



BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE
CITY OF BIG BEAR LAKE, CALIFORNIA

JUNE 30, 2023

FINANCIAL STATEMENTS

Focused
on YOU



BIG BEAR LAKE FIRE PROTECTION DISTRICT

**A COMPONENT UNIT OF THE
CITY OF BIG BEAR LAKE, CALIFORNIA**

Financial Statements

For the Year Ended June 30, 2023

BIG BEAR LAKE FIRE PROTECTION DISTRICT

A COMPONENT UNIT OF THE
CITY OF BIG BEAR LAKE, CALIFORNIA

Financial Statements

For the Year Ended June 30, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Big Bear Lake Fire Protection District
Big Bear Lake, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and the general fund of the Big Bear Lake Fire Protection District (the "District"), a component unit of the City of Big Bear Lake, California (the "City"), 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 financial position of the governmental activities and the general fund of the District as of June 30, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Standards 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Component Unit Reporting

As discussed in Note 1, the financial statements of the District are intended to present the financial position and the changes in financial position of only that portion of the governmental activities and general fund of the City that is attributable to the transactions of the District. They do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2023, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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



To the Board of Directors
Big Bear Lake Fire Protection District
Big Bear Lake, California

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, *Government Auditing Standards*, and the State Controller's Minimum Audit Standards for California Special Districts will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State Controller's Minimum Audit Standards for California Special Districts, 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 budgetary comparison schedule for the general fund 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



To the Board of Directors
Big Bear Lake Fire Protection District
Big Bear Lake, California

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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Soll & Lughard, LLP".

Brea, California
December 20, 2023

BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE CITY OF BIG BEAR LAKE, CALIFORNIA
Statement of Net Position and
Governmental Fund Balance Sheet
June 30, 2023

	General Fund	Reclassifications and Eliminations	Statement of Net Position
Assets:			
Capital assets, not being depreciated	\$ -	\$ 555,237	\$ 555,237
Capital assets, net of depreciation	-	2,044,928	2,044,928
Total Assets	\$ -	2,600,165	2,600,165
Fund Balance:			
Restricted for public safety	\$ -	-	
Total Fund Balance	\$ -	-	
Net Position:			
Invested in capital assets		2,600,165	2,600,165
Total Net Position		\$ 2,600,165	\$ 2,600,165

BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE CITY OF BIG BEAR LAKE, CALIFORNIA
Statement of Activities and
Statement of Revenues Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2023

	General Fund	Reclassifications and Eliminations	Statement of Activities
Revenues:			
Taxes	\$ 6,891,163	\$ -	\$ 6,891,163
Total Revenues	6,891,163	-	6,891,163
Expenditures/Expenses:			
Current:			
Public safety	6,891,163	109,504	7,000,667
Total Expenditures/Expenses	6,891,163	109,504	7,000,667
Net Change in Fund Balance/Net Position	-	(109,504)	(109,504)
Fund Balance/Net Position at the Beginning of the Year	-	2,709,669	2,709,669
Fund Balance/Net Position at the End of the Year	\$ -	\$ 2,600,165	\$ 2,600,165

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

BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE CITY OF BIG BEAR LAKE, CALIFORNIA
Notes to the Financial Statements
June 30, 2023

NOTE 1: REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Big Bear Lake Fire Protection District (the District) was formed in 1927 under the laws of the State of California to provide fire protection and prevention services in the Big Bear Lake area of San Bernardino County.

The basic criteria for including an organization in a primary governmental unit's financial statements is the exercise of oversight responsibility over the organization by the primary governmental unit's elected officials. The City of Big Bear Lake (City) is the primary governmental unit. The District is a component unit of the City. Component units are those entities which are financially accountable to the primary government, either because the primary unit appoints a voting majority of the component unit Board or because the component unit will provide financial benefit or impose a financial burden on the primary government. The specific criteria used in determining that the District was a component unit of the City was that the members of the City Council were the same as the members of the District Board of Directors.

The attached basic financial statements contain information relative only to the District as a component unit of the total reporting entity.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Big Bear Lake Fire Protection District.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE CITY OF BIG BEAR LAKE, CALIFORNIA
Notes to the Financial Statements
June 30, 2023

NOTE 1: REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first and then unrestricted resources as they are needed.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

D. Assets, Liabilities and Net Position or Equity

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. The District defined capital assets as assets with an initial, individual cost of more than \$7,500 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of acquisition.

In accordance with GASB Statement No. 34, the District has reported its general infrastructure.

Addition of a major component (over \$7,500) to an existing fixed asset that increases its usability or value is considered to be a fixed asset addition to the original asset. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
General plant and equipment	5 - 50

BIG BEAR LAKE FIRE PROTECTION DISTRICT
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Notes to the Financial Statements
June 30, 2023

NOTE 1: REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

In the fund financial statements, government funds report the following fund balance classifications:

Non-spendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, the Board of Directors or City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a minute action or a resolution.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The Director of Administrative Services is authorized to assign amounts to a specific purpose, which was established by the governing body in a resolution.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted amounts to be used first, then unrestricted. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, they are considered to be spent in the order as follows: committed, assigned and then unassigned.

Functional Classifications

Expenditures of the governmental funds are classified by function. Functional classifications are defined as follows:

Public Safety - Fire Protection includes activities of the Fire Protection District involved in the protection of people and property from fire.

BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE CITY OF BIG BEAR LAKE, CALIFORNIA
Notes to the Financial Statements
June 30, 2023

NOTE 1: REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Tax

Property tax revenue is recognized on the modified accrual basis, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means then due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The County of San Bernardino collects property taxes for the District. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property, as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31.

Property taxes are passed from the District to the joint venture entity, Big Bear Fire Authority (the "Authority"), as a part of the merger between the two entities.

NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reclassifications and eliminations column between fund balance and net position as reported in the statement of net position. One element of that reconciliation is that capital assets used in governmental activities are not financial resources and, therefore, are not reported in the general fund. The District reported a total of \$2,600,165 in capital assets in the current period (refer to Note 3).

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reclassifications and eliminations column between the elements that comprise the changes in fund balance and the changes in net position as reported in the statement of activities. One element of that column is that governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The District reported a total depreciation expense of \$109,504 in the current period (refer to Note 3).

The final element of that column is that net position related to net effect of the beginning balances of the item described previously is not reported in the governmental fund statement of revenues, expenditures, and changes in fund balances. The net effect was \$2,600,165 for the current period.

BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE CITY OF BIG BEAR LAKE, CALIFORNIA
Notes to the Financial Statements
June 30, 2023

NOTE 3: CAPITAL ASSETS

A summary of changes in capital assets for fiscal year ended June 30, 2023, is as follows:

	Beginning Balance July 1, 2022	Increases	Decreases	Ending Balance June 30, 2023
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 555,237	\$ -	\$ -	\$ 555,237
Total Capital Assets, Not Being Depreciated	555,237	-	-	555,237
Capital assets, being depreciated:				
Structures	3,232,152	-	-	3,232,152
Equipment	2,380,438	-	124,058	2,256,380
Total Capital Assets, Being Depreciated	5,612,590	-	124,058	5,488,532
Less accumulated depreciation:				
Structures	1,416,588	64,643	-	1,481,231
Equipment	2,041,570	44,861	124,058	1,962,373
Total Accumulated Depreciation	3,337,304	109,504	124,058	3,443,604
Total Capital Assets, Being Depreciated, Net	2,275,286	(109,504)	-	2,044,928
Governmental Activities Capital Assets, Net	\$ 2,830,523	\$ (109,504)	\$ -	\$ 2,600,165

Depreciation expense for the year was \$109,504, allocated to the public safety function of the statement of activities.

NOTE 4: LIABILITY, WORKERS' COMPENSATION, AND PURCHASED INSURANCE

The District is covered under the City of Big Bear Lake's insurance policies with the California Joint Powers Insurance Authority. Therefore, the limitation and self-insured retentions applicable to the City of Big Bear Lake also apply to the District. Additional information as to coverage and self-insured retentions can be obtained by contacting the City.

NOTE 5: JOINT VENTURE ORGANIZATION

The District is a member of the Big Bear Fire Authority (Authority). The Authority was formed in 2012 under the California Joint Exercise of Powers Act to merge the Big Bear Fire Protection District and the Big Bear City Community Services District's fire agencies under one umbrella and provide fire protection and prevention services in the Big Bear Valley area of San Bernardino County.

The Board consists of ten directors, including the elected or appointed members of the boards of directors of the participating agencies. The term of office of each director shall be concurrent with that director's term of office on the participating agency's board of directors.

BIG BEAR LAKE FIRE PROTECTION DISTRICT
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Notes to the Financial Statements
June 30, 2023

NOTE 5: JOINT VENTURE ORGANIZATION (CONTINUED)

The District does not have an equity interest in the Authority. However, the District passes through property tax assessments it receives to the Authority, for the Authority to provide fire safety services to the District.

Separate financial statements of the Authority are available from its offices at the Big Bear Fire Department located at 41090 Big Bear Blvd., Big Bear Lake, California, 92315.

NOTE 6: COMMITMENTS AND CONTINGENCIES

The District is subject to litigation arising in the normal course of business. In the opinion of legal counsel there is no pending litigation which is likely to have a material adverse effect on the financial position of the District.

REQUIRED SUPPLEMENTARY INFORMATION

BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE CITY OF BIG BEAR LAKE, CALIFORNIA
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Taxes	6,806,133	6,806,133	6,891,163	85,030
Amounts Available for Appropriations	6,806,133	6,806,133	6,891,163	85,030
Charges to Appropriations (Outflows):				
Public safety	6,806,133	6,806,133	6,891,163	(85,030)
Total Charges to Appropriations	6,806,133	6,806,133	6,891,163	(85,030)
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

The notes to required supplementary information are an integral part of this schedule.

BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE CITY OF BIG BEAR LAKE, CALIFORNIA
Notes to the Required Supplementary Information
June 30, 2023

NOTE 1: GENERAL BUDGET POLICIES

1. The annual budget adopted by the District Board of Directors provides for the general operation of the District. It includes proposed expenditures and the means of financing them.
2. The District Board of Directors approves total budgeted appropriations and any amendments to appropriations throughout the year. This appropriated budget covers District expenditures in the General Fund. Actual expenditures may not exceed budgeted appropriations at the function level. Budget figures used in the financial statements are the final adjusted amounts, including any amendments to the budget during the year.
3. Formal budgetary integration is employed as a management control device. Commitments for materials and services such as purchase orders and contracts are recorded during the year as encumbrances to assist in controlling expenditures. Appropriations which are encumbered at year-end lapse, and then are added to the following years budgeted appropriations.
4. The budget for the General Fund is adopted on a basis substantially consistent with Generally Accepted Accounting Principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items.
5. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the District is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. Based on calculations by District Management, proceeds of taxes did not exceed related appropriations for the fiscal year ended June 30, 2022. Furthermore, Section 5 of Article XIII B allows the District to commit a portion of fund balance for general contingencies to be used in future years without limitation.

NOTE 2: EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures exceeded appropriations in the public safety function in the amount of \$85,030 for the year ended June 30, 2023.