

TRUCKEE FIRE PROTECTION DISTRICT

MEASURE T FUNDS

**NEVADA AND PLACER COUNTIES
TRUCKEE, CALIFORNIA**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

TRUCKEE FIRE PROTECTION DISTRICT

MEASURE T FUNDS

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James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Citizen's Oversight Committee
and Governing Board
Truckee Fire Protection District
Truckee, California

Report on the Audit of the Financial Statements

Opinions

We have audited the Statement of Net Position of Truckee Fire Protection District (the District), Measure T Funds, and the related statement of revenues, expenditures, and changes in fund balance as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the fund financial statements referred to above present fairly, in all material respects, the financial position of the Truckee Fire Protection District Measure T Funds as of June 30, 2023, and the results of its operations the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Truckee Fire Protection District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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

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

Other Matters

As discussed in Note 1, the financial statements referred to above present only the individual Measure T Funds and are not intended to present fairly the financial position and results of operations of the District in conformity with generally accepted accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 11, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 11, 2023

BASIC FINANCIAL STATEMENTS

TRUCKEE FIRE PROTECTION DISTRICT

MEASURE T FUNDS

BALANCE SHEET

AS OF JUNE 30, 2023

ASSETS

Cash and equivalents	\$	976,254
Accounts receivable		<u>153,323</u>
Total Assets		<u><u>1,129,577</u></u>

LIABILITIES

Accounts payable	\$	<u>-</u>
Total Liabilities		<u>-</u>

FUND BALANCE

Fund balances		
Restricted for Measure T projects		<u>1,129,577</u>
Total Fund Balances		<u>1,129,577</u>
Total liabilities and fund balances	\$	<u><u>1,129,577</u></u>

TRUCKEE FIRE PROTECTION DISTRICT

MEASURE T FUNDS

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

REVENUES

Property taxes and assessments	\$ 3,608,172
Interest	17,553
Miscellaneous income	55,729
Total revenues	<u>3,681,454</u>

EXPENDITURES

Salaries and benefits	821,847
Communications	9,856
Household	725
Repairs and maintenance	7,742
Memberships	885
Office expense	13,489
Professional and special services	200,816
Prevention/Green waste	344,883
Training and travel	9,711
Certification team expense	(92)
Fuel	2,265
Community wildfire grants	525,737
Clothing	5,037
Equipment	17,052
Total expenditures	<u>1,959,953</u>
Excess of revenues over expenditures	1,721,501
Fund balances, July 1, 2022	<u>(591,924)</u>
Fund balances, June 30, 2023	<u>\$ 1,129,577</u>

TRUCKEE FIRE PROTECTION DISTRICT

MEASURE T FUNDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The accounting policies of the Measure T Funds of the Truckee Fire Protection District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants.

The Truckee Fire Protection District of Nevada County (the District) was founded in 1894. Through annexations and acquisitions, it is home to 30,000 full time residents which expands to 60,000 during peak tourist season. The District is a bi-county district serving Nevada and Placer Counties as well as the Town of Truckee. The District is located in a designated very high fire severity zone with significant exposure to wildland/urban interface. Interstate 80, Highways 89 North/South and 267, and Union Pacific Railroad intersect the District. The Truckee Fire Protection District acquired the EMS transport business from the Tahoe Forest Hospital in 1988. This acquisition has increased the level of service to the community.

On September 14, 2021, Measure T was passed by voters within the Truckee Fire Protection District. This measure levies a special tax of \$179 per parcel, per year, creating a dedicated source of local funding for wildfire prevention. The measure has an 8-year sunset, at which time it will need voter approval to continue.

This special tax will create an annual \$3.7 million dollar Community Wildfire Prevention Fund that will be spent on various fuel reduction and wildfire prevention projects to reduce the threat of wildfire in the Truckee and Donner Summit wildland urban interface areas.

The Board of the District shall provide for the creation of an independent citizens' oversight committee to oversee expenditure of the funds collected pursuant to this Measure to ensure that moneys raised under this Measure are spent only for the purposes described in this Measure. The Board shall provide for the composition, duties, and other necessary information regarding the committee's formation and operation.

The fund financial statements presented are for the Measure T Funds. Since this is just one component of the District, these financial statements are not intended to be a complete presentation of the District's financial position or results of operations. Accordingly, these fund statements do not include a government wide financial statement, management discussion and analysis or related organizational disclosures. The audited financial statements of Truckee Fire Protection District include the Measure T Funds activities, related debt and disclosures as well as management's discussion and analysis.

TRUCKEE FIRE PROTECTION DISTRICT

MEASURE T FUNDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. FUND ACCOUNTING

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

C. ACCOUNTING POLICIES

The District prepares its financial statements in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means 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 collectible within the current period or within 60 days after year-end.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

E. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

TRUCKEE FIRE PROTECTION DISTRICT

MEASURE T FUNDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. ENCUMBRANCES

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated at June 30.

G. CAPITAL AND LONG-TERM DEBT

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the Measure T Funds is accounted for on a spending or “financial flow” measurement focus. This means that only current assets and liabilities are generally included on the balance sheet.

The reported fund balances are considered a measure of “available spendable resources”. Thus, any capital assets and long-term liabilities associated with the Measure T Funds are accounted for in the basic financial statements of the District.

H. FUND BALANCE – GOVERNMENTAL FUNDS

As of June 30, 2023, fund balances of the Measure T Fund are classified as restricted. Restricted funds can only be spent for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2023 consist of cash in the Local Agency Investment Fund in the amount of \$976,254.

Local Agency Investment Fund

The District is a voluntary participant in Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer’s Office pools these funds with those of other governmental agencies in the State and invests the cash. The fair value of the District’s investment in this pool, which approximates cost, is reported in the accompanying financial statements based upon the District’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds are accessible and transferable to the master account with twenty-four-hour notice. The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity, and yield are not jeopardized.

TRUCKEE FIRE PROTECTION DISTRICT

MEASURE T FUNDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

2. CASH AND INVESTMENTS (CONTINUED)

Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset backed securities, and floating rate securities issued by Federal Agencies, government-sponsored enterprises and corporations. The monies held in the LAIF are not subject to categorization by risk category. It is also not rated as to credit risk by a nationally recognized statistical rating organization. LAIF is administered by the State Treasurer and audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office: 915 Capitol Mall, Sacramento, California 95814.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The monies held in the LAIF investment pool are not subject to categorization by risk category. It is also not rated as to credit risk by a nationally recognized statistical rating organization.

Custodial Credit Risk

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

3. SUBSEQUENT EVENTS

The District's management evaluated its June 30, 2023 financial statements for subsequent events through December 11, 2023, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

TRUCKEE FIRE PROTECTION DISTRICT

MEASURE T FUNDS

FULL BALLOT TEXT

FULL BALLOT TEXT
TRUCKEE FIRE PROTECTION DISTRICT
Wildfire Protection Measure
Measure T

BALLOT QUESTION

To reduce the risk of wildfire/improve wildfire prevention, including removing dry brush, dead trees, fuels and fire hazards; improving emergency evacuation systems, routes and procedures; supporting defensible space around homes, neighborhoods and critical infrastructure providing more green waste disposal options; shall the Truckee Fire Protection District measure levying \$179 per parcel for eight years be adopted, providing \$3,700,000 annually in locally-controlled funding for wildfire protection, with independent audits, exemptions for low-income residents, and citizen oversight?

A. Findings

The Truckee Fire Protection District ("District") Board of Directors ("Board") is authorized and charged to provide fire protection and prevention services, including reducing the risk of wildfire and improving local wildfire prevention.

The Truckee and Donner Summit areas' scenic forests and lush vegetation make it a desirable place to live, work and visit, it also makes our residents, businesses and natural environment vulnerable to wildfire.

Truckee and Donner Summit area forests are now experiencing a 100-year buildup of dry brush and dead trees, and removing these materials in an environmentally responsible way would help reduce the risk of wildfire and improve the health of our forests and watersheds by restoring a more natural balance.

As wildfires continue to get larger, faster, and more destructive, additional resources are needed to clear dry brush, remove fire hazards and better protect against wildfire emergencies.

In 2016, the District collaborated with the community to develop the first Truckee area Community Wildfire Protection Plan ("CWPP").

The CWPP is a comprehensive, scientifically based assessment of the wildfire hazards and risks within District, which has been identified as a Very High Fire Severity Zone by Cal Fire.

The CWPP identifies the risks facing our community and helps the District develop short-term and long-term strategies to reduce the risk of wildfire and improve emergency preparedness.

The District has already been able to complete some of the priority projects identified in the CWPP; however, the full scope of needs cannot be addressed without an additional funding source.

The Board has determined that it is in the best interest of the community to seek voter approval, which will require approval by two-thirds voters voting thereon, for the Wildfire Protection Measure, a proposed special tax that would provide a stable, dedicated source of local funding to be used for the purpose of reducing the risk of wildfire and improving local wildfire prevention within the District.

TRUCKEE FIRE PROTECTION DISTRICT

MEASURE T FUNDS

FULL BALLOT TEXT

The Wildfire Protection Measure would provide local funding to remove dry brush, dead trees and other fire hazards, add firebreaks where needed to help prevent or slow the spread of wildfire, and provide homeowners with easy and inexpensive disposal options for trimmings and green waste.

The Wildfire Protection Measure would enable the District to invest more in early fire detection, emergency warning systems and fire-safe evacuation routes to help ensure residents are notified quickly and have safe ways to escape danger if a wildfire does break out.

All money raised by the Wildfire Protection Measure would be spent locally, with preference given to local bidders in accordance with District policy as appropriate, to provide fire protection and prevention services and could not be taken by the State.

An independent citizens' oversight committee would review expenditures to ensure funds are spent as set forth in this Measure.

An exemption from the Wildfire Protection Measure will be available for low-income residents of single-family homes to ensure that this Measure is not a burden to local homeowners on fixed or limited incomes.

The Wildfire Protection Measure would automatically expire after eight (8) years and cannot be renewed without voter approval.

Pursuant to its rights and authority under State law, the Board may call an election for the purpose of submitting a ballot measure to the voters of the District.

Pursuant to the authority of Sections 13911 and 13913 of the California Health and Safety Code and Sections 53978 and 50075 et seq. of the California Government Code, the District may levy a special tax on all parcels of real property in the District for the purpose of reducing the risk of wildfire and improving local wildfire prevention, subject to the approval by a two-thirds (2/3) vote of the qualified voters of the District voting in an election on the issue.

If approved by the voters, the special tax will be used solely for the purpose of reducing the risk of wildfire and improving local wildfire prevention within the District.

If this special tax is approved by the voters, the District may exceed the appropriations limit as previously established for the District in accordance with the provisions of Article XIII B of the California Constitution.

In the judgment of the Board, it is advisable to call an election and submit to the voters of the District the question of whether the District shall levy a special tax within the District for the purpose reducing the risk of wildfire and improving local wildfire prevention within the District.

Pursuant to the Elections Code such election may be completely or partially consolidated with any other election held on the same day and in the same territory or territory that is in part the same.

Sections 9160 and 9313 of the Elections Code authorize the filing of an impartial analysis, and Section 9600 et seq. of said code authorizes the filing of written arguments for or against any ballot proposition and rebuttal arguments.

TRUCKEE FIRE PROTECTION DISTRICT

MEASURE T FUNDS

FULL BALLOT TEXT

B. Amount and Basis of Special Tax

This Measure shall authorize the District to annually levy a special tax of \$179 per parcel on parcels within the District's boundaries beginning with the FY 2022-23 tax year and continuing for a period of eight (8) years. This special tax is estimated to raise \$3,700,000 in annual local funding for the District. The amount of annual local funding raised by this qualified special tax will vary from year-to-year due to changes in the number of parcels subject to the levy.

C. Use of Special Tax Proceeds

The special tax shall be used solely for the purpose of reducing the risk of wildfire and improving local wildfire prevention, providing a stable, dedicated source of local funding for wildfire prevention and mitigation. Types of projects may include investing more in early fire detection, emergency warning systems and fire-safe evacuation routes that would ensure residents are notified quickly and have safe ways to escape danger if a wildfire does break out, removing dry brush, dead trees, fuel and other fire hazards, adding firebreaks where needed to help prevent or slow the spread of wildfire, providing homeowners with easy and inexpensive disposal options for trimmings and green waste, updating the Community Wildfire Protection Plan, home hardening, investing in future green waste systems, investing in capital and equipment to help remove fire fuels and reduce the risk of wildfire, improving inspection programs, expenses related to management of these types of programs, and providing for any incidental expenses related to the collection of the tax and managing of exemptions. Where appropriate, preference in contracting to accomplish the above-stated purposes will be given to local bidders in accordance with the District's local bidder preference policy, as it may be amended or revised by the Board.

D. Exemptions

The Measure authorizes an exemption for a property owner who owns and occupies a single-family home as their principal residence and qualifies as low income as defined by the United States Department of Housing and Urban Development ("HUD"). Pursuant to any procedures adopted by the District, upon application an exemption from payment of the special tax may be granted on any parcel owned by a qualified property owner. To qualify for the low-income exception, the applicant must meet the following specific criteria:

1. Own and occupy the single-family residence as their primary residence.
2. Combined family income in the calendar year prior (from all sources from January 1 to December 31 to the property tax year (July 1 to June 30) that is at or below the income level qualifying as "low income" for a family of such size as defined by HUD. A low-income property owner, as defined HUD is the owner of the property and has an income of 80% of the median income for either Nevada County or Placer County. For example, if a family of four makes less than \$68,800 in the 2020 calendar year (January 1 - December 31), they would qualify as low income and would be eligible for the low-income exemption for the following property tax year (July 1 - June 30). For the purposes of defining median income, the household size shall be presumed to be: one person in a studio unit, two persons in a one-bedroom unit, three persons in a two-bedroom unit, and one additional person for each additional bedroom thereafter.

TRUCKEE FIRE PROTECTION DISTRICT

MEASURE T FUNDS

FULL BALLOT TEXT

FY 2020 Low Income Limit (80%)
California Department of Housing and Urban Development
Nevada County, CA
Median Family Income - \$92,400
Effective April 1, 2020

Persons in Family: Low Income Limit (\$)

- 1: \$48,200
- 2: \$55,050
- 3: \$61,950
- 4: \$68,800
- 5: \$74,350
- 6: \$79,850
- 7: \$85,350
- 8: \$90,850

FY 2020 Low Income Limit (80%)
California Department of Housing and Urban Development
Placer County, CA
Median Family Income - \$86,300
Effective April 1, 2020

Persons in Family: Low Income Limit (\$)

- 1: \$48,350
- 2: \$55,250
- 3: \$62,150
- 4: \$69,050
- 5: \$74,600
- 6: \$80,100
- 7: \$85,650
- 8: \$91,150

The District shall annually review and update as appropriate the median family income and low-income limits for Nevada and Placer Counties for purposes of qualifying for the low-income exemption. The District shall annually provide to the Nevada and Placer County Tax Collectors or other appropriate County official a list of parcels that the District has approved for an exemption.

E. Claims / Exemption Procedures

With respect to all general property tax matters within their respective jurisdictions, the Nevada County Tax Collector and the Placer County Tax Collector shall make all final determinations of tax exemption or relief for any reason, and that decision shall be final and binding. With respect to matters specific to the levy of the special tax, including the exemptions, the legality or validity of the special tax, or any other disputed matter specific to the application of the special tax, the decisions of the District shall be final and binding.

TRUCKEE FIRE PROTECTION DISTRICT

MEASURE T FUNDS

FULL BALLOT TEXT

F. Appropriations Limit

Pursuant to California Constitution Article XIII B and applicable laws, the appropriations limit for the District will be adjusted periodically by the aggregate sum collected by levy of this qualified special tax.

G. Levy, Collection, and Deposit of the Special Tax.

Unless otherwise ordered pursuant to a resolution adopted by the Board, the special taxes shall annually be collected on the County of Nevada and the County of Placer property tax bills in the same manner and subject to the same penalty as the county property taxes are collected. The Board shall annually take such steps as are necessary to have the special tax collected through the property tax bills and shall coordinate with the County Auditors and Tax Collectors in this regard. The Counties shall be entitled to deduct their reasonable costs incurred in collecting the special tax before the balance of the tax is remitted to the District.

H. Reporting and Oversight

a) Specific Purpose. The proceeds of the special tax shall be applied only to the specific purposes identified in this Measure as required by Government Code section 50075.1. The proceeds of the special tax shall be deposited into a fund, which shall be kept separate and apart from other funds of the District.

b) Annual Report. No later than December 31 of each year while the special tax is in effect, the District shall prepare and file with the Board a report detailing the amount of funds collected and expended, and the status of any project authorized to be funded by this Measure.

c) Independent Citizens' Oversight Committee. The Board shall provide for the creation of an independent citizens' oversight committee to oversee expenditure of the funds collected pursuant to this Measure to ensure that moneys raised under this Measure are spent only for the purposes described in this Measure. The Board shall provide for the composition, duties, and other necessary information regarding the committee's formation and operation.

OTHER INDEPENDENT AUDITOR'S REPORTS



James Marta & Company

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

**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***

INDEPENDENT AUDITOR'S REPORT

Citizen's Oversight Committee
and Governing Board
Truckee Fire Protection District
Truckee, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund financial statements of the Measure T Funds of Truckee Fire Protection District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Measure T funds' financial statements, and have issued our report thereon dated December 11, 2023.

Internal Control Over Financial Reporting

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

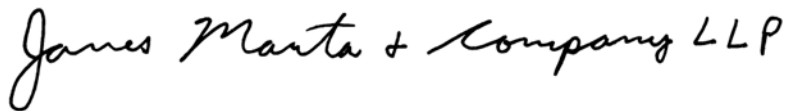
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given 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

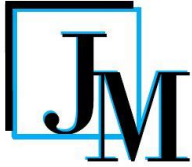
As part of obtaining reasonable assurance about whether the Measure T Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. This report is intended solely for the information and use of management, and the Citizen's Oversight Committee and Governing Board of Truckee Fire Protection District, others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "James Marta & Company LLP".

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 11, 2023



James Marta & Company
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

**INDEPENDENT AUDITOR’S REPORT
ON MEASURE T FUNDS PERFORMANCE**

Citizen’s Oversight Committee
and Governing Board
Truckee Fire Protection District
Truckee, California

We have audited the financial statements of the Measure T Funds of the Truckee Fire Protection District (the “District”) as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated December 11, 2023. Our audit was made in accordance with auditing standards generally accepted in the United States of America and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Management’s Responsibility

The design, implementation and maintenance of internal controls relevant to the financial process and compliance with the requirements of state laws and regulations is the responsibility of management.

Our responsibility is to determine that the District complied with the Measure T funds in accordance with the Measure T ballot text.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objects. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The results of the procedures performed indicate that the District complied with the requirements identified in Measure T ballot text for the Measure T funds for the year ended June 30, 2023.

Objectives

The objectives of our performance audit was to determine that the District expended the Measure T funds for the year ended June 30, 2023 only for purposes approved by voters and only for specific projects adopted by the District’s Board of Directors.

Scope of the Audit

The scope of our performance audit covered the fiscal year ended June 30, 2023. The expenditures included all account and project codes associated with the Measure T projects. Expenditures before July 1, 2022 and after June 30, 2023 were not reviewed as they were not within the scope of our audit.

Methodology

1. We obtained the general ledger for the fiscal year ended June 30, 2023.
2. We selected expenditures to ensure compliance with Measure T funding.
3. We verified the mathematical accuracy of the expenditures included in the Measure T Fund detailed general ledger for the fiscal year ended June 30, 2023.
4. We verified that the funds were generally expended for the purpose of reducing the risk of wildfire and improving local wildfire prevention, providing a stable, dedicated source of local funding for wildfire prevention and mitigation
5. Solely to assist us in planning and completing our performance audit, we obtained an understanding of the internal controls of the District.
6. We selected a sample of expenditures and performed the following:
 - a. Reviewed the invoices, contracts, warrant copies and other supporting documents to verify the funds were spent in accordance with list of projects defined in the full Measure T ballot text.
 - b. For any expenditures that were subject to the bid process, we reviewed supporting documentation to verify that all applicable bid process requirements were satisfied.
 - c. We verified that any change orders for the selected projects were approved by the Board of Directors.

Conclusion

Based on the procedures performed, we found that the Truckee Fire Protection District has properly accounted for the expenditures of Measure T funds. Further, it was noted that the Truckee Fire Protection District has properly accounted for the expenditures of Measure T funds in accordance with the full ballot measure text. Our audit does not provide a legal determination on the District's compliance with specific requirements.

Purpose of this Report

The purpose of this report is solely to describe the scope of our performance audit and the results of that testing. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's compliance. This report is intended solely for the information and use of management and Governing Board of Truckee Fire Protection District, the Citizens Oversight Committee, others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 11, 2023