

**PENRYN  
FIRE PROTECTION DISTRICT,  
CALIFORNIA**

**FINANCIAL STATEMENTS  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2024**

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**PENRYN FIRE PROTECTION DISTRICT**  
**Annual Financial Report**  
**For the Year Ended June 30, 2024**

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## **INTRODUCTORY SECTION**

- **List of Officials**

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**PENRYN FIRE PROTECTION DISTRICT**  
**List of Officials**  
**For the Year Ended June 30, 2024**

**Board of Directors**

Cheryl Hotaling	Chair
Danielle Hardesty	Vice Chair
Susan Mahoney	Secretary
Randy Neifer	Director
Larry Shields	Director

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## **FINANCIAL SECTION**

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Penryn Fire Protection District  
Penryn, California

**Report on the Audit of the Financial Statements****Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Penryn Fire Protection District, California (District), as of and for the year ended June 30, 2024, 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 of the District as of June 30, 2024, and the respective changes in financial position, thereof for the year then ended in accordance 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 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 the 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 statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Directors  
Penryn Fire Protection District  
Penryn, California

### **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.

To the Board of Directors  
Penryn Fire Protection District  
Penryn, California

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

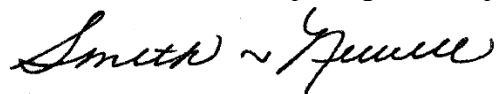
### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated February 18, 2025, 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 solely 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 the effectiveness of the District's 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.



Smith & Newell CPAs  
Yuba City, California  
February 18, 2025

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**Management's Discussion and Analysis  
(Unaudited)**

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**PENRYN FIRE PROTECTION DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024**

The following discussion and analysis of the Penryn Fire Protection District (District) provides readers of the District’s financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the District’s basic financial statements.

**Financial Highlights**

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$2,650,521 (net position).
- As of the close of the current fiscal year, the District’s governmental funds reported ending fund balance of \$2,304,686.
- The District had combined program and general revenues of \$1,506,483 and program expenses of \$1,217,428 for the fiscal year ended June 30, 2024.

**Overview of the Financial Statements**

The discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The *government-wide financial statements* are designed to provide readers with a broad overview of the District’s finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *government-wide financial statements* report on the function of the District that is principally supported by property tax revenues. The District’s objectives are to provide all-risk fire protection and fire prevention with the boundaries of the District.

**FUND FINANCIAL STATEMENTS**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

Governmental funds are used to account for essentially the same function reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

**PENRYN FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024**

The District maintains a major governmental fund for its special revenue fund in the governmental fund balance sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances.

Because the focus of the governmental fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provides a reconciliation to facilitate this comparison between the governmental funds and governmental activities.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$2,650,521 at the close of the most recent fiscal year. The District's net position consists of the following at June 30, 2024 and 2023:

District's Net Position

	2024	2023
Current and other assets	\$ 2,337,754	\$ 2,063,080
Capital assets	664,883	712,891
<b>Total Assets</b>	3,002,637	2,775,971
Deferred pension adjustments	63,308	54,553
<b>Total Deferred Outflows of Resources</b>	63,308	54,553
Current and other liabilities	77,436	84,091
Long term liabilities	337,988	372,814
<b>Total Liabilities</b>	415,424	456,905
Net investment in capital assets	294,246	309,586
Restricted	939,416	793,904
Unrestricted	1,416,859	1,270,129
<b>Total Net Position</b>	\$ 2,650,521	\$ 2,373,619

**PENRYN FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024**

The net position of the District increased by \$288,660 during the fiscal year ended June 30, 2024. For the fiscal years ending June 30, 2024 and 2023, the District's change in net position is as follows:

District's Changes in Net Position

	2024	2023
<b>Program Revenues:</b>		
Charges for service	\$ 798,096	\$ 723,518
Grants and contributions	3,110	89,888
<b>General Revenues:</b>		
Property taxes	610,012	587,633
Interest and investment earnings	67,598	33,299
Miscellaneous revenues	27,667	30,814
Loss on disposal of capital assets	(395)	-
<b>Total Revenues</b>	1,506,088	1,465,152
<b>Program Expenses:</b>		
Public protection	1,217,428	1,165,932
<b>Total Expenses</b>	1,217,428	1,165,932
Change in Net Position	288,660	299,220
Net Position - Beginning	2,373,619	2,074,399
Prior Period Adjustment	(11,758)	-
Net Position - Ending	\$ 2,650,521	\$ 2,373,619

**Fund Financial Analysis**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's governmental funds are discussed below.

**GOVERNMENTAL FUNDS**

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, fund balance may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported an ending fund balance of \$2,304,686 which is a 14.06% increase over the prior year fund balance of \$2,020,646.

**General Fund Budgetary Highlights**

A budget is prepared annually and includes proposed expenditures and the means of financing them for the upcoming year. This includes estimates for the current year and actual data for the preceding year. The budget is reviewed at a properly noticed Board meeting to obtain public comment. The budget is legally enacted through passage of a resolution. The District's Board of Directors reviews reports of operations and examines any variance from the approved budget at least monthly. Appropriations lapse at the end of each fiscal year. The District may authorize supplemental appropriations during the year.

**PENRYN FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**CAPITAL ASSETS**

The District's investment in capital assets net of depreciation and related debt is \$294,246. See Notes 4 and 6 for additional details on capital assets and long-term debt.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Michelle Armstrong, General Manager for the Penryn Fire Protection District, 7206 Church Street, Penryn, CA 95663.

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## **Basic Financial Statements**

- **Government-Wide Financial Statements**

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**PENRYN FIRE PROTECTION DISTRICT**  
**Statement of Net Position**  
**June 30, 2024**

	<u><b>Total Governmental Activities</b></u>
<b>ASSETS</b>	
Cash and investments	\$ 2,311,659
Receivables:	
Interest	6,752
Due from other governments	19,343
Capital assets:	
Non-depreciable	63,000
Depreciable, net	<u>601,883</u>
Total capital assets	<u>664,883</u>
<b>Total Assets</b>	<u>3,002,637</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred pension adjustments	<u>63,308</u>
<b>Total Deferred Outflows of Resources</b>	<u>63,308</u>
<b>LIABILITIES</b>	
Accounts payable	5,572
Accrued salaries and benefits	27,496
Long-term liabilities:	
Due within one year	44,368
Due in more than one year	<u>337,988</u>
<b>Total Liabilities</b>	<u>415,424</u>
<b>NET POSITION</b>	
Net investment in capital assets	294,246
Restricted for:	
Capital improvements	939,416
Unrestricted	<u>1,416,859</u>
<b>Total Net Position</b>	<u><u>\$ 2,650,521</u></u>

The notes to the basic financial statements are an integral part of this statement.

**PENRYN FIRE PROTECTION DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
				<u>Total Governmental Activities</u>
Governmental activities:				
Public protection	\$ 1,198,876	\$ 798,096	\$ 3,110	\$ -
Interest on long-term debt	18,552	-	-	-
<b>Total Governmental Activities</b>	<u>1,217,428</u>	<u>798,096</u>	<u>3,110</u>	<u>-</u>
<b>Total</b>	<u>\$ 1,217,428</u>	<u>\$ 798,096</u>	<u>\$ 3,110</u>	<u>\$ -</u>
<b>General revenues:</b>				
Taxes:				
Property taxes				610,012
Interest and investment earnings				67,598
Miscellaneous				27,667
Loss on disposal of capital assets				(395)
<b>Total General Revenues</b>				<u>704,882</u>
<b>Change in Net Position</b>				<u>288,660</u>
<b>Net Position - Beginning</b>				2,373,619
Prior period adjustment				<u>(11,758)</u>
<b>Net Position - Beginning, Restated</b>				<u>2,361,861</u>
<b>Net Position - Ending</b>				<u>\$ 2,650,521</u>

The notes to the basic financial statements are an integral part of this statement.

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## **Basic Financial Statements**

- **Fund Financial Statements**

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**PENRYN FIRE PROTECTION DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

	<b>General Fund</b>	<b>Mitigation Fees</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and investments	\$ 1,333,912	\$ 977,747	\$ 2,311,659
Receivables:			
Interest	4,161	2,591	6,752
Due from other governments	19,343	-	19,343
	<b>\$ 1,357,416</b>	<b>\$ 980,338</b>	<b>\$ 2,337,754</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 4,527	\$ 1,045	\$ 5,572
Accrued salaries and benefits	27,496	-	27,496
	<b>32,023</b>	<b>1,045</b>	<b>33,068</b>
<b>FUND BALANCES</b>			
Restricted	-	979,293	979,293
Unassigned	1,325,393	-	1,325,393
	<b>1,325,393</b>	<b>979,293</b>	<b>2,304,686</b>
	<b>\$ 1,357,416</b>	<b>\$ 980,338</b>	<b>\$ 2,337,754</b>

The notes to the basic financial statements are an integral part of this statement.

**PENRYN FIRE PROTECTION DISTRICT**  
**Reconciliation of the Governmental Funds Balance**  
**Sheet to the Government-Wide Statement of**  
**Net Position - Governmental Activities**  
**June 30, 2024**

<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 2,304,686</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	664,883
Deferred outflows of resources related to pension are not reported in the governmental fund.	63,308
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Financed purchases	(370,637)
Compensated absences	(11,719)
<b>Net Position of Governmental Activities</b>	<u><u>\$ 2,650,521</u></u>

The notes to the basic financial statements are an integral part of this statement.

**PENRYN FIRE PROTECTION DISTRICT**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

	<b>General Fund</b>	<b>Mitigation Fees</b>	<b>Totals</b>
<b>REVENUES</b>			
Taxes and assessments	\$ 1,196,321	\$ -	\$ 1,196,321
Use of money and property	40,660	26,938	67,598
Intergovernmental	3,110	-	3,110
Charges for services	157,717	54,070	211,787
Other revenues	1,367	26,300	27,667
<b>Total Revenues</b>	<b>1,399,175</b>	<b>107,308</b>	<b>1,506,483</b>
<b>EXPENDITURES</b>			
Current:			
Public protection	1,152,112	7,353	1,159,465
Debt service:			
Principal	-	32,668	32,668
Interest	-	18,552	18,552
<b>Total Expenditures</b>	<b>1,152,112</b>	<b>58,573</b>	<b>1,210,685</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>247,063</b>	<b>48,735</b>	<b>295,798</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	148,412	148,412
Transfers out	(148,412)	-	(148,412)
<b>Total Other Financing Sources (Uses)</b>	<b>(148,412)</b>	<b>148,412</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>98,651</b>	<b>197,147</b>	<b>295,798</b>
<b>Fund Balances - Beginning</b>	<b>1,226,742</b>	<b>793,904</b>	<b>2,020,646</b>
Prior period adjustment	-	(11,758)	(11,758)
<b>Fund Balances - Beginning, Restated</b>	<b>1,226,742</b>	<b>782,146</b>	<b>2,008,888</b>
<b>Fund Balances - Ending</b>	<b>\$ 1,325,393</b>	<b>\$ 979,293</b>	<b>\$ 2,304,686</b>

The notes to the basic financial statements are an integral part of this statement.

**PENRYN FIRE PROTECTION DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of the Governmental Funds to the**  
**Government-Wide Statement of Activities - Governmental Activities**  
**For the Year Ended June 30, 2024**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 295,798</b>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Less current year depreciation	(47,613)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the net cost of the capital assets disposed. Proceeds from the sale of capital assets was \$18,300.	
	(395)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
Principal retirements	32,668
Certain changes in deferred outflows and deferred inflows of resources reported in the Statement of Activities are related to long-term liabilities and are not reported in the governmental funds.	
Change in deferred outflows of resources	8,755
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Change in compensated absences	(553)
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 288,660</u></b>

The notes to the basic financial statements are an integral part of this statement.

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## **Basic Financial Statements**

- **Notes to Basic Financial Statements**

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**PENRYN FIRE PROTECTION DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Penryn Fire Protection District was formed September 1, 1924 under the statutes of 1881. It received a certificate of existence pursuant to the provisions of the Local Fire District Law, Section 14017 of the California Health and Safety Code on February 6, 1958. An independent five-member Board of Directors elected by the voters govern the District.

The District provides fire protection, emergency medical and code enforcement services to residents and businesses located in Penryn and surrounding areas encompassing 10.5 square miles within Placer County. As a California Special District, the District is not subject to income taxes but must file an annual report with the California State Controller.

The Board of Directors has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters.

**Component Units**

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the District is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no component units of the District.

**Joint Agencies**

The District is a participant in the Fire District's Association of California - Fire Agencies Self Insurance System (FDAC-FASIS), the purpose of which is to provide workers' compensation benefits to each member agency including claims administration and program administration. FDAC-FASIS is composed of approximately 200 members and is governed by a board of directors appointed by the members. Complete financial information can be obtained from the Association office at 700 R Street, Sacramento, CA 95811. The District is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

**B. Basis of Presentation**

**Government-Wide Financial Statements**

The Statement of Net Position and Statement of Activities display information on all of the activities of the District. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. These statements report the intergovernmental activities of the District, which are normally supported by property taxes, special assessments, and intergovernmental revenues. The District had no business-type activities at June 30, 2024.

**PENRYN FIRE PROTECTION DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

**Government-Wide Financial Statements (Continued)**

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements**

Fund financial statements of the District are organized into two funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. The funds of the District are organized into the governmental category. The emphasis is placed on major funds within the governmental category.

The District reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds. For the District, the General fund includes such activities as fire safety and protection.
- The Mitigation Fees fund is a special revenue fund used to account for all revenues and expenditures related to mitigation fees. Funding comes primarily from mitigation fees collected and interest earnings.

**C. Basis of Accounting and Measurement Focus**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes and assessments, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes and assessments are recognized in the fiscal year for which they are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property taxes and assessments, interest, certain state and federal grants, and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within thirty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

**PENRYN FIRE PROTECTION DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Non-Current Governmental Assets/Liabilities**

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide Statement of Net Position.

**E. Cash and Investments**

The District pools all cash and investments with the County of Placer. The Placer County Treasury is an external investment pool for the District and the District is considered an involuntary participant. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments.

Participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Interest payments, accrued interest, accreted discounts, amortized premiums, and realized capital gains and losses, net of administrative fees, are apportioned to pool participants every month. This method differs from the fair value method used to value investments in these financial statements as unrealized gains or losses are not apportioned to pool participants.

**F. Receivables**

Receivables for governmental activities consist mainly of interest and intergovernmental revenues. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

**G. Other Assets**

**Inventory**

Inventories are recorded as expenditures at the time the inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

**H. Capital Assets**

Capital assets are defined by the District as assets with a cost of \$10,000 or more. Capital assets, including public domain infrastructure, are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets' estimated useful lives in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Structures and Improvements	20 to 30 years
Equipment	5 to 25 years
Vehicles	5 to 20 years

**PENRYN FIRE PROTECTION DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Capital Assets (Continued)**

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

**I. Compensated Absences and Other Postemployment Benefits**

The District’s policy regarding accrued vacation is to permit employees to accumulate earned but unused vacation leave up to 48 hours unless specifically approved by the Chief. In the government-wide financial statements the accrued compensated absences are recorded as an expense and related liability, with the current portion estimated based on historical trends. In the governmental fund financial statements, the expenditures related to those obligations are recognized only when they mature.

The District does not currently provide other postemployment benefits.

**J. Property Tax**

Placer County is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County of Placer up to 1 percent of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas.

The valuation/lien date for all taxes is January 1. Secured property tax is due in two installments, the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Unsecured property tax is due on March 1, and becomes delinquent if unpaid on August 31.

The County uses the alternative method of property tax apportionment known as the “Teeter Plan”. Under this method of property tax apportionment, the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

**K. Special Taxes**

**Measure A**

On March 20, 2017, the District Board of Directors passed Resolution #2017\_2 calling for an election to be held for a special fire tax for emergency medical response and fire protection services. This resolution was submitted to the Placer County Registrar of Voters and was assigned the name of “Measure A.” Measure A was placed on the ballot of the election held on July 11, 2017 and passed by a vote of 78.25% in support.

<u>Parcel Land Use</u>	<u>Tax Rate</u>	
Single Family	\$ 303.67	per residential unit
Commercial	\$ 0.126	per building square foot
Vacant	\$ 94.89	per parcel

**PENRYN FIRE PROTECTION DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Special Taxes (Continued)**

**Measure C**

On December 17, 1996, the District Board of Directors passed Resolution No. 96-05, calling for an election to be held on April 8, 1997. This special tax measure was assigned the name “Measure C,” and it was for fire protection and prevention. Measure C was approved by the registered voters in the District.

<u>Parcel Land Use</u>	<u>Tax Rate</u>	
Single Family	\$ 75.00	per residential unit
Mobile Home Park	\$ 20.00	per mobile home
Irrigated Farm	\$ 75.00	per parcel
Commercial	\$ 0.05	per building square foot
Vacant	\$ 0.00	per parcel

Placer County assesses properties, bills and collects and distributes assessments to the District.

Assessments are due in two installments (secured roll), on November 1 and March 1 and become delinquent after December 10 and April 10, respectively.

**L. Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**M. Implementation of Governmental Accounting Standards Board (GASB) Statements**

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

**Statement No. 99**, Omnibus 2022. This statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

**Statement No. 100**, Accounting Changes and Error Corrections. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

**PENRYN FIRE PROTECTION DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. Future Accounting Pronouncements**

The following GASB Statements will be implemented, if applicable, in future financial statements:

Statement No. 101 “Compensated Absences” The requirements of this statement are effective for fiscal years beginning after December 15, 2023. (FY 24/25)

Statement No. 102 “Certain Risk Disclosures” The requirements of this statement are effective for fiscal years beginning after June 15, 2024. (FY 24/25)

Statement No. 103 “Financial Reporting Model Improvements” The requirements of this statement are effective for fiscal years beginning after June 15, 2025. (FY 25/26)

Statement No. 104 “Disclosure of Certain Capital Assets” The requirements of this statement are effective for fiscal years beginning after June 15, 2025. (FY 25/26)

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Restatement of Net Position**

During fiscal year ended June 30, 2024, the District corrected cash and investments for a closed bank account from previous periods. The effects of correcting this error is shown in the table below.

During fiscal year 2024, changes to or within the financial reporting entity and an error correction in adjustments to and restatements of beginning net position and fund net position, as follows:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Mitigation Fees	Governmental Activities
June 30, 2023, as previously reported	\$ 793,904	\$ 2,373,619
Error correction of cash and investments	( 11,758)	( 11,758)
June 30, 2023, as restated	\$ 782,146	\$ 2,361,861

**NOTE 3: CASH AND INVESTMENTS**

**A. Financial Statement Presentation**

As of June 30, 2024, the District’s cash and investments consisted of the following:

Cash and Investments:	
Placer County Treasurer’s Pool	\$ <u>2,311,659</u>
Total Cash and Investments	\$ <u>2,311,659</u>

**PENRYN FIRE PROTECTION DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**B. Investments**

The District does not have a formal investment policy. At June 30, 2024, all investments of the District were in the Placer County investment pool. Under the provisions of the County's investment policy and the California Government Code, the County may invest or deposit in the following:

- Local Agency Obligations
- US Treasury Securities
- US Agency Securities
- Bankers' Acceptances
- Commercial Paper
- Negotiable Certificates of Deposit
- Collateralized Certificates of Deposit
- Repurchase Agreements
- Corporate Notes
- Local Agency Investment Fund (LAIF)
- CDARS Certificates of Deposit
- Supranationals - Washington Dollar - Denominated IBRD, IFC or IAD
- Local Government Investment Pools (LGIP)

Fair Value of Investments - The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

The District's position in external investment pools is in itself regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the District's investments in external investment pools are not recognized in the three-tiered fair value hierarchy described above.

At June 30, 2024, the District had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
None	\$ -	\$ -	\$ -	\$ -
Total Investments Measured at Fair Value	-	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Investments in External Investment Pool				
Placer County Treasurer's Pool	<u>2,311,659</u>			
Total Investments	<u>\$ 2,311,659</u>			

**PENRYN FIRE PROTECTION DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the County's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the County to meet all projected obligations.

Credit Risk - 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 by a nationally recognized statistical rating organization. The County's investment policy sets specific parameters by type of investment to be met at the time of purchase. As of June 30, 2024, the District's investments were all held with the County of Placer investment pool, which is not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of mutual funds or government investment pools.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The County's investment policy contains limitations on the amount that can be invested in any one issuer. As of June 30, 2024, all investments of the District were in the Placer County investment pool, which contains a diversification of investments.

**C. Investments in External Pool**

The Placer County Pooled Investment Fund is a pooled investment fund program governed by the County which monitors and reviews the management of public funds maintained in the investment pool in accordance with the County investment policy and the California Government Code. The Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the Board of Supervisors every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost and fair value. Investments in the Placer County Pooled Investment Fund are highly liquid as deposits and withdrawals can be made at any time without penalty. The Pool does not impose a maximum investment limit. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County of Placer's financial statements may be obtained by contacting the County of Placer Auditor-Controller's office at 2970 Richardson Drive, Auburn, CA 95603.

**PENRYN FIRE PROTECTION DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2024, was as follows:

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2024</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 63,000	\$ -	\$ -	\$ 63,000
Total Capital Assets, Not Being Depreciated	<u>63,000</u>	<u>-</u>	<u>-</u>	<u>63,000</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	274,747	-	-	274,747
Equipment	175,359	-	-	175,359
Vehicles	1,096,459	-	( 118,950)	977,509
Total Capital Assets, Being Depreciated	<u>1,546,565</u>	<u>-</u>	<u>( 118,950)</u>	<u>1,427,615</u>
Less Accumulated Depreciation For:				
Buildings and improvements	( 219,571)	( 2,680)	-	( 222,251)
Equipment	( 90,014)	( 12,617)	-	( 102,631)
Vehicles	( 587,089)	( 32,316)	118,555	( 500,850)
Total Accumulated Depreciation	<u>( 896,674)</u>	<u>( 47,613)</u>	<u>118,555</u>	<u>( 825,732)</u>
Total Capital Assets, Being Depreciated, Net	<u>649,891</u>	<u>( 47,613)</u>	<u>( 395)</u>	<u>601,883</u>
Total Capital Assets, Net	<u>\$ 712,891</u>	<u>(\$ 47,613)</u>	<u>(\$ 395)</u>	<u>\$ 664,883</u>

**Depreciation**

Depreciation expense was charged to governmental activities as follows:

Public Protection	<u>\$ 47,613</u>
Total Depreciation Expense	<u>\$ 47,613</u>

**NOTE 5: INTERFUND TRANSACTIONS**

**Transfers**

Transfers are indicative of funding for capital projects, lease payments or debt service, and re-allocations of special revenues. The following are the interfund transfer balances as of June 30, 2024:

	<u>Transfers</u> <u>In</u>	<u>Transfers</u> <u>Out</u>
General Fund	\$ -	\$ 148,412
Mitigation Fees	<u>148,412</u>	<u>-</u>
Total	<u>\$ 148,412</u>	<u>\$ 148,412</u>

**PENRYN FIRE PROTECTION DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 6: LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2023</u>	<u>Adjustments/ Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2024</u>	<u>Amounts Due Within One Year</u>
Financed purchases	\$ 403,305	\$ -	(\$ 32,668)	\$ 370,637	\$ 34,171
Compensated absences	11,166	21,938	( 21,385)	11,719	10,197
Total	<u>\$ 414,471</u>	<u>\$ 21,938</u>	<u>(\$ 54,053)</u>	<u>\$ 382,356</u>	<u>\$ 44,368</u>

**NOTE 7: LEASES**

**Financed Purchases**

The District has entered into certain agreements under which the related equipment will become the property of the District when all terms of the agreements are met.

	<u>Stated Interest Rate</u>	<u>Present Value of Remaining Payments at June 30, 2024</u>
Governmental activities	4.6%	\$ 370,637
Total		<u>\$ 370,637</u>

Equipment and related accumulated depreciation under financed purchases are as follows:

	<u>Governmental Activities</u>
Equipment	\$ 646,318
Less: accumulated depreciation	( 169,659)
Net Value	<u>\$ 476,659</u>

As of June 30, 2024, annual amortization is as follows:

<u>Year Ended June 30</u>	<u>Governmental Activities</u>
2025	\$ 51,220
2026	51,220
2027	51,220
2028	51,220
2029	51,220
2030-2033	<u>204,880</u>
Total Requirements	460,980
Less Interest	( 90,343)
Present Value of Remaining Payments	<u>\$ 370,637</u>

**PENRYN FIRE PROTECTION DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 8: NET POSITION**

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects and other special revenue fund purposes.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

**Net Position Flow Assumption**

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

**NOTE 9: FUND BALANCES**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds can be made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the District’s highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the District that can, by Board action, commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the District’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose.

**PENRYN FIRE PROTECTION DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 9: FUND BALANCES (CONTINUED)**

- **Unassigned fund balance** - the residual classification for the District’s General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The fund balances for all governmental funds as of June 30, 2024, were distributed as follows:

	General Fund	Mitigation Fees	Totals
<b>Restricted for:</b>			
Capital improvement	\$ -	\$ 979,293	\$ 979,293
<b>Unassigned</b>	<u>1,325,393</u>	<u>-</u>	<u>1,325,393</u>
Total	<u>\$ 1,325,393</u>	<u>\$ 979,293</u>	<u>\$ 2,304,686</u>

**Fund Balance Flow Assumption**

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Fund Balance Policy**

The Board of Directors has not established a fund balance policy which would establish procedures for reporting fund balance classifications and establish a hierarchy for fund balance expenditures.

**NOTE 10: PENSION PLAN**

**A. General Information about the Pension Plan**

**Plan Description**

Effective July 16, 2022, the District elected to participate in the California Public Employees’ Retirement System (CalPERS) and adopted the Safety Fire Plan. All qualified permanent and probationary employees are eligible to participate in the District’s Safety Employee Pension Plan, a cost-sharing multiple employer-defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Since the District elected to participate in CalPERS after January 1, 2013, all employees of the District are subject to the provisions of the Public Employee Pension Reform Act (PEPRA). Applicable new hires to the District defined as classic employees as determined by PERS will be subject to the non-PEPRA provisions. Classic employees are generally defined as employees who have been a member of any public retirement system who have had less than a six-month break in service.

**PENRYN FIRE PROTECTION DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 10: PENSION PLAN (CONTINUED)**

**A. General Information about the Pension Plan (Continued)**

**Summary of Plan and Eligible Participants**

Open for New Enrollment

Safety PEPRA

Safety members hired on or after August 1, 2016

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Retirement benefits are paid monthly for life. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

The Plan's specific provisions and benefits in effect at June 30, 2024, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Safety PEPRA	2.7% @ 57	50-57	2.00% to 2.70%

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effectively on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Safety PEPRA	12.78%	13.00%	0.000%

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension**

The District began a cost-sharing multiple-employer defined benefit pension plan for its Safety employees on July 16, 2022.

Since the District has not been included in the allocation of NPL on the CalPERS allocation schedule, no pension liability has been calculated.

**PENRYN FIRE PROTECTION DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 10: PENSION PLAN (CONTINUED)**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)**

At June 30, 2024, the District reported pension contributions of \$63,308 as deferred outflow of resources. This amount will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**NOTE 11: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined together with other fire districts in the State to participate in the Fire Agencies Self Insurance System. This joint venture is a public entity risk pool which serves as a common risk management and insurance program for workers compensation coverage for member fire districts. The District has also joined together with other fire districts in the State to participate in the Northern California Fire District Association. This joint venture is a public entity risk pool which serves as a common risk management and insurance program for liability and automobile coverage for its member districts.

The District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 12: OTHER INFORMATION**

Management has evaluated events subsequent to June 30, 2024 through February 18, 2025, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information  
(Unaudited)**

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**PENRYN FIRE PROTECTION DISTRICT**  
**Required Supplementary Information**  
**District Pension Plan**  
**Schedule of Contributions**  
**For the Year Ended June 30, 2024**  
**Last 10 Years\***

	<u>2022/2023</u>	<u>2023/2024</u>
<b>Safety Plan</b>		
Contractually required contribution (actuarially determined)	\$ 54,553	\$ 63,308
Contributions in relation to the actuarially determined contributions	<u>(54,553)</u>	<u>(63,308)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 426,858	\$ 413,830
Contributions as a percentage of covered payroll	12.78%	15.30%

\* The District's contract with CalPERS was effective July 16, 2022, therefore only two years are shown.

**PENRYN FIRE PROTECTION DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2024**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes and assessments	\$ 1,201,745	\$ 1,236,620	\$ 1,196,321	\$ (40,299)
Use of money and property			40,660	40,660
Intergovernmental	-	88,000	3,110	(84,890)
Charges for services	12,500	46,500	157,717	111,217
Other revenues	2,000	2,000	1,367	(633)
<b>Total Revenues</b>	<u>1,216,245</u>	<u>1,373,120</u>	<u>1,399,175</u>	<u>26,055</u>
<b>EXPENDITURES</b>				
Current:				
Public protection	1,108,776	1,268,849	1,152,112	116,737
<b>Total Expenditures</b>	<u>1,108,776</u>	<u>1,268,849</u>	<u>1,152,112</u>	<u>116,737</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>107,469</u>	<u>104,271</u>	<u>247,063</u>	<u>142,792</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(148,412)	(148,412)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(148,412)</u>	<u>(148,412)</u>
<b>Net Change in Fund Balances</b>	107,469	104,271	98,651	(5,620)
<b>Fund Balances - Beginning</b>	<u>1,226,742</u>	<u>1,226,742</u>	<u>1,226,742</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 1,334,211</u>	<u>\$ 1,331,013</u>	<u>\$ 1,325,393</u>	<u>\$ (5,620)</u>

**PENRYN FIRE PROTECTION DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Mitigation Fees**  
**For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Use of money and property	\$ 8,000	\$ 28,000	\$ 26,938	\$ (1,062)
Charges for services	43,220	48,000	54,070	6,070
Other revenues	-	26,300	26,300	-
<b>Total Revenues</b>	<u>51,220</u>	<u>102,300</u>	<u>107,308</u>	<u>5,008</u>
<b>EXPENDITURES</b>				
Current:				
Public protection	-	10,000	7,353	2,647
Debt service:				
Principal	32,668	32,668	32,668	-
Interest	18,552	18,552	18,552	-
<b>Total Expenditures</b>	<u>51,220</u>	<u>61,220</u>	<u>58,573</u>	<u>2,647</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>41,080</u>	<u>48,735</u>	<u>7,655</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	148,412	(148,412)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>148,412</u>	<u>(148,412)</u>
<b>Net Change in Fund Balances</b>	<u>-</u>	<u>41,080</u>	<u>197,147</u>	<u>(156,067)</u>
<b>Fund Balances - Beginning</b>	793,904	793,904	793,904	-
Prior period adjustment	-	-	(11,758)	11,758
<b>Fund Balances - Beginning, Restated</b>	<u>793,904</u>	<u>793,904</u>	<u>782,146</u>	<u>11,758</u>
<b>Fund Balances - Ending</b>	<u>\$ 793,904</u>	<u>\$ 834,984</u>	<u>\$ 979,293</u>	<u>\$ (144,309)</u>

**PENRYN FIRE PROTECTION DISTRICT**  
**Required Supplementary Information**  
**Note to Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2024**

**NOTE 1: BUDGETARY BASIS OF ACCOUNTING**

Formal budgetary integration is employed as a management control device during the year. The District presents a comparison of annual budget to actual results for the General fund and the major special revenue fund. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

The following procedures are performed by the District in establishing the budgetary data reflected in the financial statements:

- (1) The fiscal officer submits to the Board of Directors a recommended budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.
- (2) The Board of Directors reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the recommended budget to obtain comments from interested persons.
- (3) Prior to July 1, the budget is adopted through the passage of a resolution.
- (4) A revised adopted budget is usually drafted in April and approved by the Board in May.

The District does not use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

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## **OTHER REPORT AND SCHEDULE**

- **Other Report**
- **Schedule of Prior Year Findings and Recommendations**

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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**

To the Board of Directors  
Penryn Fire Protection District  
Penryn, 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 Penryn Fire Protection District, California (District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 18, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

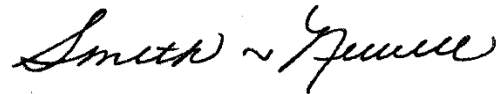
To the Board of Directors  
Penryn Fire Protection District  
Penryn, California

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Smith & Newell CPAs  
Yuba City, California  
February 18, 2025

**PENRYN FIRE PROTECTION DISTRICT**  
**Schedule of Prior Year Findings and Recommendations**  
**For the Year Ended June 30, 2024**

<u>Audit Reference</u>	<u>Status of Prior Year Audit Recommendation</u>
<b>2023-001</b>	<p><b>Credit Card Documentation</b></p> <p><b>Recommendation</b></p> <p>We recommend that the District follow their credit card policy and obtain all receipts for charges on the District credit card prior to paying the outstanding credit card balance.</p> <p><b>Status</b></p> <p>Implemented</p>

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