



August 10, 2026

To the Governing Board of
Honey Lake Valley Recreation Authority
Susanville, California

We were engaged to audit the financial statements of the Honey Lake Valley Recreation Authority (the Authority) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. Because we were unable to obtain sufficient appropriate audit evidence, we did not complete audit procedures necessary to evaluate whether new accounting policies were adopted or changed during 2023, whether all significant transactions were recorded in the proper period, or whether financial statement disclosures are neutral, consistent, and clear.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We were unable to perform satisfactory procedures over accounts that have estimates.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was:

Note 5 – Related Party Transactions

Difficulties Encountered in Performing the Audit

We encountered significant difficulties in performing the audit due to incomplete accounting records, missing documentation, and the Authority's inability to provide sufficient appropriate audit evidence necessary to complete required audit procedures.

Corrected and Uncorrected Misstatements

Because we were unable to obtain sufficient appropriate audit evidence, we were unable to determine whether misstatements existed, whether any misstatements were (or will be) corrected, or whether any uncorrected misstatements may be material.

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Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. Due to the circumstances noted above, we were unable to complete the audit and have issued a Disclaimer of Opinion – which is not the original plan and intention that management desired.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

In our audit engagement letter previously provided to you, we communicated the following significant risks of material misstatement (significant risks) as part of our audit planning:

- Management override of controls.
- Improper revenue recognition due to fraud.

During the course of the audit, we identified additional significant risks:

- Creation of fictitious vendors.

These risks were addressed within our audit procedures and since the audit evidence necessary to address these risks was not available, we were unable to complete the procedures planned to address the identified significant risks.

Restriction on Use

This information is intended solely for the information and use of the Governing Board and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Price Pange & Company