

**SHASTA JOINT POWERS  
FINANCING AUTHORITY**

**FINANCIAL STATEMENTS**

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

**SHASTA JOINT POWERS FINANCING AUTHORITY**  
**(A Component Unit of the County of Shasta, California)**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Shasta Joint Powers Financing Authority  
Redding, California

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the Shasta Joint Powers Financing Authority (the "Authority"), a component unit of the County of Shasta, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

#### ***Basis for Opinions***

We conducted our 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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.

***Auditors' 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 auditors' 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 Authority'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 Authority'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***

Management has omitted the management's discussion and analysis and budgetary comparison schedule 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 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

Board of Directors  
Shasta Joint Powers Financing Authority

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 January 30, 2024 on our consideration of the Authority'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 Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Roseville, California  
January 30, 2024

**SHASTA JOINT POWERS FINANCING AUTHORITY**  
**(A Component Unit of the County of Shasta, California)**

STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUND BALANCE SHEET  
JUNE 30, 2023

	General Fund	Adjustments (Note 2)	Governmental Activities Statement of Net Position
<b>ASSETS</b>			
Restricted investments (Note 4)	\$ 5,074	\$ -	\$ 5,074
Interest receivable	-	149,149	149,149
Notes receivable (Note 5)	-	18,214,927	18,214,927
Prepaid bond insurance	-	107,284	107,284
Total Assets	5,074	18,471,360	18,476,434
 <b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Interest payable	-	149,149	149,149
Due within one year (Note 6)	-	1,790,000	1,790,000
Due after one year (Note 6)	-	16,696,232	16,696,232
Total Liabilities	-	18,635,381	18,635,381
 Fund Balance/Net Position:			
Fund balance			
Restricted for debt service	5,074	(5,074)	-
Total Fund Balance	\$ 5,074		
 Net Position:			
Restricted for debt service		5,074	5,074
Unrestricted		(164,021)	(164,021)
Total Net Position:		\$ (158,947)	\$ (158,947)

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

**SHASTA JOINT POWERS FINANCING AUTHORITY**  
**(A Component Unit of the County of Shasta, California)**

STATEMENT OF ACTIVITIES AND GOVERNMENTAL REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2023

	General Fund	Adjustments (Note 3)	Governmental Activities Statement of Activities
<b>REVENUES</b>			
Interest from investments	\$ 5,037	\$ -	\$ 5,037
Interest income	647,448	(12,663)	634,785
Principal payment income	2,260,037	(2,260,037)	-
Total Revenues	2,912,522	(2,272,700)	639,822
<b>EXPENDITURES/EXPENSES</b>			
General government	-	12,261	12,261
Debt Service			
Principal payments	2,255,000	(2,255,000)	-
Interest charges	652,485	(43,090)	609,395
Total Expenditures/Expenses	2,907,485	(2,285,829)	621,656
<b>CHANGES IN FUND BALANCE/NET POSITION</b>	5,037	13,129	18,166
<b>FUND BALANCE/NET POSITION</b>			
Beginning balance	37	(177,149)	(177,113)
Ending balance	\$ 5,074	\$ (164,020)	\$ (158,947)

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

Notes to the Financial Statements  
JUNE 30, 2023

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

**A. Description of Reporting Entity**

The Shasta Joint Powers Financing Authority (Authority) was created on May 29, 1990, as a result of a Joint Exercise Powers Agreement between the County of Shasta (County) and the Successor Agency to the Shasta County Redevelopment Agency (Agency), formerly Shasta County Redevelopment Agency. The Authority is empowered to exercise any powers common to the County and the Agency.

The Authority's purpose is to finance public capital improvements. The Authority undertakes the sale and issuance of bonds. Bond proceeds are then used to design, construct, and acquire public capital improvements and lease, lease-back, sell, or re-sell such improvements to the County.

The Agreement is effective until July 1, 2030, unless extended or terminated by supplemental written agreement between the County and the Agency. The Agreement cannot terminate while any bonds remain outstanding. Upon dissolution of the Authority, any surplus assets shall be returned to the County and the Agency. Administrative costs of the Authority are paid by the County and are not included in the accompanying financial statements.

The Authority is a component unit of the County, and accordingly, is included in the basic financial statements of the County because the County's Board of Supervisors exercises oversight responsibility over the operation of the Authority and the Authority provides specific financial benefits to the County.

**B. Basis of Presentation**

***Government-Wide and Fund Financial Statements*** – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, while the governmental fund financial statements are reported using the current financial resources measurement and the modified accrual basis of accounting.

The operations of the fund statements are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. The Authority uses the following fund:

Governmental fund types account for the activities of the Authority. The measurement focus is based upon spending or financial flow and the determination of changes in fund balance (net current assets). The Authority has one governmental fund, the General Fund.

*General fund* accounts for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest and related costs.

The statement of net position and statement of activities columns reflect consolidated results of operations using the accrual basis of accounting.



**Basis of Accounting** refers to when revenues and expenditures are recognized in the accounts and reported in the basic financial statements. Governmental fund types are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available as net current assets. Revenues not considered available are recorded as unearned revenue. Revenues considered susceptible to accrual include interest and principal payments. Expenditures are generally recognized when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due.

The statement of net position and statement of activities columns represent operations on 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.

**Capital Assets** are not capitalized in the accompanying financial statements as they are reported as a financed purchase in the County.

**Note receivable from the County of Shasta** is recorded as direct financing agreement to the County. The County may, pursuant to the agreement, abate the payments by the amount of investment interest income earned by the trustee on the reserve and payment accounts.

**Bond Issuance Costs** are expensed immediately, as incurred, except for bond insurance costs which are amortized on a straight-line basis over the life of the related debt obligations.

**Bond Premium and Discount** are amortized on a straight-line basis over the life of the related debt obligations which is not materially different from the effective interest method.

**Restricted Fund Balance/Net Position** includes amounts that can be spent only for specific purposes stipulated by external parties (such as creditors, grant providers, or contributors) or by law.

**Unrestricted Net Position** includes the amount of net position that does not meet the definition of restricted net position.

**Use of Estimates** in preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America are required by management as well as assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2: EXPLANATION OF ADJUSTMENTS BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION**

The long-term investment in the asset of the County of Shasta and corresponding long-term debt obligations are not due and payable in the current period for governmental fund.

Note repayments in the governmental fund are reported as revenues as they increase fund balance and reflect an inflow of current resources. However, the statement of net position includes the note receivable from the County of Shasta and long-term debt obligation of \$ 18,214,927 and \$ 18,486,232 respectively.

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when legally due. However, the statement of net position reflects interest payable as the obligation is incurred in the amount of \$ 149,149. Concurrently, interest receivable from the County in the amount of \$ 149,149 is not an available resource for the governmental fund. However, the statement of net position reflects this receivable as the interest has been earned.

Prepaid bond insurance of \$ 107,284 are assets that are not available financial resources for the governmental fund. However, this cost is capitalized in the statement of net position and amortized over the life of the of the related debt obligations.

The differences arising from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet are summarized as follows:

Fund balance as of June 30, 2023		\$	5,074
Investment in County note receivable	\$	18,214,927	
Accrued interest receivable		149,149	
Prepaid bond insurance		107,284	
Revenue bonds payable		(18,486,232)	
Accrued interest payable		(149,149)	
Total Adjustments			(164,021)
Net position as of June 30, 2023		\$	<u>(158,947)</u>

**NOTE 3: EXPLANATION OF ADJUSTMENTS BETWEEN THE GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES**

Note repayments in the governmental fund are reported as revenues as they increase fund balance and reflect an inflow of current resources. However, the principal repayments of \$ 2,260,037 are a reduction of the investment in the note receivable from the County and do not result in income in the statement of activities. In addition, the net change in the interest receivable from the County of \$ 12,663 represents a reduction of earned interest income in the statement of activities.

Repayment of bond principal is reported as expenditure in governmental fund and, thus, has the effect of reducing fund balance because current resources have been used. However, the principal payments of \$ 2,255,000 reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.

Interest expense in the statement of activities is reported when incurred in contrast to governmental funds where it is recorded when legally due. As a result, interest expense in the statement of activities is \$ 12,663 less than the amount reported in the governmental fund statement of revenues, expenditures and changes in fund balance.

The effects of the differences for amounts reported in the statement of activities are summarized as follows:

Net change in fund balance – governmental fund		\$ 5,037
Note principal payments	\$ (2,260,037)	
Change in interest receivable	(12,663)	
Change in interest payable	12,663	
Repayment of bond principal	2,255,000	
Amortization of prepaid bond issuance costs	(12,261)	
Amortization of bond premium/(discount)	30,427	
Total Adjustments		<u>13,129</u>
Change in net position of governmental activities		<u><u>\$ 18,166</u></u>

**NOTE 4:     RESTRICTED INVESTMENTS**

Under the terms of the indenture agreements, the trustee receives and disburses all Certificates of Participation (COP) proceeds and income of the Authority. The trustee also acts as paying agent and COP registrar for the Authority. The Authority’s investments are recorded at fair market value.

The indenture agreements also provide for the establishment of special accounts, all to be held and administered by the trustee in accordance with the provisions described in the indenture agreements, note payments received from the County are recorded in restricted asset accounts.

State statute requires that all deposits be insured or collateralized. Depositories holding public funds on deposit are required to maintain collateral in the form of a pool of securities with the agent of the depository having a market value of at least 10 to 50 percent more than the total amount of all public funds on deposit. The Authority’s deposits are entirely insured or collateralized.

At June 30, 2023 the Authority had the following investments:

Cash and Investments	
Money Market Funds	\$ 5,074
Total Cash and Investments	<u><u>\$ 5,074</u></u>

The Authority maintains all its cash and investments outside Shasta County’s investment pool. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County’s financial statements. The County of Shasta’s financial statements may be obtained by contacting the County of Shasta’s Administrative Office at 1450 Court Street, Suite 308A, Redding, CA 96001. The Shasta County Treasury Oversight Committee oversees the Treasurer’s investments and policies.

Government Accounting Standards Board Statement No. 40 requires additional disclosures about a government’s deposits and investments risks that include credit risk, custodial risk, concentration risk and interest rate risk. The Authority has no deposit or investment policy that addresses a specific type of risk.

Required disclosures for the Authority's deposit and investment risks at June 30, 2023 were as follows:

Credit risk	Not rated
Custodial risk	N/A
Concentration of credit risk	N/A
Interest rate risk	Not available

Authorized Investments

The Authority is authorized to make direct investments in local agency bonds, notes or investments within the state; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies/certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

**NOTE 5: NOTE RECEIVABLE FROM THE COUNTY OF SHASTA**

Administration Center

On February 1, 2003, the Authority entered an agreement with the County for the Administration Center. The agreement calls for payments identical to the payments required on the 2003 Revenue Bonds – Administration Center. Payments are due semi-annually on October 1 and April 1 of each year through the year 2033. The interest rate on the agreement varies from 4.00% to 5.25%.

During 2013, the Shasta Joint Powers Financing Authority (the "Authority") defeased and redeemed the outstanding County Administration Building Project's 2003 Series A Revenue Bonds (the 2003 Admin Center Revenue Bonds) with original principal amount of \$42,575,000, and original issue date of February 27, 2003. The Bonds were secured by payments made by the County pursuant to the 2003 Facility Agreement and had an average interest rate of 4.86%. The County desired to prepay its obligations under the Facility Agreement to reduce the annual amount paid by the County pursuant to the aforementioned agreement. On December 1, 2012, concurrently with the termination of the 2003 Facility Agreement, the County and the Authority entered a site agreement (the Refunding Agreement) to refund the 2003 Revenue Bonds. The 2003 Refunding Bonds were redeemed at 100% of par plus accrued interest on April 1, 2014 and the outstanding debt service requirements were satisfied by \$37,557,609 in cash. Additionally, the 2013 Admin Center Revenue Refunding Bonds (the 2013 Refunding Bonds) were issued an original par amount of \$33,505,000 with an average interest rate of 3.1%. The 2013 Refunding Bonds first principal payment being made on April 1, 2014 and have a final maturity date of April 1, 2032.

Future minimum note payments to be received as of June 30, 2023 are as follows:

<u>Fiscal Year</u>	<u>Total</u>
2024	2,380,100
2025	2,376,400
2026	2,376,200
2027	2,374,350
2028	2,380,850
2029-2032	<u>9,501,638</u>
Total Note Payments	21,389,538
Less: Unearned Income	(3,169,538)
Less: Fiscal Agent Cash	<u>(5,074)</u>
Net Investment in Note Receivable	<u>\$ 18,214,927</u>

**NOTE 6: LONG-TERM DEBT**

The Authority's long-term debt obligations consist of the following as of June 30, 2023:

Long-Term Debt Summary

<u>Governmental Activities:</u>	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Current</u>
Revenue Bonds:					
2013 Revenue Bonds - Administrative Center	19,955,000	-	1,735,000	18,220,000	1,790,000
Amortized bond premium	296,659	-	30,427	266,232	-
Notes from Direct Placements:					
2011 Revenue Bonds - County Courthouse Improvement Project	<u>\$ 520,000</u>	<u>\$ -</u>	<u>\$ 520,000</u>	<u>\$ -</u>	<u>\$ -</u>
Total Long-Term Liabilities	<u>\$ 20,771,659</u>	<u>\$ -</u>	<u>\$ 2,285,427</u>	<u>\$ 18,486,232</u>	<u>\$ 1,790,000</u>

2013 Refunding Revenue Bonds – Administration Center

On February 12, 2003, the Shasta Joint Powers Financing Authority issued \$42,575,000 for the construction of an administration building, parking structure, other land acquisitions, establish a reserve fund and pay capitalized interest. The bonds mature in annual installments due each April 1

in amounts ranging from \$750,000 to \$1,675,000. The stated interest on the bonds range from 4.00% to 5.25% per annum with interest payments made each April 1 and October 1. Commencing in 2024 through the remaining life of the bonds, the bonds are subject to mandatory sinking fund redemption.

During 2013, the Shasta Joint Powers Financing Authority (the “Authority”) defeased and redeemed the outstanding County Administration Building Project’s 2003 Series A Revenue Bonds (the 2003 Admin Center Revenue Bonds) with original principal amount of \$42,575,000, and original issue date of February 27, 2003. The Bonds were secured by payments made by the County pursuant to the 2003 Facility Agreement and had an average interest rate of 4.86%. The County desired to prepay its obligations under the Facility Agreement to reduce the annual amount paid by the County pursuant to the aforementioned agreement. On December 1, 2012, concurrently with the termination of the 2003 Facility Agreement, the County and the Authority entered a site agreement (the Refunding Agreement) to refund the 2003 Revenue Bonds. The 2003 Refunding Bonds were redeemed at 100% of par plus accrued interest on April 1, 2014 and the outstanding debt service requirements were satisfied by \$37,557,609 in cash. Additionally, the 2013 Admin Center Revenue Refunding Bonds (the 2013 Refunding Bonds) were issued an original par amount of \$33,505,000 with an average interest rate of 3.1%. The 2013 Refunding Bonds first principal payment was made on April 1, 2014 and have a final maturity date of April 1, 2032.

The payment schedules for these bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	1,790,000	590,100	2,380,100
2025	1,840,000	536,400	2,376,400
2026	1,895,000	481,200	2,376,200
2027	1,950,000	424,350	2,374,350
2028	2,015,000	365,850	2,380,850
2029-2032	8,730,000	771,638	9,501,638
Total	<u>\$ 18,220,000</u>	<u>\$ 3,169,538</u>	<u>\$ 21,389,538</u>

**NOTE 7: RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and distribution of assets; errors and omissions; and natural disasters.

Because of the close relationship between the Authority and the County of Shasta, the Authority’s liability coverage is provided by the County’s insurance policies. Complete information on risk management can be found in the County of Shasta’s audited financial statement.



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

Board of Directors  
Shasta Joint Powers Financing Authority  
Redding, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and the major fund of the Shasta Joint Powers Financing Authority (the "Authority"), a component unit of the County of Shasta, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 30, 2024.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

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

As part of obtaining reasonable assurance about whether the Authority'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

Board of Directors  
Shasta Joint Powers Financing Authority

results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

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



**CliftonLarsonAllen LLP**

Roseville, California  
January 30, 2024