



**BUTTE COUNTY FIRE SAFE COUNCIL**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEARS ENDED  
DECEMBER 31, 2024 AND 2023**

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**BUTTE COUNTY FIRE SAFE COUNCIL  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Butte County Fire Safe Council  
Paradise, California

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

#### ***Opinion***

We have audited the accompanying financial statements of Butte County Fire Safe Council (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Butte County Fire Safe Council as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Butte County Fire Safe Council 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 opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Butte County Fire Safe Council's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### ***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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Butte County Fire Safe Council'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 Butte County Fire Safe Council'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.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2025, on our consideration of Butte County Fire Safe Council'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 Butte County Fire Safe Council'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 Butte County Fire Safe Council's internal control over financial reporting and compliance.

MUN CPAs, LLP

Sacramento, California  
July 30, 2025

**BUTTE COUNTY FIRE SAFE COUNCIL  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 3)	\$ 931,692	\$ 3,193,223
Certificates of deposit (Notes 4 and 5)	-	459,000
Undeposited funds	343	13,928
Accounts receivable	69,668	-
Grants receivable (Note 6)	2,814,282	965,278
Interest receivable	-	5,153
Rent deposit	4,415	4,415
Prepaid expenses and other assets	32,712	74,484
<b>Total Current Assets</b>	<b>3,853,112</b>	<b>4,715,481</b>
<b>Non-Current Assets</b>		
Capital assets, net accumulated depreciation (Note 7)	268,385	352,899
Right-of-use asset (Note 10)	55,323	113,098
<b>Total Non-Current Assets</b>	<b>323,708</b>	<b>465,997</b>
<b>TOTAL ASSETS</b>	<b>\$ 4,176,820</b>	<b>\$ 5,181,478</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,772,570	\$ 454,009
Accrued expenses	-	3,020
Payroll liabilities	88,598	56,957
Deferred revenue (Note 8)	550,896	2,780,968
Lease liability (Note 10)	55,323	57,775
<b>Total Current Liabilities</b>	<b>2,467,387</b>	<b>3,352,729</b>
<b>Non-Current Liabilities</b>		
Lease liability, less current portion (Note 10)	-	55,323
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>55,323</b>
<b>TOTAL LIABILITIES</b>	<b>2,467,387</b>	<b>3,408,052</b>
<b><u>NET ASSETS</u></b>		
Without donor restrictions:		
Undesignated (Note 11)	520,084	1,528,820
Board-designated (Note 11)	1,189,349	234,698
With donor restrictions (Note 11)	-	9,908
<b>TOTAL NET ASSETS</b>	<b>1,709,433</b>	<b>1,773,426</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,176,820</b>	<b>\$ 5,181,478</b>

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

**BUTTE COUNTY FIRE SAFE COUNCIL  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b><u>REVENUES AND OTHER SUPPORT</u></b>			
Federal grants	\$ 155,627	\$ 1,787,392	\$ 1,943,019
State grants	682,966	5,517,915	6,200,881
Local government grants	1,139	27,990	29,129
Contracts	10,251	99,813	110,064
Nongovernment grants	4,748	139,797	144,545
Other	<u>7,514</u>	<u>-</u>	<u>7,514</u>
<b>Total Revenues and Other Support</b>	<u>862,245</u>	<u>7,572,907</u>	<u>8,435,152</u>
Net assets released from restriction	<u>7,599,883</u>	<u>(7,599,883)</u>	<u>-</u>
<b>Total Revenues</b>	<u>8,462,128</u>	<u>(26,976)</u>	<u>8,435,152</u>
<b><u>EXPENSES</u></b>			
Program activities	7,713,221	-	7,713,221
Management and general	826,617	-	826,617
Fundraising	<u>16,824</u>	<u>-</u>	<u>16,824</u>
<b>Total Expenses</b>	<u>8,556,662</u>	<u>-</u>	<u>8,556,662</u>
Change in net assets from operating activities	<u>(94,534)</u>	<u>(26,976)</u>	<u>(121,510)</u>
<b><u>NON-OPERATING ACTIVITIES</u></b>			
Contributions	10,950	-	10,950
Interest and dividend income	29,499	-	29,499
Special event income	-	15,818	15,818
In-kind contributions	<u>-</u>	<u>1,250</u>	<u>1,250</u>
Change in net assets from non-operating activities	<u>40,449</u>	<u>17,068</u>	<u>\$ 57,517</u>
<b>CHANGE IN NET ASSETS</b>	<u>(54,085)</u>	<u>(9,908)</u>	<u>(63,993)</u>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>1,763,518</u>	<u>9,908</u>	<u>1,773,426</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,709,433</u>	<u>\$ -</u>	<u>\$ 1,709,433</u>

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

**BUTTE COUNTY FIRE SAFE COUNCIL  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b><u>REVENUES AND OTHER SUPPORT</u></b>			
Federal grants	\$ 30,463	\$ 574,079	\$ 604,542
State grants	644,490	5,369,840	6,014,330
Local government grants	1,060	9,535	10,595
Contracts	8,154	86,667	94,821
Nongovernment grants	<u>22,476</u>	<u>372,725</u>	<u>395,201</u>
<b>Total Revenues and Other Support</b>	<u>706,643</u>	<u>6,412,846</u>	<u>7,119,489</u>
Net assets released from restriction	<u>6,422,027</u>	<u>(6,422,027)</u>	<u>-</u>
<b>Total Revenues</b>	<u>7,128,670</u>	<u>(9,181)</u>	<u>7,119,489</u>
<b><u>EXPENSES</u></b>			
Program activities	6,459,410	-	6,459,410
Management and general	514,187	-	514,187
Fundraising	<u>5,153</u>	<u>-</u>	<u>5,153</u>
<b>Total Expenses</b>	<u>6,978,750</u>	<u>-</u>	<u>6,978,750</u>
Change in net assets from operating activities	<u>149,920</u>	<u>(9,181)</u>	<u>140,739</u>
<b><u>NON-OPERATING ACTIVITIES</u></b>			
Contributions	11,446	-	11,446
Interest and dividend income	19,131	-	19,131
Special event income	-	5,273	5,273
In-kind contributions	1,479	-	1,479
Other income	<u>-</u>	<u>349</u>	<u>349</u>
Change in net assets from non-operating activities	<u>32,056</u>	<u>5,622</u>	<u>\$ 37,678</u>
<b>CHANGE IN NET ASSETS</b>	181,976	(3,559)	178,417
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>1,581,542</u>	<u>13,467</u>	<u>1,595,009</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,763,518</u>	<u>\$ 9,908</u>	<u>\$ 1,773,426</u>

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

**BUTTE COUNTY FIRE SAFE COUNCIL  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<b>Program Services</b>						
	<b>RAP</b>	<b>Forest Health Mitigation</b>	<b>Education and Outreach</b>	<b>Biomass Utilization</b>	<b>Chipper Program</b>	<b>Firewise USA</b>	<b>Grazing Coop</b>
Contract services	\$ -	\$ 4,969,694	\$ 20,018	\$ 312,980	\$ 79,754	\$ -	\$ -
Salaries and benefits	482	1,646,198	322,023	18,181	77,718	6,946	1,122
Accounting and professional	-	25,730	3,371	-	1,668	-	-
Supplies	46	33,868	7,638	-	250	-	-
Insurance	-	-	-	-	-	-	-
Telephone & telecommunications	-	-	-	-	-	-	-
Printing and copying	-	425	1,672	-	-	-	-
Travel & meetings	-	46,100	25,506	1,786	504	972	205
Bank charges	-	-	-	-	5	-	12
Facilities & equipment	-	78,245	691	-	3,559	63	-
Depreciation	-	-	-	-	-	-	-
Postage and shipping	-	-	-	-	-	-	-
Other expense	-	16,286	1,500	-	-	-	-
Information technology	-	-	-	-	-	-	-
Pilot program direct costs	-	-	7,098	-	-	-	-
<b>Total</b>	<b>\$ 528</b>	<b>\$ 6,816,546</b>	<b>\$ 389,517</b>	<b>\$ 332,947</b>	<b>\$ 163,458</b>	<b>\$ 7,981</b>	<b>\$ 1,339</b>

	<b>Program Services</b>					<b>Total Program Services</b>
	<b>RAP</b>	<b>Forest Health Mitigation</b>	<b>Education and Outreach</b>	<b>Biomass Utilization</b>	<b>Chipper Program</b>	
Contract services	\$ 159,837	\$ 3,915,906	\$ 59,974	\$ 99,868	\$ 139,495	\$ 4,375,080
Salaries and benefits	250,643	957,454	328,945	13,577	76,818	1,627,437
Accounting and professional	-	4,454	19,035	9,720	-	33,209
Supplies	15,701	53,641	11,434	-	1,061	81,837
Insurance	-	-	-	-	-	-
Telephone & telecommunications	-	-	-	-	-	-
Printing and copying	-	10	11,833	-	-	11,843
Travel & meetings	19,943	39,711	13,461	526	2,518	76,159
Bank charges	-	-	15	-	-	15
Facilities & equipment	112,635	99,316	1,916	-	-	213,867
Depreciation	-	-	-	-	-	-
Postage and shipping	-	-	4,628	-	-	4,628
Other expense	-	28,824	808	1,000	-	30,632
Information technology	-	-	125	-	-	125
Pilot program direct costs	-	74	4,504	-	-	4,578
<b>Total</b>	<b>\$ 558,759</b>	<b>\$ 5,099,390</b>	<b>\$ 456,678</b>	<b>\$ 124,691</b>	<b>\$ 219,892</b>	<b>\$ 6,459,410</b>

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

**BUTTE COUNTY FIRE SAFE COUNCIL  
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>Program Services</u>		<u>Supporting Services</u>			<u>2024 Total</u>
	<u>Doom the Broom</u>	<u>Total Program Services</u>	<u>Mgmt and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Contract services	\$ -	\$ 5,382,446	\$ -	\$ -	\$ -	\$ 5,382,446
Salaries and benefits	-	2,072,670	437,379	6,766	444,145	2,516,815
Accounting and professional	-	30,769	51,775	150	51,925	82,694
Supplies	905	42,707	22,629	423	23,052	65,759
Insurance	-	-	5,436	-	5,436	5,436
Telephone & telecommunications	-	-	32,715	-	32,715	32,715
Printing and copying	-	2,097	5,944	478	6,422	8,519
Travel & meetings	-	75,073	(6,731)	10	(6,721)	68,352
Bank charges	-	17	500	447	947	964
Facilities & equipment	-	82,558	80,605	-	80,605	163,163
Depreciation	-	-	94,422	-	94,422	94,422
Postage and shipping	-	-	1,221	-	1,221	1,221
Other expense	-	17,786	74,379	919	75,298	93,084
Information technology	-	-	26,343	-	26,343	26,343
Pilot program direct costs	-	7,098	-	7,631	7,631	14,729
<b>Total</b>	<b>\$ 905</b>	<b>\$ 7,713,221</b>	<b>\$ 826,617</b>	<b>\$ 16,824</b>	<b>\$ 843,441</b>	<b>\$ 8,556,662</b>

	<u>Supporting Services</u>			<u>2023 Total</u>
	<u>Mgmt and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Contract services	\$ 9	\$ -	\$ 9	\$ 4,375,089
Salaries and benefits	351,576	3,144	354,720	1,982,157
Accounting and professional	63,830	203	64,033	97,242
Supplies	54,854	133	54,987	136,824
Insurance	5,320	-	5,320	5,320
Telephone & telecommunications	27,254	-	27,254	27,254
Printing and copying	4,839	1,170	6,009	17,852
Travel & meetings	1,371	66	1,437	77,596
Bank charges	536	90	626	641
Facilities & equipment	(99,400)	-	(99,400)	114,467
Depreciation	46,019	-	46,019	46,019
Postage and shipping	898	-	898	5,526
Other expense	46,531	251	46,782	77,414
Information technology	10,282	-	10,282	10,407
Pilot program direct costs	268	96	364	4,942
<b>Total</b>	<b>\$ 514,187</b>	<b>\$ 5,153</b>	<b>\$ 519,340</b>	<b>\$ 6,978,750</b>

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

**BUTTE COUNTY FIRE SAFE COUNCIL  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ (63,993)	\$ 178,417
Adjustments to reconcile change in net assets to net cash (used for) provided by operating activities:		
Depreciation expense	94,422	46,019
(Increase) decrease in:		
Undeposited funds	13,585	(9,172)
Accounts receivable	(69,668)	-
Grants receivable	(1,849,004)	647,064
Interest receivable	5,153	(5,153)
Rent deposit	-	(1,915)
Prepaid expenses and other assets	41,772	(38,394)
Right-of-use asset	57,775	(67,090)
Increase (decrease) in:		
Accounts payable	1,318,561	92,639
Accrued expenses	(3,020)	3,020
Payroll liabilities	31,641	(36,447)
Deferred revenue	(2,230,072)	2,460,955
Lease liability	(57,775)	64,486
Net Cash (Used for) Provided by Operating Activities	<u>(2,710,623)</u>	<u>3,334,429</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of certificates of deposit	-	(459,000)
Proceeds from maturity of certificates of deposit	459,000	-
Purchases of capital assets	(9,908)	(336,763)
Net Cash Provided by (Used for) Investing Activities	<u>449,092</u>	<u>(795,763)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Payments on line of credit	-	(250)
Net Cash Used for Financing Activities	<u>-</u>	<u>(250)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(2,261,531)</u>	<u>2,538,416</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>3,193,223</u>	<u>654,807</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 931,692</u>	<u>\$ 3,193,223</u>

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

**BUTTE COUNTY FIRE SAFE COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

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

Council and Nature of Activities

Butte County Fire Safe Council (Council) is a non-profit agency formed in 1998 by a small group of concerned citizens to start a movement to create a fire safe Butte County. The purpose of the Council is to reduce the risk of life and property loss from wildfire through fuel reduction and public education projects; and to increase public awareness of the threat of loss due to fire and what steps can be taken to reduce the probability of a devastating wildfire.

The following is a description of the Council's programs:

*Residents' Assistance Program (RAP)* - *The Residents' Assistance Program helps residents maintain defensible space around their homes for qualifying applicants.*

*Forest Health Mitigation* - The Forest Health program provides wildland fire mitigation and improves forest health through hazard fuel reduction and restoration services.

*Education and Outreach* - The Council educates the community on Forest Health and Wildfire Safety through events, tours, newsletters, social media, school programs, and community meetings.

*Biomass Utilization* - The Biomass Utilization program promotes the use of forest waste materials for energy production, commercial products, or soil enrichment.

*Chipper Program* - The Chipper program helps residents maintain their defensible space by providing chipping services to dispose of limbs and brush by turning it into mulch.

*Firewise USA* - The national Firewise USA recognition program provides a collaborative framework to help neighbors in a geographic area get organized, find direction, and take action to increase the ignition resistance of their homes and community and to reduce wildfire risks at the local level.

*Grazing Coop* - The Grazing Cooperative program empowers landowners to collaborate with neighbors to use grazing as a sustainable wildfire mitigation method.

*Doom the Broom* - The Doom the Broom program hosts volunteer events to remove broom from public locations.

Accounting Method and Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Council and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and are available for general operations. The Council's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by actions of the Council and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**BUTTE COUNTY FIRE SAFE COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

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

Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Council considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of three months or less at the time of purchase.

Certificates of Deposit

The Council's certificates of deposit held for investment that are not debt securities are carried at cost, which approximates fair market value on the statement of financial position. Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as current. Certificates of deposit with remaining maturities greater than one year are classified as non-current.

Capital Assets

Capital assets are valued at historical cost or fair value as of the date of acquisition. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which ranges from five to seven years. Upon the sale or retirement of fixed assets, the related cost and accumulated depreciation are removed from the respective accounts and the resulting gain or loss is included in current operations. Additions and betterments of \$2,500 or more would be capitalized, while maintenance and repairs that do not improve or extend the lives of the respective assets are expensed currently.

Leases

The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Operating leases are included in right-of-use ("ROU") assets and lease liabilities in the statement of financial position.

The ROU asset represents the Council's right to use the underlying asset for the lease term, and the lease liability represents the Council's obligation to make lease payments. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Council uses the implicit rate when it is readily determinable. Since the Council's lease does not provide an implicit rate, to determine the present value of lease payments, management uses the Council's incremental borrowing rate based on the information available at lease commencement. ROU assets also include any lease payments made and exclude any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Council's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Council will exercise the option.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Council's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

**BUTTE COUNTY FIRE SAFE COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

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

Deferred Revenue

Deferred revenue is primarily comprised of funds received from grants that will be recorded as revenue when eligible costs have been incurred.

The Council received grants and contributions of \$550,896 and \$2,780,968 that have not been recognized at December 31, 2024 and 2023, respectively, because qualifying expenditures have not yet been incurred.

Revenue and Revenue Recognition

Annual contributions are generally available for unrestricted use in the related year unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

Grants and other contributions of cash and other assets are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

In-Kind Contributions

The Council recognizes the fair value of contributed services if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Contributions of tangible assets are recorded at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

Functional Expense Allocation

The cost of providing the various programs and supporting services have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among programs and supporting services benefited based on employees' time incurred and management's estimate of the usage of resources.

Income Taxes

Pursuant to a determination letter from the Internal Revenue Service, the Council is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Therefore, no provision for income taxes has been made.

FASB ASC 740-10 prescribes a recognition threshold and measurement standard for financial statement recognition and measurement of an income tax position taken or expected to be taken in a tax return. In addition, FASB ASC 740-10 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosures, and transition. The provisions of FASB ASC 740-10 have been applied to all tax positions of the Council and it did not have a material impact on the Council's financial position, results of operations, or cash flows.

Use of Estimates

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

**BUTTE COUNTY FIRE SAFE COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 2: LIQUIDITY AND AVAILABILITY**

The Council's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date for general expenditures are as follows:

	<b>2024</b>	<b>2023</b>
Financial assets at year-end		
Cash and cash equivalents	\$ 931,692	\$ 3,193,223
Certificates of deposit	-	459,000
Accounts receivable	69,668	-
Interest receivable	-	5,153
Grants receivable	2,814,282	965,278
Total financial assets	3,815,642	4,622,654
Less amounts unavailable for general expenditure within one year due to:		
Amounts restricted by donors for a specified purpose (Note 11)	-	(9,908)
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,815,642	\$ 4,612,746

As part of the Council's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 3: CASH AND CASH EQUIVALENTS**

The Council maintains its deposits with multiple financial institutions. At December 31, 2024, the bank balances totaled \$1,162,944, all of which was insured by the Federal Deposit Insurance Corporation through the use of an Insured Cash Sweep (ICS) account. The Council began utilizing the ICS account in October 2024. The book balance of cash and cash equivalents at December 31, 2024 totaled \$931,692. At December 31, 2023, the bank balances totaled \$3,230,999, of which \$1,020,771 was insured by the Federal Deposit Insurance Corporation. The book balance of cash and cash equivalents at December 31, 2023 totaled \$3,193,223

**NOTE 4: CERTIFICATES OF DEPOSIT**

The Council's certificates of deposit matured during the year ended December 31, 2024. As of December 31, 2023, the Council's certificates of deposit had a balance of \$459,000. Each certificate of deposit was FDIC insured.

**BUTTE COUNTY FIRE SAFE COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 5: FAIR VALUE MEASUREMENTS**

The Council measures fair value in accordance with FASB Accounting Standards Codification ASC 820. ASC 820 applies to all financial instruments that are being measured and reported on a fair value basis. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The applicable level of the fair value hierarchy is as follows:

- Level 1 - Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Valuations for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 - Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly. Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.
- Level 3 - Inputs are unobservable. Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended December 31, 2024 and 2023. The Council had no assets measured at fair value on a nonrecurring basis.

*Certificates of Deposit:* Valued at amortized cost, which approximates fair value. These are included as a Level 2 valuation.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Council believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

There was no balance for assets measured at fair value on a recurring basis at December 31, 2024.

Assets measured at fair value on a recurring basis at December 31, 2023 were as follows:

	Total	Level 1	Level 2	Level 3
Certificates of deposit	\$ <u>459,000</u>	\$ <u>-</u>	\$ <u>459,000</u>	\$ <u>-</u>

**BUTTE COUNTY FIRE SAFE COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 6: GRANTS RECEIVABLE**

Grants receivable are unconditional and used within one year. Grants receivable consisted of the following as of December 31:

	<b>2024</b>	<b>2023</b>
California Governor's Office of Emergency Services	\$ 158,383	\$ 312,074
Butte County Resource Conservation District	8,934	7,693
Butte County	18,501	-
Butte County Air Quality Management District	1,759	-
Town of Paradise	15,110	4,946
Paradise Recreation & Park District	8,869	-
CA Department of Forestry	1,395,225	111,599
Pacific Gas & Electric	-	12,500
US Department of Agriculture	-	10,498
Sierra Nevada Conservancy	176,660	213,606
US Forest Service	<u>1,030,841</u>	<u>292,362</u>
Total Grants Receivable	<u>\$ 2,814,282</u>	<u>\$ 965,278</u>

**NOTE 7: CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2024, is summarized as follows:

	<b>Balance Jan. 1, 2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance Dec. 31, 2024</b>
Equipment	\$ 160,827	\$ 9,908	\$ -	\$ 170,735
Vehicles	<u>307,982</u>	<u>-</u>	<u>-</u>	<u>307,982</u>
Total capital assets depreciated	468,809	9,908	-	478,717
Less: accumulated depreciation	<u>(115,910)</u>	<u>(94,422)</u>	<u>-</u>	<u>(210,332)</u>
Total Capital Assets	<u>\$ 352,899</u>	<u>\$ (84,514)</u>	<u>\$ -</u>	<u>\$ 268,385</u>

Depreciation expense for the year ended December 31, 2024 totaled \$94,422.

Capital asset activity for the year ended December 31, 2023, is summarized as follows:

	<b>Balance Jan. 1, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance Dec. 31, 2023</b>
Equipment	\$ 100,744	\$ 60,083	\$ -	\$ 160,827
Vehicles	<u>31,302</u>	<u>276,680</u>	<u>-</u>	<u>307,982</u>
Total capital assets depreciated	132,046	336,763	-	468,809
Less: accumulated depreciation	<u>(69,891)</u>	<u>(46,019)</u>	<u>-</u>	<u>(115,910)</u>
Total Capital Assets	<u>\$ 62,155</u>	<u>\$ 290,744</u>	<u>\$ -</u>	<u>\$ 352,899</u>

Depreciation expense for the year ended December 31, 2023 totaled \$46,019

**BUTTE COUNTY FIRE SAFE COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 8: DEFERRED REVENUE**

Deferred revenue consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
CA DoF 5GA21100	\$ -	\$ 61,985
CA DoF 5GA22104	97,274	97,861
CA DoF 5GG19109	-	94,246
CA DoF 5GG21204	-	86,215
CA DoF 8GG20627	-	458,650
CA DoF 8GG21612	-	643,855
CA DoF 8GG22609	-	681,530
CA SNC 1341	-	149,448
CA SNC 1343	-	18,078
CA SNC 1547	214,831	295,874
CA SNC 1378	85,110	-
North Valley Community Foundation	-	26,206
California Fire Foundation	13,080	-
PG&E	73,486	-
Paradise Rotary Foundation	64,615	69,254
Sierra Pacific Foundation	2,500	2,500
Wells Fargo Foundation	-	95,266
	<u>-</u>	<u>95,266</u>
Total Deferred Revenue	<u>\$ 550,896</u>	<u>\$ 2,780,968</u>

**NOTE 9: ECONOMIC DEPENDENCE**

Funding for the operations of the Council is provided primarily by grants from Federal, State and Local governments and private organizations. The Council is dependent upon grants to continue conducting its operations.

**BUTTE COUNTY FIRE SAFE COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 10: LEASES**

The Council entered into a long-term lease agreement that commenced August 1, 2022, for its Paradise, California office. The lease agreement had a maturity date of July 31, 2024, however the lease was terminated November 30, 2023.

The Council entered into a new long-term lease agreement that commenced December 1, 2023 for its new Paradise, California office. The lease agreement expires on November 30, 2025.

In accordance with ASU 2016-02, *Leases*, the Council reflects the present value of future operating lease payments (discounted at an appropriate borrowing rate) as a "right-of-use" asset and a corresponding lease liability. As of December 31, 2024, the Council has recorded a total lease liability in the amount of \$55,323 for its office space, (the full balance is current), and a corresponding right-of-use asset for the premises in the amount of \$55,323. As of December 31, 2023, the Council recorded a lease liability in the amount of \$113,098 for its office space, (split between the current amount of \$57,775 and noncurrent amount of \$55,323), and a corresponding right-of-use asset for the premises in the amount of \$113,098. The weighted average discount rate associated with the calculation of the present value of the future lease payments as of December 31, 2024 and 2023 was 4.54%, which represents an estimate of the Council's incremental borrowing rate.

Maturities of the operating lease liability, are as follows:

<b>Year Ending December 31:</b>	<b>Lease Payments</b>
2025	\$ <u>56,375</u>
Total lease payments	56,375
Less: interest	<u>(1,052)</u>
Present value of lease liability	<u>\$ 55,323</u>

Operating lease cost totaled \$61,584 and \$46,621 for the years ended December 31, 2024 and 2023, respectively.

**BUTTE COUNTY FIRE SAFE COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 11: NET ASSETS**

The Council's net assets without donor restrictions are comprised of undesignated amounts and board-designated amounts. The Council's net assets with donor restrictions are restricted based on program and/or time. Net assets consisted of the following at December 31, 2024 and 2023.

	<b>2024</b>	<b>2023</b>
Without donor restrictions:		
Undesignated	\$ 520,084	\$ 1,528,820
Board-designated - FEMA match	1,000,000	-
Board-designated - Future restoration	187,480	229,980
Board-designated - Community Fire Safe Council	1,869	2,218
Board-designated - Chipper program	-	2,500
Total without donor restrictions	1,709,433	1,763,518
With donor restrictions:		
Unexpended funds received for restricted purposes, principally fuels reduction program	-	9,908
Total with donor restrictions	-	9,908
Total Net Assets	\$ 1,709,433	\$ 1,773,426

**NOTE 12: EMPLOYEE PENSION PLAN**

The Council sponsors a section 457 retirement plan for full-time employees. The Council contributed 4% of compensation and also matches voluntary contributions up to 3% of compensation. Contributions may be limited by IRS. Each account is titled to, and controlled by, the employee and the Council bears no fiduciary responsibility. Total retirement plan contributions by the Council for the year ended December 31, 2024 and 2023, were \$117,091 and \$84,226, respectively.

**NOTE 13: IN-KIND CONTRIBUTIONS**

The Council received the following contribution of non-financial assets for the years ending December 31:

	<b>Valuation Method</b>	<b>2024</b>	<b>2023</b>
Gift cards	Face value of the gift cards	\$ -	\$ 50
Supplies	Estimated retail value on vendor pricing	-	89
Flyers	Vendor invoice or market rate for printing	-	140
Tee-shirts	Retail value based on similar items	1,250	1,200
Total Contributed Non-Financial Assets		\$ 1,250	\$ 1,479

The Council received in-kind contributions in the form of gift cards, flyers, tee-shirts, and supplies. The value of these donated items have been recognized as revenues and expenses in the financial statements at the estimated fair value of the donated items. The Council did not receive in-kind contributions with donor restrictions.

**BUTTE COUNTY FIRE SAFE COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 14: COMMITMENTS AND CONTINGENCIES**

Contingencies

The Council receives grant and contract revenues from various entities for specific projects. These agreements are subject to audit and review by the grantor entities. Although such audits could potentially result in disallowed expenses to be refunded to the granting/contracting entities, management believes the fiscal impact, if any, is negligible.

**NOTE 15: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through July 30, 2025, 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**

**BUTTE COUNTY FIRE SAFE COUNCIL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2024**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Grant/ Contract Number</u>	<u>Expenditures</u>
<b>U.S. Department of Agriculture</b>			
<i>Direct Program</i>			
Rural Business Development Grant	10.351	FY23 RBDG 21-DG-11052021-	\$ 86,702
Cooperative Forestry Assistance Watershed Restoration and Enhancement Agreement Authority	10.664	213 BC WUI/LSR	42,411
Wildfire Crisis Strategy Landscapes	10.693		262,953
	10.724		<u>1,152,616</u>
Total U.S. Department of Agriculture			<u>1,544,682</u>
<b>U.S. Department of Homeland Security</b>			
<i>Direct Program</i>			
Hazard Mitigation Grant	97.039		<u>398,337</u>
Total U.S. Department of Homeland Security			<u>398,337</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 1,943,019</u></b>

**BUTTE COUNTY FIRE SAFE COUNCIL  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 1: GENERAL**

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of Butte County Fire Safe Council

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Council and is presented on accounting principles generally accepted in the United States of America. The information is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

**NOTE 3: CLAIMS**

The Council has received federal grants for specific purposes that are subject to review and audit by the Federal Government. Although such audits could result in expenditure disallowance under grant terms, any required reimbursements are not expected to be material which have not already been recorded.

**NOTE 4: INDIRECT COSTS**

The Council has elected to use the 10% de minimus indirect cost rate allowed under Uniform Guidance. Indirect costs were determined as part of the Grant's approved budget.

## OTHER REPORTS



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Butte County Fire Safe Council  
Paradise, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Butte County Fire Safe Council (a nonprofit Organization), which comprise the statement of financial position as of December 31, 2024 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 30, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Butte County Fire Safe Council'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 Butte County Fire Safe Council's internal control. Accordingly, we do not express an opinion on the effectiveness of Butte County Fire Safe Council'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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..

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MUN CPAs, LLP

Sacramento, California  
July 30, 2025



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Butte County Fire Safe Council  
Paradise, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Program***

We have audited Butte County Fire Safe Council's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Butte County Fire Safe Council's major federal programs for the year ended December 31, 2024. Butte County Fire Safe Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Butte County Fire Safe Council compiled, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

***Basis for Opinion on Each Major Federal Program***

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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Butte County Fire Safe Council and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Butte County Fire Safe Council's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Butte County Fire Safe Council's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Butte County Fire Safe Council's compliance based on our audit. 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 Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Butte County Fire Safe Council's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Butte County Fire Safe Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Butte County Fire Safe Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Butte County Fire Safe Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

MUN CPAs, LLP

Sacramento, California  
July 30, 2025

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**BUTTE COUNTY FIRE SAFE COUNCIL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance	No
Identification of major programs:	
<u>AL Number</u> 10.724	<u>Name of Federal Program</u> Wildfire Crisis Strategy Landscapes
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**SECTION II - FINANCIAL STATEMENT FINDINGS**

Current year findings relating to the financial statements which are required to be reported in accordance with <i>Generally Accepted Government Auditing Standards</i>	None
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**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Findings and questioned costs for Federal Awards, which includes audit findings as defined in section 200.516 of the Uniform Guidance	No
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**BUTTE COUNTY FIRE SAFE COUNCIL  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

There were no findings to report in the year ended December 31, 2023, and therefore no items, which require follow-up and corrective action during the year ended December 31, 2024.