



ANNUAL FINANCIAL REPORT

JUNE 30, 2023

IDYLLWILD FIRE PROTECTION DISTRICT

IDYLLWILD, CALIFORNIA

JUNE 30, 2023

COMMISSIONER	OFFICE	TERM EXPIRES
Dan Messina	President	December 2026
Dennis Fogle	Vice President	December 2024
Rhonda Andrewson	Secretary	December 2026
Stephanie Yost	Commissioner	December 2026
Henry Sawicki	Commissioner	December 2024

ADMINISTRATION

Chief Mark LaMont

<PAGE INTENTIONALLY LEFT BLANK>

TABLE OF CONTENTS

JUNE 30, 2023

FINANCIAL SECTION

Independent Auditor's Report..... - 1 -
Management's Discussion and Analysis..... - 3 -
Basic Financial Statements
 Governmental Funds Balance Sheet/Statement of Net Position..... - 10 -
 Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities..... - 11 -
Notes to the Financial Statements - 12 -

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – Budgetary Comparison Schedule..... - 33 -
Schedule of Proportionate Share of the Net Pension Liability - 34 -
Schedule of Contributions..... - 35 -
Schedule of Changes in the Total OPEB Liability and Related Ratios..... - 36 -

SUPPLEMENTARY INFORMATION

Schedule of Activity by Department..... - 39 -

OTHER AUDITOR'S REPORT

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*..... - 43 -

<PAGE INTENTIONALLY LEFT BLANK>



C.J. Brown & Company CPAs

An Accountancy Corporation

Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Jeffrey Palmer

Cypress Office:
10805 Holder Street, Suite 150
Cypress, California 90630
(657) 214-2307

Riverside Office:
5051 Canyon Crest Drive, Suite 203
Riverside, California 92507
(657) 214-2307

Independent Auditor's Report

Board of Directors
Idyllwild Fire Protection District
Idyllwild, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major funds of the Idyllwild Fire Protection District (District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major funds of the Idyllwild Fire Protection District as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

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 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.

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audit of the Financial Statements, continued

In performing an audit in accordance with generally accepted auditing standards, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9, and the required supplementary information on pages 33 through 36 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Activity by Department on pages 39 and 40 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Activity by Department are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated March 28, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

C.J. Brown & Company, CPAs

C.J. Brown & Company, CPAs
Cypress, California
May 28, 2024



C.J. Brown & Company CPAs

An Accountancy Corporation

Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Jeffrey Palmer

Cypress Office:
10805 Holder Street, Suite 150
Cypress, California 90630
(657) 214-2307

Riverside Office:
5051 Canyon Crest Drive, Suite 203
Riverside, California 92507
(657) 214-2307

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

Board of Directors
Idyllwild Fire Protection District
Idyllwild, California

We have audited, 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, the financial statements of the Idyllwild Fire Protection District (District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated May 28, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

**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***

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.

C.J. Brown & Company, CPAs

C.J. Brown & Company, CPAs
Cypress, California
May 28, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

Our discussion and analysis of Idyllwild Fire Protection District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- ▶ The District's net position increased over the course of this year's operations. This is attributed to several factors better operating performance and a reduction in the pension liability.
- ▶ During the year, the District's expenses of \$3.0 million was less than the almost \$3.9 million generated in taxes and other revenues for governmental programs (mutual aid and ambulance).
- ▶ The general fund reported an increase in fund balance this year of over \$0.4 million.
- ▶ The resources available for appropriation were almost \$0.7 million more than budgeted. Expenditures were also over appropriations by over \$0.5 million.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financials Section

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

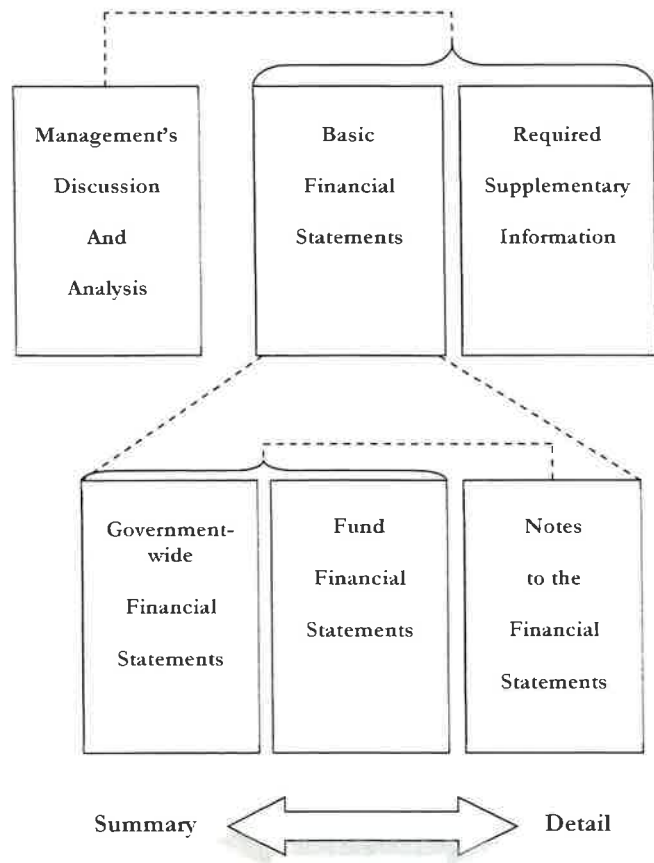
**Figure A-1
Required Components of Idyllwild Fire Protection District's Annual Financial Report**

Special-purpose governments engaged in a single governmental program, such as fire protection, cemetery, airport, and other special districts. For such governments, it is still valuable to have both the comprehensive financial information of the governmental activities in the government-wide statements and the predominantly short-term data in the governmental funds statements. However, because there is only a single program, the format of some of the financial statements may seem awkward.

With this in mind, the accounting standards allow these kinds of governments to employ alternative forms of presentation that involve combining the government-wide and fund financial statements using a columnar format that reconciles the two kinds of financial data in a separate column on each statement.

The District has prepared a balance sheet/ statement of net position and a combined statement of revenues, expenditures, and changes in fund balances/ statement of activities like a fund statement format.

– The *governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.





The basic financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The basic financial statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. The figure above shows how the required parts of this annual report are arranged and relate to one another.

This annual report consists of three parts – Management’s Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

Major Features of Idyllwild Fire Protection District’s Government-wide and Fund Financial Statements

Figure A-2
Major Features of Idyllwild Fire Protection District’s Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements Governmental Funds
Scope	Entire District government	The activities of the District
Required financial statements	❖ Statement of net position ❖ Statement of activities	❖ Balance sheet ❖ Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District’s *net position* and how it has changed. Net position—the difference between the District’s assets and deferred outflows of resources and liabilities and deferred inflows of resources—is one way to measure the District’s financial health, or *position*.



Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has one kind of fund – *Governmental funds*—The District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

Financial Analysis of the District As a Whole

Net position. The District's net deficit decreased into a positive net position between fiscal years 2022 and 2023—to a \$0.4 million net position. (See Table 1.) The increase in assets this year is a result of better operating performance (again mostly attributed to mutual aid activity). However, while the liabilities increased (mostly related to the pension liability), the accounting quirks for the pension calculation had the deferred inflows of resources greatly reduced this year as well (and to a degree the increase in deferred outflows of resources), which all had a positive impact on net position.

Table 1 - Net Position

<i>(\$ Amounts in thousands)</i>	Restated 2023	2022	\$ Change	% Change
Current and other assets	\$ 2,791	\$ 2,483	\$ 308	12%
Capital assets	1,041	848	193	23%
Total Assets	3,832	3,331	501	15%
Deferred outflows of resources	1,697	804	893	111%
Current liabilities	316	333	(17)	-5%
Non-current liabilities	+680	2,906	1,774	61%
Total Liabilities	4,996	3,239	1,757	54%
Deferred inflows of resources	224	1,387	(1,163)	-84%
Net position				
Net investment in capital assets	275	275	-	0%
Unrestricted - (Deficit)	34	(766)	800	104%
Total Net Position - (Deficit)	\$ 309	\$ (491)	\$ 800	163%



Changes in net position. The District's activity can be seen in Table 2. Just about thirty percent of the District's revenue comes from property taxes, the rest is mostly a combination of mutual aid and ambulance fees. More specifically:

- ❖ Revenue changes:
 - Net ambulance revenue went from \$764k in 2021-22 to \$528k in 2022-23
 - Mutual aid went from \$2.0 million in 2021-22 to \$1.3 million in 2022-23.
 - Property taxes were up 15%.
- ❖ Expense change:
 - Salaries went down from \$2.1 million 2021-22 to almost \$1.9 million in 2022-23, a result of MOU staffing of open positions and mutual aid decreases.
 - Benefits also went from \$840k in 2021-22 to \$337k in 2022-23. This is largely a result of pension liability changes.
 - All other expense categories went up.

Table 2 - Changes in Net Position

<i>(\$ Amounts in thousands)</i>	2023	2022	\$ Change	% Change
Program revenue	\$ 1,889	\$ 2,618	\$ (729)	-28%
General revenue	1,978	1,740	238	14%
Total Revenue	3,867	4,358	(491)	-11%
Salaries and benefits	2,242	2,867	(625)	-22%
Supplies and services	598	686	(88)	-13%
Other charges	110	86	24	28%
Total Expenses	2,950	3,639	(689)	-19%
Increase in net position	\$ 913	\$ 724	\$ 198	27%

Financial Analysis of the District's Funds

As the District completed the year, its governmental funds reported a fund balance of over \$2.6 million. Included in this year's total change in fund balance is basically the same as the entity-wide, the difference being the pension calculations, which, as previously stated, went down.

General Fund Budgetary Highlights

Revenue was more than expected as a result of

- ❖ Property taxes

In total, expenditures were more than expected due almost entirely to payroll related and capital outlay expenditures.



Capital Asset and Debt Administration

Capital Assets

At the end of fiscal 2023, the District added a new Type III Brush Engine.

Table 3 - Capital Assets, Net of Depreciation

<i>(\$ Amounts in thousands)</i>	2023	2022	\$ Change	% Change
Land	\$ 101	\$ 101	-	0%
Buildings and improvements	55	57	(2)	-4%
Equipment	885	690	195	28%
Total	\$ 1,041	\$ 848	\$ 193	23%

According to the District's Capital Improvement Plan, ("CIP"), fiscal years 2021 through 2025 capital budget projects an estimated outlay of approximately \$1.3 million (the specific timing of these purchases will remain a function of financial capacity and funding availability), for the following replacements and improvements:

- ❖ 1 Type 3 Engine (Brush Rig)
- ❖ 1 Water tender
- ❖ 2 Additional Ambulances (Medic Units)
- ❖ 1 Utility Vehicle
- ❖ 1 Additional Battalion Vehicle
- ❖ Various tools and equipment

Long-Term Liabilities

At year-end the District had over \$4.3 million in combined pension liabilities (NPL and OPEB), a total of \$357,000 notes payable to Kansas State Bank, copier lease of \$1,000, and \$139,000 in long-term compensated absence balances as shown in Table 4. More detailed information about the District's long-term liabilities is presented in Notes 7 through 9 of the financial statements.

Table 4 - Long-Term Liabilities

<i>(\$ Amounts in thousands)</i>	2023	2022	\$ Change	% Change
Note payable	\$ 326	\$ 148	\$ 178	120%
Lease payable	1	4	(3)	-75%
Vacation accrual	139	154	(15)	-10%
OPEB	543	543	-	0%
NPL	3,731	2,092	1,639	78%
Less current portion	(60)	(35)	(25)	71%
Total	\$ 4,680	\$ 2,906	\$ 1,774	61%



Economic Factors and Next Year's Budgets and Rates

Overall we assumed a three percent increase in both revenue and expenditures. However, more specifically we assumed the following:

- ❖ Property taxes were estimated by the County of Riverside to increase between 3.0% and 3.3 %, but we used a conservative 2.8% increase in property taxes for budgeting purposes.
- ❖ For Ambulance Services the District averages (for the last three years) about a 3.0% increase per year, with an average collection rate of about 30%. Therefore, we used a conservative 2 % projected increase with the same collection rate.
- ❖ An increase in Revenue and Expenditure was projected for Mutual Aid contributions.
- ❖ For salaries we budgeted for 10 (Suppression) career (MOU) positions, and 1 Full time Executive Assistant position. We also budgeted for 5 Suppression Support positions and an average of 24 Intern reserve positions.
- ❖ Cal PERS was projected based on their actuary report, which comes out in October, with the following risk pool rates:
 - Safety PEPRA – 13.044%
 - Safety Classic – 20.585%
 - Unfunded liability of \$260,631
- ❖ Additional benefits are related to the IFPD – ICFA MOU.
- ❖ Supplies and Services were projected with an average of 3% increase.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Idyllwild Fire Protection District's Chief at 54160 Maranatha Dr., Idyllwild, CA 92549-065.



GOVERNMENTAL FUNDS BALANCE SHEET
AND
STATEMENT OF NET POSITION

JUNE 30, 2023

	<u>General Fund</u>	<u>Adjustments (Note 2-A.)</u>	<u>Statement of Net Position</u>
ASSETS			
Cash and cash equivalents	\$ 1,419,278	\$ -	\$ 1,419,278
Accrued receivables	1,344,364	27,744	1,372,108
Nondepreciable capital assets	-	101,336	101,336
Depreciable capital assets, net	-	939,245	939,245
Total Assets	2,763,642	1,068,325	3,831,967
DEFERRED OUTFLOWS OF RESOURCES	-	1,697,000	1,697,000
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 2,763,642	\$ 2,765,325	\$ 5,528,967
LIABILITIES			
Accrued payables	\$ 255,563	\$ 1,000	\$ 256,563
Long-term liabilities, current	-	59,586	59,586
Long-term liabilities, non-current	-	4,679,506	4,679,506
Total Liabilities	255,563	4,740,092	4,995,655
DEFERRED INFLOWS OF RESOURCES	-	224,000	224,000
FUND BALANCE / NET POSITION			
Fund Balance			
Non-spendable	200	(200)	-
Unassigned	2,507,879	(2,507,879)	-
Net Position			
Net investment in capital assets	-	275,389	275,389
Unrestricted	-	33,923	33,923
Total Fund Balance / Net Position	2,508,079	(2,198,767)	309,312
TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCE / NET POSITION	\$ 2,763,642	\$ 2,765,325	\$ 5,528,967

The accompanying notes are an integral part of these financial statements



IDYLLWILD FIRE

GOVERNMENTAL FUNDS STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES

JUNE 30, 2023

	General Fund	Adjustments (Note 2-B.)	Statement of Activities
REVENUE			
Program Revenue:			
Charges for services	\$ 1,841,666	\$ -	\$ 1,841,666
Operating grants and contributions	47,619	-	47,619
Property taxes, general purpose	1,825,083	7,686	1,832,769
Licenses, permits, and franchises	16,039	-	16,039
Fines, forfeits, and penalties	1,000	-	1,000
Grants and contributions not restricted to specific programs	58,132	-	58,132
Revenue from use of money	12,332	-	12,332
Other revenues	57,938	-	57,938
Total Revenue	3,859,809	7,686	3,867,495
EXPENDITURES / EXPENSES			
Current:			
Salaries and wages	1,920,096	(15,000)	1,905,096
Benefits	754,055	(417,000)	337,055
Supplies	103,299	-	103,299
Services	495,187	-	495,187
Depreciation	-	98,000	98,000
Capital Outlay	311,500	(311,500)	-
Debt Service - Principal	58,121	(58,121)	-
Debt Service - Interest	12,682	(1,000)	11,682
Total Expenditures / Expenses	3,654,940	(704,621)	2,950,319
Excess (Deficiency) of Revenue over Expenditures/Expenses	204,869	712,307	917,176
OTHER FINANCING SOURCES/USES			
Proceeds	249,500	(249,500)	-
Special items	-	(4,462)	(4,462)
Total Financing Sources/Uses	249,500	(253,962)	(4,462)
NET CHANGE IN FUND BALANCE / NET POSITION	454,369	458,345	912,714
Fund Balance / Net Position - Beginning (Restated)	2,033,710	(2,657,112)	(603,402)
Fund Balance / Net Position - Ending	\$ 2,508,079	\$ (2,198,767)	\$ 309,312

The accompanying notes are an integral part of these financial statements

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****1 - A. Financial Reporting Entity**

The Idyllwild Fire Protection District (“the District”) was formed in 1946 and is governed by an elected five-member board of commissioners with authority for organization and powers derived from Health and Safety Code §13800. The District provides fire protection services for the businesses and residents of Idyllwild, California. Additionally, in 1951 the District expanded to provide ambulance service/transportation for the residents of Idyllwild, then in 1978 the District added advanced life support and paramedic services. As required by accounting principles generally accepted in the United States of America, these financial statements include all of the funds of the District.

1 - B. Other Related Entities

Joint Powers Authority (“JPA”). The District is associated with one JPA, Special District Risk Management Authority (“SDRMA”). This organizations do not meet the criteria for inclusion as a component unit of the District. Additional information is presented in Note 11 to the financial statements.

1 - C. Basis of Presentation

Government-wide Statements. The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

Program revenues include (a) charges paid by the recipients of ambulance services and mutual aid offered by the District and (b) parcel fee assessments, grants, and contributions restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental, each displayed in a separate column.

Combined Fund and Government-Wide Statements. Governments engaged in a single governmental program may combine their fund financial statements with their government-wide statements by using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column.

The District presents the combined governmental fund balance sheet/statement of net position, and combined statement of governmental fund revenues, expenditures, and changes in fund balances/statement of activities. The explanations for the reconciliation items in the “Adjustments” column are not provided on the face of the statement, but instead are disclosed in the notes. The District realigns the statement of activities to be compatible with the fund financial statement format.

Major Governmental Funds

General Fund. This is the District’s primary operating fund. It accounts for all financial resources of the general government, except those accounted for in other funds.



1 - D. Basis of Accounting – Measurement Focus

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

Governmental Fund Financial Statements. 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. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

1 - E. Assets, Liabilities, and Net Position

Fair Value. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has no recurring fair value measurements as of June 30, 2023:

Acquisition Value. The price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

Accrued Receivables. The District considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year.

Capital Assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition value. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Depreciation of capital assets is computed and recorded by the straight-line method over the following estimated useful life:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Structures and improvements	10 – 50
Vehicles	5 – 16
Furniture and equipment	5 – 20



Accrued Liabilities and Long-Term Obligations. All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

However, claims and judgments and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and long-term loans are recognized as liabilities in the governmental fund financial statements when due.

Other Postemployment Benefits (“OPEB”). The financial statements are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Pension. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California Public Employee Retirement System (“Cal PERS”) and additions to/deductions from Cal PERS’ fiduciary net position have been determined on the same basis as they are reported by Cal PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balances. The fund balance for governmental funds is reported in classifications based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable. The resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include Endowment Care corpus, inventories, and prepaid assets.

Restricted. The constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

Committed. The District’s highest decision-making level of authority rests with the Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the County for any purpose. When expenditures are incurred and both restricted and unrestricted resources are available, it is the County’s policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.



JUNE 30, 2023

1 - F. Revenue and Expenditures/Expenses

Revenues – Exchange Transactions (Program Revenue). Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 60 days of fiscal year-end.

Property Tax Calendar

- Jul. 1 Beginning of the fiscal year and delinquent Secured property taxes DEFAULT and begin accruing additional penalties of 1 1/2% per month and a redemption fee.
- Jul. 1 Treasurer-Tax Collector mails out Unsecured property tax bills.
- Aug/ Sep Treasurer-Tax Collector mails out Prior Year Secured property tax bills.
- Aug. 31 Unsecured property tax delinquent date. A 10% penalty is added after 5:00 p.m.
- Oct Treasurer-Tax Collector mails out Current Year Secured property tax bills.
- Nov. 1 First installment is due (Current Secured property tax) and delinquent Current Year Unsecured taxes begin accruing additional penalties of 1 1/2% per month.
- Dec. 10 First installment payment delinquent date (Current Secured property tax). A 10% penalty is added after 5:00 p.m.
- Jan. 1 Lien date for the establishment of ownership, value and unsecured taxes for the ensuing fiscal year.
- Feb. 1 Second installment is due (Current Secured property tax).
- Apr. 10 Second installment payment delinquent date (Current Secured property tax). A 10% penalty and cost is added after 5:00 p.m.
- May Treasurer-Tax Collector mails delinquent notices for any unpaid, Current Year Secured property taxes.
- Jun. 30 End of fiscal year.

Expenses/Expenditures. On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Compensated Absences. Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is the amount that is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.



Sick leave is accumulated without limit for each employee at the rate of twelve hours for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees gain a vested right to accumulated sick leave. Employees are paid for any sick leave balance at termination of employment. Therefore, the value of accumulated sick leave is recognized as a liability in the District's financial statements. Credit for unused sick leave is applicable to all employees who retire through Cal PERS. At retirement, each member will receive .004 year of service credit for each eight hours of unused sick leave.

Estimates. The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – EXPLANATION OF DIFFERENCES BETWEEN THE FUND FINANCIAL STATEMENTS AND DISTRICT-WIDE FINANCIAL STATEMENTS

2 - A. Governmental Funds Balance Sheet and Statement of Net Position

Total Fund Balance - Governmental Funds \$ 2,508,079

Amounts reported for assets, deferred outflows of resources, liabilities, and deferred inflows of resources for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

	Capital assets relating to governmental activities, at historical cost: \$	4,555,753	
	Accumulated depreciation:	(3,515,172)	1,040,581

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmaturing interest owing at the end of the period was:

(1,000)



Governmental Funds Balance Sheet and Statement of Net Position, Continued

Deferred recognition of earned but unavailable revenues:

In governmental funds, revenue is recognized only to the extent that it is "available," meaning it will be collected soon enough after the end of the period to finance expenditures of that period. Receivables for revenues that are earned but unavailable are deferred until the period in which the revenues become available. In the government-wide statements, revenue is recognized when earned, regardless of availability. The amount of unavailable revenues that were deferred in governmental funds, but are recognized in the government-wide statements, is:

27,744

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Net Pension Liability (Asset)	3,731,000	
Net OPEB Obligation	543,000	
Compensated absences payable	139,000	
Notes payable	324,693	
Capital lease payable	1,399	(+739,092)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflows of resources relating to pensions	1,697,000
Deferred inflows of resources relating to pensions	(224,000)

Total Net Position - Governmental Activities: \$ 309,312



2 - B. Governmental Funds Operating Statements and the Statement of Activities

Net Changes in Fund Balances - Total Governmental Funds \$ 454,369

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	\$ 311,500	
Depreciation expense:	(98,000)	213,500

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

58,121

Debt proceeds:

In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount, were:

(249,500)

Loss from disposal of capital assets:

In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:

(4,462)

Earned but unavailable revenues:

In governmental funds, revenues are recognized only to the extent that they are "available," meaning they will be collected soon enough after the end of the period to finance expenditures of that period. In the government-wide statements, revenue is recognized when earned, regardless of availability. The amount of earned but unavailable revenues relating to the current period, less revenues that became available in the current period but related to a prior period, is:

7,686



Governmental Funds Operating Statements and the Statement of Activities, Continued

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was: 1,000

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was: 15,000

Pensions:

In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was: 417,000

Change in Net Position of Governmental Activities: \$ 912,714

NOTE 3 – DEPOSITS

As of June 30, 2023, the District had the following cash and cash equivalents balances:

	Governmental Activities
Cash on hand	\$ 200
Deposits in financial institutions	204,057
Money market	1,215,021
Total Cash and Cash Equivalents	\$ 1,419,278

Custodial Credit Risk. There is a risk that, in the event of a bank failure, the District's deposits may not be returned. The District's deposit policy requires that all deposits are covered by the Federal Depository Insurance Corporation ("FDIC") or are collateralized as required by Statutes of the State. As of June 30, 2023, the carrying amount of the District's bank balances totaled \$253,265. The total bank balances were insured through the FDIC.



Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the District's \$1,365,337 investments in a money market account, all of the underlying securities are held by the investment's counterparty.

There is a risk that, in the event of a counterparty failure, the District's investments may not be returned. As of June 30, 2023, the carrying amount of the District's investments was. Of the total investment balance, \$500,000 was insured through the Securities Investor Protection Corporation ("SIPC"). These securities are held in the name of the financial institution and not that of the District.

NOTE 4 – ACCRUED RECEIVABLES

Receivables at June 30, 2023, were as follows:

	General Fund	District-Wide	Total Governmental Activities
Ambulance income	\$ 995,518	\$ -	\$ 995,518
Taxes	106,588	27,744	134,332
Mutual aid	301,024	-	301,024
Employee	13,734	-	13,734
Vendor	500	-	500
Allowance for doubtful accounts	(73,000)	-	(73,000)
Total Accrued Receivables	\$ 1,344,364	\$ 27,744	\$ 1,372,108



JUNE 30, 2023

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023

	Balance			Balance	
	Jul. 01, 2022	Additions	Deletions	Jun. 30, 2023	
Capital Assets Not Being Depreciated					
Land	\$ 101,336	\$ -	\$ -	\$ 101,336	
Capital Assets Being Depreciated					
Structures and improvements	\$ 588,275	\$ -	\$ -	\$ 588,275	
Vehicles	2,804,408	311,500	48,743	3,067,165	
Furniture and equipment	798,976	-	-	798,976	
Total assets being depreciated	4,191,659	311,500	48,743	4,454,416	
Less Accumulated Depreciation					
Structures and improvements	531,000	1,000	-	532,000	
Vehicles	2,289,000	64,000	26,829	2,326,171	
Furniture and equipment	625,000	32,000	-	657,000	
Total accumulated depreciation	3,445,000	97,000	26,829	3,515,171	
Total Capital Assets Being Depreciated, Net	\$ 746,659	\$ 214,500	\$ 21,914	\$ 939,245	

NOTE 6 – ACCRUED PAYABLES

Payables at June 30, 2023, were as follows:

	General Fund		District-Wide	Total Governmental Activities
Vendors	\$ 65,207	\$ -	\$ -	\$ 65,207
Payroll related	37,649	-	-	37,649
Withholdings	83,707	-	-	83,707
Compensated absence	69,000	-	-	69,000
Interest payable	-	-	1,000	1,000
Total Accrued Payables	\$ 255,563	\$ 1,000	\$ -	\$ 256,563



NOTE 7 – LONG-TERM LIABILITIES

7 - A. Long-Term Liabilities Summary

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Balance			Balance			Due In
	Jul. 01, 2022	Additions	Deletions	Jun. 30, 2023	One Year		
Note payable							
Truck	\$ 16,452	\$ -	\$ 16,452	\$ -	\$ -	\$ -	\$ -
Ambulance/Suburban	131,271	-	24,538	106,733			25,368
Engine	-	249,500	31,540	217,960			32,819
Total Notes Payble	147,723	249,500	72,530	324,693			58,187
Lease payable	3,442	-	2,043	1,399			1,399
Net pension (asset)/liability ("NPL"):							
Safety	2,192,000	1,626,000	-	3,818,000			-
Miscellaneous	(100,000)	13,000	-	(87,000)			-
	2,092,000	1,639,000	-	3,731,000			-
Other postemployment benefits ("OPEB")	543,000	-	-	543,000			-
Compensated absences	154,000	-	15,000	139,000			-
Total Long-Term Liabilities	\$ 2,940,165	\$ 1,888,500	\$ 89,573	\$ 4,739,092	\$	\$	59,586

7 - B. Note Payable

The District has notes payable, which was used to finance new vehicles. The annual payments are due in November, and as of June 30, 2023, the amortization of the note is as follows:

Year Ending June 30,	Principal	Interest	Principal	Interest	Total
2024	\$ 25,368	\$ 3,608	\$ 32,819	\$ 8,827	\$ 70,622
2025	26,225	2,750	34,148	7,498	70,621
2026	27,111	2,750	35,531	6,116	71,508
2027	28,029	2,811	36,970	4,676	72,486
2028	-	-	38,467	3,179	41,646
2029	-	-	40,025	1,621	41,646
Total	\$ 106,733	\$ 11,919	\$ 217,960	\$ 31,917	\$ 368,529



IDYLLWILD FIRE

JUNE 30, 2023

7 - C. Lease Payable

The District has a lease payable, which was used to finance a new copier. The annual payments are due each month as of June 30, 2023, the present value of the lease is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,399	\$ 17

7 - D. Compensated Absences

The long-term portion of unpaid employee vacation for the year ended June 30, 2023 was \$139,000. This liability would be paid out of the General Fund.

NOTE 8 – DEFINED BENEFIT PENSION

General Information about the Pension Plan

Plan Description. The Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (“the Plan” or “PERF C”) is administered by the California Public Employees’ Retirement System (“CalPERS”). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. Each individual employer rate plan generally has less than 100 active members. This report and CalPERS’ audited financial statements are publicly available reports that can be found on CalPERS’ website at:

<https://www.calpers.ca.gov/docs/forms-publications/acfr-2022.pdf>



Benefit Provided and Contributions. Per the Idyllwild Fire Protection District's *Annual Valuation Report as of June 30, 2020* (provided in that report is the determination of the minimum required employer contributions for fiscal year 2022-23), the following are the benefits and employee and employer contribution requirements:

Member Category	Benefit Group		
	Safety - Classic	Safety – PEPRA	Misc. – PEPRA
Benefit Formula	3 ^o @ 55	2.7 ^o @ 57	2.0 ^o @ 62
Social Security (Full/Modified)	No Full	No Full	No Full
Employee Contribution Rate	9.00 ^o (District covers 7 ^o)	13.00 ^o	6.75 ^o
Final Avg. Comp Period	3 Yr.	3 Yr.	3 Yr.
Sick Leave Credit	Yes	Yes	Yes
Non-Industrial Disability	Standard	Standard	Standard
Industrial Disability	Yes	Yes	No
Pre-Retirement Death Benefits			
Optional Settlement 2	Yes	Yes	Yes
1959 Survivor Benefit Level	Level 4	Level 4	No
Special	Yes	Yes	No
Alternate (firefighters)	No	No	No
Post-Retirement Death Benefits			
Lump Sum	\$500	\$500	\$500
Survivor Allowance (PRSA)	No	No	No
COLA	2 ^o	2 ^o	2 ^o
Employer Contribution Rate	20.64 ^o	12.78 ^o	7.47 ^o
Employer Unfunded Liability	\$334,941	\$4,722	\$202
Total Employer Contributions:	\$386,294	\$63,424	\$4,435

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the District reported a net liability of \$3,731,000 for its proportionate shares of the net pension liabilities. The schedule of employer allocations for components of net pension liability provides allocation factors by employer for rate plans within the miscellaneous and safety risk pools based on the following allocation methodology:

The schedule of employer allocations for components of net pension liability includes two ratios:

- 1) Actuarial Accrued Liability – Determined based on the actuarial accrued liability from the most recent actuarial valuation report as of June 30, 2021 used for funding purposes.
- 2) Market Value of Assets – Determined based on the sum of the market value of assets from the most recent actuarial valuation report as of June 30, 2021 used for funding purposes plus supplemental payments made by employers during the current measurement period to reduce their unfunded actuarial accrued liabilities.

The schedule of employer allocations for components of net pension liability is based on actuarial valuation reports that are one year in arrears. As such, there will be a one year lag between the time an employer enters the Plan and the fiscal year the employer is first included on the schedule of employer allocations for components of net pension liability. Employers joining the Plan during the fiscal year ended June 30, 2022, will be included in the schedule of employer allocations for components of net pension liability as of and for the fiscal year ended June 30, 2023.



JUNE 30, 2023

The employers' proportionate share percentages of the miscellaneous and safety risk pools were first determined at the rate plan level. The employers' total proportion of the respective miscellaneous and safety risk pools reflects the sum of the proportions of the respective miscellaneous and safety rate plans.

When applying the allocation methodology to the collective miscellaneous or safety risk pool pension amounts, employers should determine proportionate shares using the employer allocation factors as follows:

- 1) Total Pension Liability (TPL) – Allocate based on the employer's share of the actuarial accrued liability.
- 2) Fiduciary Net Position (FNP) – Allocate based on the employer's share of the market value of assets plus additional payments.
- 3) Net Pension Liability (NPL) – After completing the above calculations, subtract FNP from TPL to calculate the employer's NPL.
- 4) Deferred Outflows of Resources, Deferred Inflows of Resources – Allocate based on the employer's share of the net pension liability as noted in 3) above.
- 5) Pension Expense – After completing the above calculations, calculate the employer's share of collective pension expense based on the employer's share of changes in net pension liability, changes in deferred outflows and deferred inflows of resources, and the employer's contributions for the fiscal year ended June 30, 2021. The schedule of collective pension amounts does not reflect employer-specific amounts such as changes in proportion and employer contributions to PERF C subsequent to the measurement date. Appropriate treatment of such amounts is the responsibility of the employers.

An employer's proportionate share of pension amounts for PERF C equals the sum of the employer's proportionate shares of pension amounts for the respective miscellaneous and safety risk pools. At June 30, 2023, the District's proportion was:

	<u>Jun. 30, 2022</u>	<u>Jun. 30, 2021</u>	<u>Difference</u>
Safety:			
Total Pension Liability Allocation Basis	0.0004337	0.0004468	-0.0000131
Fiduciary Net Position Allocation Basis	0.0003942	0.0004193	-0.0000251
Miscellaneous:			
Total Pension Liability Allocation Basis	0.0000018	0.0000014	0.0000004
Fiduciary Net Position Allocation Basis	0.0000075	0.0000071	0.0000004



NOTES TO THE FINANCIAL STATEMENTS,
Continued

JUNE 30, 2023

For the year ended June 30, 2023, the District recognized pension expense of \$37,000. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience	\$ 117,000	\$ 1,000	\$ 116,000
Changes of assumptions	385,000	9,000	376,000
Net difference between projected and actual earnings on pension plan	603,000	16,000	587,000
Changes in proportion and differences between District contributions and proportionate share of contributions	139,000	-	139,000
Differences between Employer's Contributions and Proportionate Share of Contributions		198,000	(198,000)
District contributions subsequent to the measurement date	453,000	-	453,000
Total	\$ 1,697,000	\$ 224,000	\$ 1,473,000

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,

2024	\$ 742,000
2025	234,000
2026	139,000
2027	358,000
Total	\$ 1,473,000

Actuarial Assumptions and Discount Rate Information

Actuarial Methods and Assumptions. The collective total pension liability for the June 30, 2021 measurement period was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. The collective total pension liability was based on the following assumptions:

Investment rate of return	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Mortality rate table ¹	Derived using CalPERS' Membership Data for all Funds Contract COLA up to 2.30% until Purchasing Power
Post-retirement benefit increase	Protection Allowance Floor on Purchasing Power applies

¹ The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.



Long-Term Expected Rate of Return. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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

Asset Class ¹	Assumed Asst Allocation	Real Return Year 1 -10 ^{1,2}
Global equity - cap-weighted	30.00%	4.45%
Global equity non-cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate. The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at **statutorily** required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was **projected** to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (-100 basis points) or one percentage point higher (+100 basis points) than the current rate:

	Current		
	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension asset - Misc.	\$ (82,000)	\$ (87,000)	\$ (92,000)
District's proportionate share of the net pension liability - Safety	\$ 5,499,000	\$ 3,818,000	\$ 2,443,000



Pension plan fiduciary net position. The components of the employers' collective net pension liability related to the Plan as of June 30, 2022 are as follows (amounts in thousands):

	Miscellaneous Risk Pool	Safety Risk Pool	Total
Total pension liability	\$ 21,449,898	\$ 28,076,077	\$ 49,525,979
Less:			
Plan fiduciary net position	16,770,671	21,204,499	37,975,170
Net Pension Liability of Employers	\$ 4,679,227	\$ 6,871,578	\$ 11,550,805

NOTE 9 – POSTEMPLOYMENT HEALTHCARE PLAN

Plan Description. The District provides employees and retirees and their surviving family members the health benefits plan provided pursuant to the Public Employees' Medical and Hospital Care Act ("PEMHCA"), as set forth in Government Code §22750 – 22948. The plan is a single-employer, defined benefit OPEB plan administered by the District. Government Code §22777 provides that "health benefit plan" means any program or entity that provides, arranges, pays for, or reimburses the cost of health benefits for employees and retirees and their surviving family members with health benefits provided through the California Public Employee's Pension System ("CalPERS"). **No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.**

Benefits Provided. The plan provides healthcare benefits for retirees and their dependents. The benefit terms provide for payment of \$300 per month as of June 30, 2023, of health insurance premiums for retirees.

Employees covered by benefit terms. At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	13
Active employees	11
Total	24

Total OPEB Liability

The District's total OPEB liability of \$409,000 was measured as of June 30, 2021, and was determined in place of an actuarial valuation, the total OPEB liability was measured using the alternative measurement method discussed in GASB, Statement, 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, paragraphs 225 and 226.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate ¹	4.13%
Inflation (prior 5-year average of CalPERS minimum contribution increases)	5.30%

¹ <https://www.spglobal.com/spdji/en/indices/fixed-income/sp-municipal-bond-20-year-high-grade-rate-index/#data>

² https://data.bls.gov/timeseries/CUUR0000SA0L1E?output=view=pct_12mths

Mortality rates and probability rates were based on the CalPERS tables (as appropriate to respective risk pools) located at <https://www.calpers.ca.gov/docs/public-agencies-schools-assumption-methods.xlsx>



JUNE 30, 2023

Changes in the Total OPEB Liability

Balance at July 01, 2022	\$	543,000
Changes for the year:		
Service cost		16,000
Interest		22,000
Differences between expected and actual experience		5,000
Benefit payments		(43,000)
Net changes		-
Balances at June 30, 2023	\$	543,000

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
	<u>(3.13%)</u>	<u>Rate (4.13%)</u>	<u>(5.13%)</u>
District's proportionate share of the OPEB liability	\$ 602,000	\$ 543,000	\$ 494,000

NOTE 10 – FUND BALANCE

Fund balance components at June 30, 2023, were as follows:

	<u>General Fund</u>
Nonspendable	
Revolving account	\$ 200
Unassigned	2,507,879
Total Fund Balances	\$ 2,508,079



NOTE 11 – PARTICIPATION IN A JOINT POWERS AUTHORITY

The District is a member of SDRMA. The JPA is to provide worker compensation and general liability and property insurance. The relationship is such that the JPA is not a component unit of the District for financial reporting purposes.

SDRMA has budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these financial statements. Audited financial statements are available from them.

During the year ended June 30, 2023, the District made payments of \$46,373.

NOTE 12 – PRIOR PERIOD RESTATEMENT

As a result of reevaluating various balance sheet items, the District restated the following:

	<u>General Fund</u>
Fund Balance, June 30, 2022	\$ 2,166,573
Decrease In:	
Cash	(36,133)
Accrued receivables	(106,730)
Unearned revenue	30,000
Restated Fund Balance	\$ 2,053,710

REQUIRED SUPPLEMENTARY INFORMATION

<PAGE INTENTIONALLY LEFT BLANK>



IDYLLWILD FIRE

GENERAL FUND – BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive / (Negative)
REVENUE				
Program Revenue:				
Charges for services	\$ 1,652,600	\$ 1,652,600	\$ 1,841,666	\$ 189,066
Operating grants and contributions	10,000	10,000	47,619	37,619
Property taxes, general purpose	1,449,356	1,449,356	1,825,083	375,727
Licenses, permits, and franchises	6,500	6,500	16,039	9,539
Fines, forfeits, and penalties	1,050	1,050	1,000	(50)
Grants and contributions not restricted to specific programs	61,459	61,459	58,132	(3,327)
Revenue from use of money	-	-	12,332	12,332
Other revenues	14,000	14,000	57,938	43,938
Total Revenue	3,194,965	3,194,965	3,859,809	664,844
EXPENDITURES				
Current:				
Salaries and wages	1,705,745	1,705,745	1,920,096	(214,351)
Benefits	754,361	754,361	754,055	306
Supplies	97,650	97,650	103,299	(5,649)
Services	437,050	437,050	495,187	(58,137)
Capital Outlay	81,896	81,896	311,500	(229,604)
Debt Service - Principal	30,050	30,050	58,121	(28,071)
Debt Service - Interest	5,350	5,350	12,682	(7,332)
Total Expenditures	3,112,102	3,112,102	3,654,940	(542,838)
Excess (Deficiency) of Revenue over Expenditures	82,863	82,863	204,869	122,006
OTHER FINANCING SOURCES/USES				
Proceeds	-	-	249,500	249,500
NET CHANGE IN FUND BALANCE	82,863	82,863	454,369	371,506
Fund Balance - Beginning	2,053,710	2,053,710	2,053,710	
Fund Balance - Ending	\$ 2,136,573	\$ 2,136,573	\$ 2,508,079	\$ 371,506



SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability - Safety	0.06%	0.06%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Proportion of the net pension (asset) - Misc.	-0.002%	-0.005%	-0.002%	-0.002%	-0.002%	-0.002%	-0.002%	-0.002%	-0.002%
Proportionate share of the net pension liability - Safety	\$3,818,000	\$2,192,000	\$3,402,000	\$3,156,000	\$2,963,000	\$2,957,000	\$2,612,000	\$2,072,000	\$2,061,000
Proportionate share of the net pension (asset) - Misc.	(87,000)	(100,000)	(77,000)	(75,000)	(70,000)	(65,000)	(57,000)	(59,000)	(59,000)
Total	\$3,731,000	\$2,092,000	\$3,325,000	\$3,081,000	\$2,893,000	\$2,892,000	\$2,555,000	\$2,013,000	\$2,002,000
District's covered payroll	673,000	728,000	751,000	671,000	943,000	848,000	771,000	606,000	591,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	567%	301%	453%	470%	314%	349%	339%	342%	349%
Plan fiduciary net position as a percentage of the total pension liability - Safety	78%	87%	73%	73%	73%	72%	73%	77%	79%
Plan fiduciary net position as a percentage of the total pension liability - Misc.	76%	90%	78%	78%	78%	75%	76%	80%	81%

The amounts presented for each fiscal year were determined as of June 30 of the prior fiscal year



SCHEDULE OF CONTRIBUTIONS

Safety Plan:

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 450,000	\$ 413,000	\$ 377,000	\$ 345,000	\$ 281,000	\$ 279,000	\$ 218,000	\$ 211,000	\$ 167,000
Contributions in relation to the contractually required contribution	(450,000)	(413,000)	(377,000)	(345,000)	(281,000)	(253,000)	(218,000)	(211,000)	(167,000)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,000	\$ -	\$ -	\$ -
District's covered payroll	858,000	632,000	691,000	714,000	671,000	943,000	848,000	771,000	606,000
Contributions as a percentage of covered payroll	52%	65%	55%	48%	42%	30%	26%	27%	28%

Miscellaneous Plan:

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	\$ 4,000	\$ 3,100	\$ 2,900	\$ 2,600	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	(4,000)	(3,100)	(2,900)	(2,600)	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	57,000	41,000	37,000	37,000	-	-	-	-
Contributions as a percentage of covered payroll	7%	8%	8%	7%	n/a	n/a	n/a	n/a



**SCHEDULE OF CHANGES IN THE TOTAL
OPEB LIABILITY AND RELATED RATIOS**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Changes for the year:						
Service cost	\$ 16,000	\$ 12,000	\$ 23,000	\$ 121,000	\$ (47,000)	\$ 66,000
Interest	22,000	22,000	9,000	13,000	13,000	2,000
Differences between expected and actual experience	5,000	143,000	(37,000)	-	-	-
Benefit payments	(43,000)	(43,000)	(47,000)	(47,000)	(47,000)	(46,800)
Net Changes in Total OPEB Liability	-	134,000	(52,000)	87,000	(81,000)	21,200
Total OPEB Liability - Beginning	543,000	409,000	461,000	374,000	455,000	433,800
Total OPEB Liability - Ending	\$ 543,000	\$ 543,000	\$ 409,000	\$ 461,000	\$ 374,000	\$ 455,000
Covered Payroll	915,000	673,000	728,000	751,000	671,000	943,000
Total OPEB liability as a percentage of covered payroll	59%	81%	56%	61%	56%	48%

SUPPLEMENTARY INFORMATION

<PAGE INTENTIONALLY LEFT BLANK>



SCHEDULE OF ACTIVITY
BY DEPARTMENT

JUNE 30, 2023

	Fire Suppression	Ambulance Service	Mutual Aid	Total
REVENUE				
Program Revenue:				
Charges for services	\$ 1,860	\$ 528,470	\$ 1,311,336	\$ 1,841,666
Operating grants and contributions	47,619	-	-	47,619
Property taxes, general purpose	1,628,151	196,932	-	1,825,083
Licenses, permits, and franchises	16,039	-	-	16,039
Fines, forfeits, and penalties	1,000	-	-	1,000
Grants and contributions not restricted to specific programs	58,132	-	-	58,132
Revenue from use of money	4,419	7,913	-	12,332
Other revenues	33,218	24,720	-	57,938
Total Revenue	1,790,438	758,035	1,311,336	3,859,809
EXPENDITURES				
Current:				
Salaries and wages	374,924	891,096	654,076	1,920,096
Benefits	225,642	528,413	-	754,055
Supplies	28,918	74,314	67	103,299
Services	150,645	342,942	1,600	495,187
Capital Outlay	93,450	218,050	-	311,500
Debt Service - Principal	16,823	41,298	-	58,121
Debt Service - Interest	33,570	(20,888)	-	12,682
Total Expenditures	923,972	2,075,225	655,743	3,654,940
Excess (Deficiency) of Revenue over Expenditures	866,466	(1,317,190)	655,593	204,869
OTHER FINANCING SOURCES/USES				
Proceeds	74,850	174,650	-	249,500
NET CHANGE IN FUND BALANCE	\$ 941,316	\$ (1,142,540)	\$ 655,593	\$ 454,369



**SCHEDULE OF ACTIVITY
BY DEPARTMENT**

	JUNE 30, 2022				JUNE 30, 2021			
	Fire Suppression	Ambulance Service	Mutual Aid	Total	Fire Suppression	Ambulance Service	Mutual Aid	Total
	\$	3,461	\$ 571,577	\$ 2,026,916	\$ 2,601,954	\$ 2,725	\$ 661,698	\$ 1,182,664
Program Revenue:								
Charges for services				16,388	148,571			148,571
Operating grants and contributions	16,388			1,602,415	1,293,389	201,423		1,494,812
Property taxes, general purpose	1,405,702	196,713		10,946	10,240			10,240
Licenses, permits, and franchises	10,946							
Fines, forfeits, and penalties								
Grants and contributions not restricted to specific programs	46,560			46,560	51,352			51,352
Revenue from use of money		209	603	812	1,472			1,472
Other revenues	82,417			82,417	18,862	3,204		22,066
Total Revenue	1,565,474	768,499	2,027,519	4,361,492	1,526,611	866,325	1,182,664	3,575,600
EXPENDITURES								
Current:								
Salaries and wages	385,889	917,985	793,084	2,096,958	243,414	718,073	639,748	1,601,235
Benefits	217,060	505,381		722,441	185,004	476,491	5	661,500
Supplies	19,914	63,809		83,723	26,338	76,693	99	103,130
Services	182,922	418,157	1,040	602,119	122,219	314,966		437,185
Capital Outlay	47,942	220,143		268,085	55,547	190,193		245,740
Debt Service - Principal	11,460	21,986		33,446	9,330	23,027		32,357
Debt Service - Interest	1,156	-614		5,770	1,766	4,957		6,723
Total Expenditures	866,343	2,152,075	794,124	3,812,542	643,618	1,804,400	639,852	3,087,870
NET CHANGE IN FUND BALANCE	\$ 699,131	\$ (1,383,576)	\$ 1,233,395	\$ 548,950	\$ 882,993	\$ (938,075)	\$ 542,812	\$ 487,730

Idyllwild Fire Protection District

Management Report

June 30, 2023



C.J. Brown & Company CPAs
An Accountancy Corporation

Idyllwild Fire Protection District

Management Report

Table of Contents

<u>Item</u>	<u>Page No.</u>
General Introduction	1
Current Year Comments and Recommendations	1-2
Prior Year Comments and Recommendations	2
Appendix:	
Audit/Finance Committee Letter	1-4
Schedule of Client Adjusting Journal Entries	5-6
Schedule of Audit Adjusting Journal Entries	7
Schedule of Reclassifying Adjusting Journal Entries	7



Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Jeffrey Palmer

C.J. Brown & Company CPAs An Accountancy Corporation

Cypress Office:
10805 Holder Street, Suite 150
Cypress, California 90630
(657) 214-2307

Riverside Office:
5051 Canyon Crest Drive, Suite 203
Riverside, California 92507
(657) 214-2307

Board of Directors
Idyllwild Fire Protection District
Idyllwild, California

Dear Members of the Board:

In planning and performing our audit of the financial statements of the governmental activities, and each major fund of the Idyllwild Fire Protection District (District) as of and for the year ended June 30, 2023, 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, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 over financial reporting, 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

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

Current Year Comments and Recommendations

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the adjusting entries provided by the auditor on the schedule of audit adjusting journal entries on page 7 and have entered those entries into the District's accounting system to close-out the District's year-end trial balance.

Several of the entries were, in fact, done by the contracted accountant on pages 5 and 6, in particular the reconciliation of fund balance, and the reclassifying journal entry table on page 7.

Prior Year Comments and Recommendations

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the adjusting and reclassification entries provided by the auditor and have entered those entries into the District's accounting system to close-out the District's year-end trial balance.

Several of the entries were, in fact, done by the contracted accountant on page 5 (of the 2022 Management Report).

This communication is intended solely for the information and use of management the Board of Directors, and others within the District, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

C.J. Brown & Company, CPAs

C.J. Brown & Company, CPAs
Cypress, California
May 28, 2024

APPENDIX

Idyllwild Fire Protection District

Board of Directors' Letter

June 30, 2023



Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Jeffrey Palmer

C.J. Brown & Company CPAs

An Accountancy Corporation

Cypress Office:
10805 Holder Street, Suite 150
Cypress, California 90630
(657) 214-2307

Riverside Office:
5051 Canyon Crest Drive, Suite 203
Riverside, California 92507
(657) 214-2307

Board of Directors
Idyllwild Fire Protection District
Idyllwild, California

We have audited the financial statements of the governmental activities, and each major fund of the Idyllwild Fire Protection District (District) for the year ended June 30, 2023, and have issued our report thereon dated May 28, 2024.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated August 1, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated May 28, 2024.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

Required Risk Assessment Procedures per Auditing Standards

As auditors of the District, we are required per AU-C Section 240, "Consideration of Fraud in a Financial Statement Audit", to "ordinarily" presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no other changes in significant accounting policies or their application during 2023. No other matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management's estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the defined benefit pension plan's deferred outflows of resources, net pension liability, and deferred inflows of resources are based on an actuarial valuation of these amounts which was conducted by a third-party actuary. We evaluated the basis, actuarial methods and assumptions used by the actuary to calculate these amounts for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net other post-employment benefit (OPEB) liability is based on an actuarial valuation that was conducted by a third-party actuary. We evaluated the basis, methods, and assumptions used by the actuary in calculating the net OPEB liability, OPEB expense, and deferred OPEB outflows/inflows for the District to determine that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

The disclosure of fair value of cash and cash equivalents in Note 3 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 5 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the District's defined benefit pension plan in Note 8 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

The disclosure of the District's net OPEB liability in Note 9 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached table (Schedule of Audit Adjusting Journal Entries) on page 7 presents the material journal entries that we identified as a result of our audit procedures and were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated May 28, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis, General Fund - Budgetary Comparison Schedule, Schedules of the Proportionate Share of the Net Pension Liability, Schedules of Contributions, and Schedules of Changes in the Total OPEB Liability and Related Ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Conclusion

We appreciate the cooperation extended us by Mark LaMont, Fire Chief, and Robert Dennis, District Accountant, in the performance of our audit testwork.

We will be pleased to respond to any question you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

C.J. Brown & Company, CPAs

C.J. Brown & Company, CPAs
Cypress, California
May 28, 2024

**Idyllwild Fire Protection District
Schedule of Client Adjusting Journal Entries
June 30, 2023**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Adjusting Journal Entries JE # 1			
CJE - To write off accounts payable			
01-000-9501	Accounts/Vendors Payable	\$ 35,313.98	
01-111-8781	Other Revenue		10,593.98
01-121-8781	Other Revenue		24,720.00
Adjusting Journal Entries JE # 2			
CJE - To adjust property tax receivable			
01-000-9211	Taxes Receivable	180,606.00	
01-111-4702	Riverside County Tax Admin Fee	1,278.00	
01-111-8111	Current Secured (SA1, SS1, SA2, SS2, & SS3)		136,713.00
01-111-8121	Current Unsecured (UC1, UC2, & UC3)		4,425.00
01-111-8141	Prior Unsecured (PYU)		3,842.00
01-111-8151	Supplemental Property Taxes-Current (S07 - S06)		20,854.00
01-111-8161	Supplemental Property Taxes-Prior (Y07 - Y06)		722.00
01-111-8531	Homeowners' Property Tax Relief (SH 1 - 3 & HO6)		3,973.00
01-121-8611	Assessment/Parcel Fee - Curr(SA1,SS1,SA2,SS2,&SS3)		11,355.00
Adjusting Journal Entries JE # 3			
CJE - To adjust OPEB			
99-000-9664	Other Postemployment Benefits "OPEB"	176,000.00	
99-000-2501	Other Postemployment Benefits (OPEB)		176,000.00
Adjusting Journal Entries JE # 4			
CJE - To adjust long term debt balance			
99-000-6101	Principal	2,044.00	
99-000-9562	Lease Payable	7,461.00	
99-000-9662	Capital Lease	3,443.00	
99-000-9667	Loan	56,909.00	
99-000-6101	Principal		2,846.00
99-000-6301	Interest Expenditure		2,044.00
99-000-9567	CE Loan, Current Portion		56,909.00
99-000-9667	Loan		8,058.00
Adjusting Journal Entries JE # 5			
CJE - To adjust interest expenditure			
01-121-6101	Principal	2,043.00	
01-121-6301	Interest Expenditure	\$	2,043.00

Idyllwild Fire Protection District
Schedule of Client Adjusting Journal Entries, continued
June 30, 2023

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Adjusting Journal Entries JE # 6			
CJE - Fund balance component reconciliation			
01-000-9742	SCBA Equipment	\$ 9,600.00	
01-000-9761	Committed for Equipment Replacement	116,298.00	
01-000-9762	Donations Comitted for Education	61,872.00	
01-000-9790	Unassigned Fund Balance		187,770.00
Adjusting Journal Entries JE # 7			
CJE - To adjust insurance proceeds to account for loss of vehicle and debt.			
99-000-8991	CE / Special Item	4,462.00	
99-111-4772	Miscellaneous District Expenditure		4,462.00
Adjusting Journal Entries JE # 8			
CJE - To fix beginning fund balance			
01-000-9791	Beginning Fund Balance	72,538.00	
99-000-1511	Other(Vacation Payout)	69,956.00	
99-000-6301	Interest Expenditure	2,044.00	
01-111-1511	Other(Vacation Payout)		20,987.00
01-111-6301	Interest Expenditure		613.00
01-111-8781	Other Revenue		538.00
01-121-1511	Other(Vacation Payout)		48,969.00
01-121-6301	Interest Expenditure		1,431.00
99-000-9799	Unrestricted Conversion Entry Net Position		72,000.00
Adjusting Journal Entries JE # 9			
CJE - To adjust employer's net pension liability and pension expense			
99-000-9491	Deferred Outflows of Resources: Pension	25,000.00	
99-000-9691	Deferred Inflows of Resources: Pension	\$	25,000.00

**Idyllwild Fire Protection District
Schedule of Audit Adjusting Journal Entries
June 30, 2023**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Audit Adjusting Journal Entries JE # 1			
To adjust property tax revenue into its proper balance.			
01-000-9651	Unearned Revenue	\$ 30,000.00	
01-000-9793	Audit Adjustments		30,000.00
Audit Adjusting Journal Entries JE # 2			
To agree the GL balance with the bank reconciliation			
01-000-9793	Audit Adjustments	36,133.40	
01-000-9115	Hemet Checking		36,133.40
Audit Adjusting Journal Entries JE # 3			
To adjust long term debt			
99-000-9667	Loan	32,818.00	
99-000-6101	Principal		31,540.00
99-000-9567	CE Loan, Current Portion		1,278.00
Audit Adjusting Journal Entries JE # 4			
To adjust interest expense			
99-101-6301	Interest Expenditure	13,162.59	
99-111-6201	Other Debt Service		13,162.59
Audit Adjusting Journal Entries JE # 5			
To write off other receivable which should have been written off in the prior			
01-000-9793	Audit Adjustments	106,729.56	
01-000-9289	Other Receivables	\$	106,729.56

**Idyllwild Fire Protection District
Schedule of Reclassifying Adjusting Journal Entries
June 30, 2023**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Reclassifying Adjusting Journal Entries JE # 1			
To reclassify principal and debt service accounts			
01-111-6101	Principal	\$ 9,462.00	
01-121-6101	Principal	22,078.00	
01-111-6201	Other Debt Service		9,462.00
01-121-6201	Other Debt Service		22,078.00



May 28, 2024

C.J. Brown & Company, CPAs
10805 Holder Street, Suite 150
Cypress, California 90630

This representation letter is provided in connection with your audit of the basic financial statements as listed in the table of contents of the Idyllwild Fire Protection District (District), which comprise the respective financial position of the governmental activities, the business-type activities, and each major fund as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, 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.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of May 28, 2024:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 1, 2023, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
5. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
6. We have a process to track the status of audit findings and recommendations.
7. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
8. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Financial Statements, continued

9. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
10. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
11. The effects of all known actual or possible litigation and claims, if any, have been accounted for and disclosed in accordance with U.S. GAAP.
12. All component units, as well as joint ventures with an equity interest, if any, are included and other joint ventures and related organizations are properly disclosed.
13. All funds and activities are properly classified.
14. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
15. All components of net position, nonspendable, restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
16. Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
17. All revenues within the statement of activities have been properly classified.
18. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
19. All interfund and intra-entity transactions and balances have been properly classified and reported.
20. Special items and extraordinary items, if any, have been properly classified and reported.
21. Deposit and investment risks have been properly and fully disclosed.
22. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
23. All required supplementary information is measured and presented within the prescribed guidelines.
24. With regard to investments and other instruments reported at fair value:
 - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
25. With respect to the preparation of financial statements, we have performed the following:
 - a. Made all management decisions and performed all management functions;
 - b. Assigned a competent individual to oversee the services;
 - c. Evaluated the adequacy of the services performed;
 - d. Evaluated and accepted responsibility for the result of the service performed; and
 - e. Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

26. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - 1) A written acknowledgement of all the documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report;
 - 2) A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
27. The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
 - a. All transactions have been recorded in the accounting records and are reflected in the financial statements.
 - b. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - c. We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
 - d. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - 1) Management;
 - 2) Employees who have significant roles in internal control; or
 - 3) Others where the fraud could have a material effect on the financial statements.
28. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
29. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
30. We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
31. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
32. The District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
33. We have disclosed to you all guarantees, whether written or oral, under which the District is contingently liable.
34. We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
35. For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.

Information Provided, continued

36. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
37. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
38. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
39. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
40. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
41. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
42. We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.
43. With respect to the required supplementary information accompanying the financial statements:
 - a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
 - b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We believe the following significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances:
44. With respect to the schedule of activity by department:
 - a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with U.S. GAAP.
 - b. We believe the supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We believe significant assumptions or interpretations underlying the measurement or presentation of supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
45. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Signature:


Mark Lamont, Fire Chief

Idyllwild Fire Protection District
Schedule of Client Adjusting Journal Entries
June 30, 2023

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Adjusting Journal Entries JE # 1			
CJE - To write off accounts payable			
01-000-9501	Accounts/Vendors Payable	\$ 35,313.98	
01-111-8781	Other Revenue		10,593.98
01-121-8781	Other Revenue		24,720.00
Adjusting Journal Entries JE # 2			
CJE - To adjust property tax receivable			
01-000-9211	Taxes Receivable	180,606.00	
01-111-4702	Riverside County Tax Admin Fee	1,278.00	
01-111-8111	Current Secured (SA1, SS1, SA2, SS2, & SS3)		136,713.00
01-111-8121	Current Unsecured (UC1, UC2, & UC3)		4,425.00
01-111-8141	Prior Unsecured (PYU)		3,842.00
01-111-8151	Supplemental Property Taxes-Current (S07 - S06)		20,854.00
01-111-8161	Supplemental Property Taxes-Prior (Y07 - Y06)		722.00
01-111-8531	Homeowners' Property Tax Relief (SH 1 - 3 & HO6)		3,973.00
01-121-8611	Assessment/Parcel Fee - Curr(SA1,SS1,SA2,SS2,&SS3)		11,355.00
Adjusting Journal Entries JE # 3			
CJE - To adjust OPEB			
99-000-9664	Other Postemployment Benefits "OPEB"	176,000.00	
99-000-2501	Other Postemployment Benefits (OPEB)		176,000.00
Adjusting Journal Entries JE # 4			
CJE - To adjust long term debt balance			
99-000-6101	Principal	2,044.00	
99-000-9562	Lease Payable	7,461.00	
99-000-9662	Capital Lease	3,443.00	
99-000-9667	Loan	56,909.00	
99-000-6101	Principal		2,846.00
99-000-6301	Interest Expenditure		2,044.00
99-000-9567	CE Loan, Current Portion		56,909.00
99-000-9667	Loan		8,058.00
Adjusting Journal Entries JE # 5			
CJE - To adjust interest expenditure			
01-121-6101	Principal	2,043.00	
01-121-6301	Interest Expenditure	\$	2,043.00

Idyllwild Fire Protection District
Schedule of Client Adjusting Journal Entries, continued
June 30, 2023

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Adjusting Journal Entries JE # 6			
CJE - Fund balance component reconciliation			
01-000-9742	SCBA Equipment	\$ 9,600.00	
01-000-9761	Committed for Equipment Replacement	116,298.00	
01-000-9762	Donations Comitted for Education	61,872.00	
01-000-9790	Unassigned Fund Balance		187,770.00
Adjusting Journal Entries JE # 7			
CJE - To adjust insurance proceeds to account for loss of vehicle and debt.			
99-000-8991	CE / Special Item	4,462.00	
99-111-4772	Miscellaneous District Expenditure		4,462.00
Adjusting Journal Entries JE # 8			
CJE - To fix beginning fund balance			
01-000-9791	Beginning Fund Balance	72,538.00	
99-000-1511	Other(Vacation Payout)	69,956.00	
99-000-6301	Interest Expenditure	2,044.00	
01-111-1511	Other(Vacation Payout)		20,987.00
01-111-6301	Interest Expenditure		613.00
01-111-8781	Other Revenue		538.00
01-121-1511	Other(Vacation Payout)		48,969.00
01-121-6301	Interest Expenditure		1,431.00
99-000-9799	Unrestricted Conversion Entry Net Position		72,000.00
Adjusting Journal Entries JE # 9			
CJE - To adjust employer's net pension liability and pension expense			
99-000-9491	Deferred Outflows of Resources: Pension	25,000.00	
99-000-9691	Deferred Inflows of Resources: Pension	\$	25,000.00

Idyllwild Fire Protection District
Schedule of Audit Adjusting Journal Entries
June 30, 2023

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Audit Adjusting Journal Entries JE # 1			
To adjust property tax revenue into its proper balance.			
01-000-9651	Unearned Revenue	\$ 30,000.00	
01-000-9793	Audit Adjustments		30,000.00
Audit Adjusting Journal Entries JE # 2			
To agree the GL balance with the bank reconciliation			
01-000-9793	Audit Adjustments	36,133.40	
01-000-9115	Hemet Checking		36,133.40
Audit Adjusting Journal Entries JE # 3			
To adjust long term debt			
99-000-9667	Loan	32,818.00	
99-000-6101	Principal		31,540.00
99-000-9567	CE Loan, Current Portion		1,278.00
Audit Adjusting Journal Entries JE # 4			
To adjust interest expense			
99-101-6301	Interest Expenditure	13,162.59	
99-111-6201	Other Debt Service		13,162.59
Audit Adjusting Journal Entries JE # 5			
To write off other receivable which should have been written off in the prior			
01-000-9793	Audit Adjustments	106,729.56	
01-000-9289	Other Receivables	\$	106,729.56

Idyllwild Fire Protection District
Schedule of Reclassifying Adjusting Journal Entries
June 30, 2023

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Reclassifying Adjusting Journal Entries JE # 1			
To reclassify principal and debt service accounts			
01-111-6101	Principal	\$ 9,462.00	
01-121-6101	Principal	22,078.00	
01-111-6201	Other Debt Service		9,462.00
01-121-6201	Other Debt Service		22,078.00

