TOTAL LIABILITIES	257,966
TOTAL DEFERRED INFLOWS	-
TOTAL LIABILITIES AND DEFERRED INFLOWS	257,966
NET POSITION	
Net Investment in Capital Assets	526,672
Restricted for Capital Improvements	15,658
Unrestricted	1,617,386
TOTAL NET POSITION	$ 2,159,716

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

North San Juan Fire Protection District
Statement of Activities
For the Year-Ended
June 30, 2024

	Expenses	Operating Revenues: Charges for Services	Excess of Revenues/(Expenses)
Governmental Activities			
Public Protection	$ 649,970	$ 546,201	$ (103,769)
Interest on Long-Term Debt	5,406	-	(5,406.00)
Depreciation (Unallocated)	70,478	-	(70,478.00)
Total Governmental Activites			$ (179,653)
General Revenues:			
Tax Revenue			168,951
Special Assesment & Tax			158,725
State Taxes			62,472
Grant Revenue			-
Interest & Investment Earnings			43,540
Miscellaneous			1,094
Total General Revenues			434,782
NET CHANGE IN NET POSITION			255,129
NET POSITION, BEGINNING OF YEAR			1,904,587
NET POSITION, END OF YEAR			$ 2,159,716

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

North San Juan Fire Protection District

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Background: The District is an independent special district within the County of Nevada and was established under Health and Safety Code Section 14001-14314. The District provides fire protection, rescue, in the North San Juan area of Nevada County.

Note 1 - Significant Accounting Policies

Accounting Principles

The financial statements of the North San Juan Fire Protection District(District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the District are described below.

Basis of Accounting and Measurement Focus

The accounts of the District are organized on the basis of funds, or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Financial Statement Presentation

Government-Wide Financial Statements

The District Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government

column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The District's governmental-wide fund balance is classified in the following categories:

Net Investment in Capital Assets - Includes amount of the fund balance that is invested in capital assets net of any related debt.

Restricted - Includes amounts that can be spent only for the specific purposes stipulated by a formal action of the government's highest level of decision-making authority, external resource providers, constitutionally, or through enabling legislation.

Unrestricted - Includes amounts that are technically available for any purpose and includes all amounts not contained in other classifications.

Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Nonspendable - Includes amounts that are not in a spendable form or are required to be maintained intact.

Restricted - Includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation.

Committed - Includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned - Includes amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates authority.

Unassigned - Includes amounts that are technically available for any purpose and includes all amounts not contained in other classifications.

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy is to apply restricted net position first.

Budgets and Budgetary Accounting

An annual budget is adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's Board of Directors must adopt a preliminary budget by June 30th and a final budget no later than September 30th. A public hearing must be conducted to receive comments prior to adoption. The District's Governing board satisfied these requirements.

This budget is reviewed by the District Board of Directors during the year to give consideration to unanticipated income and expenditures. The final revised budget is presented for the General Fund as required supplementary information in the financial statements.

Pooled Cash and Investments

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the investment pool. Interest earned on the investment pool is distributed to the participating funds monthly using a formula based on the average daily balance of each fund

The California Government Code requires California banks and savings and loan associations to secure the County's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such a collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the County's name.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at cost, as the fair market value adjustment at the yearend was immaterial.

Accounts Receivable

On an accrual basis, revenues are recognized in the fiscal year in which the services are rendered. The District has not established an allowance for uncollectable receivables for Governmental or Grant Funds since prior experience has shown that uncollectable receivables are not significant.

Prepaid Expenditures

Prepaid expenditures (expenses) represent amounts paid in advance of receiving goods or services. The District has the option of reporting an expenditure in governmental funds for prepaid items either when

purchased or during the benefiting period. The District has chosen to report the expenditures in the period benefited.

Capital Assets

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over and estimated useful life.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred outflow/inflows of resources, represents an acquisition/disposition of net position that applies to future period(s) and will not be recognized as an outflow/inflow of resources until that time.

Accounts Payable

On an accrual basis, expenditures are recognized in the fiscal year in which the services are received.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position

Property Taxes

Nevada County is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by Nevada County up to 1% of the full cash value of taxable property based on assessed values on March 1 of the preceding year, plus other increases approved by the voters and distributed in accordance with statutory formulas. They become a lien on the first day of the year they are levied. Secured property tax is levied on January 1 and due in two installments, on November 1 and February 1. Unsecured property tax is levied on July 1 and due on July 31.

The County uses the Alternative Method of Property Tax Apportionment. Under this method of property tax apportionment, the County purchases the delinquent secured taxes at June 30 of each fiscal year. These taxes are accrued as intergovernmental revenue only if they are received from the County within 60 days after year end in the governmental fund. They are accrued when earned regardless of the timing of the related cash flows in the government-wide statement.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Note 2 – Cash

Summary of Cash

	June 30, 2023	June 30, 2024
County Cash	$ 1,360,307	$ 1,559,103
Deposits in Financial Institutions	500	500
Total	$ 1,360,807	$ 1,559,603

Investment Policy: California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The District does not have an investment policy that addresses its interest rate risk, credit risk, and concentration of credit risk.

Investment in the County of Nevada's Investment Pool: The District maintains its cash in Nevada County's cash and investment pool which is managed by the Nevada County Treasurer. The District's cash balances invested in the Nevada County Treasurer's cash and investment pool are stated at amortized cost, which approximates fair value. Nevada County does not invest in any derivative financial products. The Nevada County Treasury Investment Oversight Committee (Committee) has oversight responsibility for Nevada County's cash and investment pool. The Committee consists of ten members as designated by State law. The value of pool shares in Nevada County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the District's position in the pool. Investments held in the County's investment pool are available on demand to the District and are stated at cost, which approximates fair value. This investment is not subject to categorization under GASB No. 3.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2017, the weighted average maturity of the investments contained in the County's investment pool was approximately 614 days.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating issued by a nationally recognized statistical rating organization. The County's investment pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Risk: Custodial risk is the risk that the government will not be able to recover its deposits or the value of its investments that are in the possession of an outside party. Custodial credit risk does not apply to a local government's indirect deposits or investment in securities through the use of government investment pools (such as the County's investment pool).

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities

that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The District's deposits were covered by FDIC insurance at June 30, 2024.

Note 3 –Prepaid expenses

On June 30, 2021, the District has $17,303 in prepaid expenses.

Note 4 –Accounts Receivable

On June 30, 2024, the District has $151,360 in Accounts Receivable.

Note 5 – Long-Term Debt

The District entered in capital lease for the purchase of a new Rosenbauer pumper on September 30, 2019. Payment details below:

Loan Date	9/30/2019
Loan Amount	$350,000.00
Payment Amount	$ 56,056.78
Interest	2.94% Annualized

	Date	Amount	Interest	Principal	Balance
1	1/31/2025	$ 56,056.78	$ 4,671.75	$ 51,385.03	$ 107,322.67
2	1/31/2026	$ 56,056.78	$ 3,159.44	$ 52,897.34	$ 54,425.33
3	1/31/2027	$ 56,056.78	$ 1,631.45	$ 54,425.33	$ -
Total		$168,170.34	$ 9,462.64	$158,707.70	

Accrued interest totaled $4,038

Note 6 – Risk Management

The District is a member of the Special District Risk Management Authority (SDRMA). The SDRMA is a risk-pooling self-insurance authority, created under the provisions of the California Government Code Sections 6500 et. seq. The purpose of the SDRMA is to provide a full risk management program for California local governments. The District pays an annual premium to SDRMA for workers compensation insurance, which is covered up to statutory limits.

The District pays an annual premium to an insurance company for general and auto liability, property, management liability, employee dishonesty, and excess liability insurance coverage. There have been no significant reductions in insurance coverage from coverage in the prior fiscal year. Also, there have not been any settlements in excess of the insurance coverage for the past three fiscal years.

Note 7 – Subsequent Events

The District's management has evaluated events and transactions subsequent to June 30, 2024 for potential recognition or disclosure in the financial statements. Subsequent events have been evaluated through **December 19, 2024**, the date the financial statements became+ available to be issued. The entity has not evaluated subsequent events after **December 19, 2024**.