

DRAFT 05.09.2022

**Calaveras County
Resource Conservation
District**

Annual Financial Report
For the Fiscal Year Ended
June 30, 2022

CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT

Annual Financial Report
For the Fiscal Year Ended June 30, 2022

DRAFT 05.09.2022

TABLE OF CONTENTS

FINANCIAL SECTION

Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	3

Basic Financial Statements:

Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities.....	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Government-wide	
Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Government-wide	
Statement of Activities.....	14
Notes to the Financial Statements.....	16

Required Supplementary Information:

Budgetary Comparison Schedule – General Fund.....	21
Notes to Required Supplementary Information	22



david farnsworth cpa
ACCOUNTING • ADVISORY • ASSURANCE

DRAFT 05-09-2022

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Calaveras County Resource Conservation District
San Andreas, California

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Calaveras County Resource Conservation District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Calaveras County Resource Conservation District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Calaveras County Resource Conservation District, as of June 30, 2022, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Calaveras County Resource Conservation District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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 Calaveras County Resource Conservation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, 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 Calaveras County Resource Conservation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Calaveras County Resource Conservation District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Dublin, California
May xx, 2023

CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT
Management's Discussion & Analysis
June 30, 2022

DRAFT 05.09.2022

As management of the Calaveras County Resource Conservation District ("District"), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022.

Financial Highlights

- Total assets reported a balance of \$778,761
- Total liabilities reported a balance of \$452,054
- The assets of the Calaveras County Conservation District exceeded its liabilities at the close of the most recent fiscal year by \$326,707 (net position).
- Total program revenues (operating grants) reported a balance of \$525,038
- Total general revenues reported a balance of \$12,199 or 2.27 percent of total revenues
- Total expenses reported a balance of \$530,016

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Calaveras County Resource Conservation District's basic financial statements. The Calaveras County Resource Conservation District's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Calaveras County Resource Conservation District's finances, in a manner similar to a private-sector business.

The statement of net position presents financial information on all of the Calaveras County Resource Conservation District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Overtime, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Calaveras County Resource Conservation District is improving or deteriorating.

The statement of activities presents information showing how the Calaveras County Resource Conservation District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Calaveras County Resource Conservation District that are principally supported by intergovernmental revenues (governmental activities) from other government agencies and organizations. The governmental activities of the Calaveras County Resource Conservation District include conservation.

The government-wide financial statements can be found on pages 9-10 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Calaveras County Resource Conservation District, like other state and local governments, uses fund accounting to ensure and

CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT
Management's Discussion & Analysis
June 30, 2022

DRAFT 05.09.2022

demonstrate compliance with finance-related legal requirements. All of the funds of the Calaveras County Resource Conservation District reports one category: *governmental funds*.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Calaveras County Resource Conservation District maintains one governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be a major fund.

The Calaveras County Resource Conservation District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11-14 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-19 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Calaveras County Resource Conservation District, assets exceeded liabilities by \$326,707, at the close of the most recent fiscal year.

CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT
Management's Discussion & Analysis
June 30, 2022

DRAFT 05.09.2022

CALAVERAS COUNTY CONSERVATION DISTRICT'S Net Position

	<u>2022</u>	<u>2021</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Assets				
Current and other assets	494,813	\$ 206,412	\$ 288,401	139.72%
Capital assets	283,948	291,639	(7,691)	-2.64%
Total assets	<u>778,761</u>	<u>498,051</u>	<u>280,710</u>	<u>56.36%</u>
Liabilities				
Current liabilities	452,054	178,565	273,489	153.16%
Total liabilities	<u>452,054</u>	<u>178,565</u>	<u>273,489</u>	<u>153.16%</u>
Net Position:				
Net investment in capital assets	283,948	291,639	(7,691)	-2.64%
Unrestricted	42,759	27,847	14,912	53.55%
Total net position	<u>\$ 326,707</u>	<u>\$ 319,486</u>	<u>\$ 7,221</u>	<u>2.26%</u>

Changes in current and other assets were due to the following:

- Current and other assets increased by \$288,401
- Capital assets decreased by \$7,691

Changes in liabilities were due to the following:

- Current liabilities increased by \$273,489

Changes in net position were due to the following:

- Revenues exceeded expenses by \$7,221

The Calaveras County Conservation District's overall net position increased \$7,221 from the prior fiscal year. The reasons for this overall decrease are discussed in the following sections for governmental activities.

CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT
Management's Discussion & Analysis
June 30, 2022

DRAFT 05.09.2022

CALAVERAS COUNTY CONSERVATION DISTRICT'S Changes in Net Position

	<u>2022</u>	<u>2021</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Revenues:				
Program revenues:				
Operating grants and contributions	525,038	308,489	216,549	70.20%
General revenues:				
Grants and contributions not restricted				
to specific programs	1,755	833	922	
Investment earnings	10,444	9,629	815	8.46%
Other revenues	-	2,660	(2,660)	-100.00%
Total revenues	<u>537,237</u>	<u>321,611</u>	<u>218,286</u>	<u>67.87%</u>
Expenses:				
Conservation	<u>530,016</u>	<u>305,784</u>	<u>224,232</u>	<u>73.33%</u>
Total expenses	<u>530,016</u>	<u>305,784</u>	<u>224,232</u>	<u>73.33%</u>
Increase (decrease) in net position	<u>7,221</u>	<u>15,827</u>	<u>(5,946)</u>	<u>-37.57%</u>
Net position - beginning	<u>319,486</u>	<u>303,659</u>	<u>15,827</u>	<u>5.21%</u>
Net position - ending	<u>\$ 326,707</u>	<u>\$ 319,486</u>	<u>\$ 9,881</u>	<u>3.09%</u>

Increase to program revenues was due to the following:

- Operating grants increased by \$216,549

Increase to general revenues was due to the following:

- Grant and contributions not restricted increased by \$922
- Investment earnings increased by \$815
- Other revenues decreased by \$2,660

Increase in expenses were due to the following:

- Conservation expenses increased by \$224,232 due to new operating projects

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, there were no amendments to the original budget. Total budgeted revenues accounted for \$656,762. Total budgeted expenditures accounts for \$651,491. Total budgeted revenues were expected to exceed budgeted expenditures by 5,271.

Capital Assets and Debt Administration

Capital Assets. The Calaveras County Conservation District's investment in capital assets as of June 30, 2022, amounts to \$283,948 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and improvements. The total decrease in capital assets for the current fiscal year was \$7,691.

CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT
Management's Discussion & Analysis
June 30, 2022

DRAFT 05.09.2022

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Land	93,947	\$ 93,947	\$ -	0.00%
Buildings	219,210	219,210	-	0.00%
Improvements	7,675	7,675	-	0.00%
Accumulated depreciation	(36,884)	(29,193)	(7,691)	26.35%
Total	<u>\$ 283,948</u>	<u>\$ 291,639</u>	<u>\$ (7,691)</u>	<u>-2.64%</u>

Major capital assets events during the current fiscal year included the following:

- Depreciation expense of \$7,691

Additional information on the Calaveras County Conservation District's capital assets can be found in Note 3 of this report.

Long-term Debt.

At the end of the current fiscal year, the Calaveras County Resource Conservation District had total debt outstanding of \$0.

Economic Factors and Next Year's Budgets

The Board of Directors adopted the District's next year budget. The approval of the budget provides funding for the District's operating and capital costs for the 2022-2023 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Calaveras County Conservation District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Gordan Long, Executive Director, 425 Hwy 49 San Andreas, CA 95249.

FINANCIAL STATEMENTS

CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT

Statement of Net Position

June 30, 2022

**Governmental
Activities**

ASSETS

Cash and Investments	\$ 494,252
Receivables	561
Capital assets, not being depreciated	93,947
Capital assets, net of accumulated depreciation	190,001
Total assets	<u>778,761</u>

LIABILITIES

Accounts payable	116,495
Accrued liabilities	4,525
Unearned income	331,034
Total liabilities	<u>452,054</u>

NET POSITION

Net investment in capital assets	283,948
Unrestricted net position	42,759
TOTAL NET POSITION	<u><u>\$ 326,707</u></u>

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

CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT
Statement of Activities
For the Year Ended June 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
	Expenses				
Functions/Programs:					
Primary government:					
Governmental activities:					
Conservation	530,016	\$ -	\$ 525,038	\$ -	\$ (4,978)
Total governmental activities	<u>\$ 530,016</u>	<u>\$ -</u>	<u>\$ 525,038</u>	<u>\$ -</u>	<u>(4,978)</u>
General Revenues					
Grants and contributions not restricted to specific programs					1,755
Investment earnings					<u>10,444</u>
Total general revenues					<u>12,199</u>
Change in net position					7,221
Net position - beginning					<u>319,486</u>
Net position - ending					<u><u>\$ 326,707</u></u>

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

CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT**Balance Sheet
Governmental Funds
June 30, 2022****General****ASSETS**

Cash and cash equivalents	\$ 494,252
Receivables	561
Total assets	<u>\$ 494,813</u>

LIABILITIES

Accounts payable	\$ 116,495
Accrued liabilities	4,525
Unearned income	331,034
Total liabilities	<u>452,054</u>

FUND BALANCES

Unassigned	<u>42,759</u>
Total fund balances	<u>42,759</u>
Total liabilities and fund balances	<u>\$ 494,813</u>

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

CALAVERAS RESOURCE CONSERVATION DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2022

DRAFT 05.09.2022

Fund Balances - Governmental Funds

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$ 42,759
--	-----------

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. However, the statement of net position includes those assets as capital assets	283,948
---	---------

Net Position of Governmental Activities	\$326,707
--	------------------

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

CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

DRAFT 05.09.2022

	<u>General</u>
REVENUES	
Intergovernmental	\$ 526,793
Investment earnings	<u>10,444</u>
Total revenues	<u>537,237</u>
 EXPENDITURES	
Current:	
Conservation	<u>522,325</u>
Total expenditures	<u>522,325</u>
 Net change in fund balances	 14,912
 Fund balances - beginning	 <u>27,847</u>
 Fund balances - ending	 <u><u>\$ 42,759</u></u>

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

CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022

DRAFT 05.09.2022

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 14,912
--	-----------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.

Depreciation expense	<u>(7,691)</u>
----------------------	----------------

Change in net position of governmental activities	<u><u>\$ 7,221</u></u>
---	------------------------

CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT
Index to the Notes to the Financial Statements
June 30, 2022

DRAFT 05.09.2022

Note 1 – Summary of Significant Accounting Policies

A. Description of the Financial Reporting Entity	16
B. Measurement Focus, Basis of Accounting and Financial Statement Presentation.....	16
C. Cash and Investments.....	17
D. Capital Assets.....	17
E. Net Position.....	17
F. Fund Balance	17
G. Spending Policy	18
H. Estimates	18
I. Revenues and Expenditures/Expenses	18
Notes 2 – Cash and Investments.....	18
Notes 3 – Capital Assets	19
Notes 4 – Litigation.....	19
Notes 5 – Risk Management	19

CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT
Notes to the Financial Statements
June 30, 2022

DRAFT 05.09.2022

Note 1—Summary of Significant Accounting Policies

A. Description of the Financial Reporting Entity

Organization – The Calaveras County Resource Conservation District (the District) is located in San Andreas, California. The District was formed June 7, 2016 to provide advise and assist individual landowners and public agencies for the protection, restoration, or development of land, water, and related natural resources of the area. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments and to general practice in California Special Districts. The District accounts for its financial transactions in accordance with the policies and procedures of the State Controller's Office Division of Local Government Fiscal Affairs Minimum Audit Requirements and Reporting Guidelines for California Special Districts.

Financial Reporting Entity – The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a Primary Government's reporting entity for the basic financial statements is financial accountability wherein the entity is both fiscally dependent on the Primary Government and provides either a benefit or creates a burden on the Primary Government. The District does not report any component units.

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

The District's basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") as they are applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (the "District"). These statements include the financial activities of the District overall. Eliminations have been made to minimize double counting of internal activities. These statements display the governmental activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and nonexchange transactions.

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues, including all taxes.

Governmental Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major individual governmental funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. Currently, the District has only one fund – the General Fund.

Governmental fund financial statements are reported using the "current financial resources" measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and

CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT
Notes to the Financial Statements
June 30, 2022

DRAFT 05.09.2022

available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 180 days of the end of the current fiscal period, except for property tax, which is within 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major governmental fund:

General Fund – It is used to account for all financial resources.

C. Cash and Investments

Cash and cash equivalents include amounts in demand deposits. State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

D. Capital Assets

Capital assets are recorded in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of more than \$1,000 and an estimated useful life in excess of 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are reported at acquisition value at the date of donation. The District had no infrastructure assets at year end. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital Assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	30 years
Improvements	20 – 30 years
Machinery and equipment	5 – 10 years

E. Net Position

In the government-wide financial statements, net position is classified as follows:

Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of investment in capital assets or the restricted component of net position.

F. Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes as follows:

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

Restricted - amounts with constraints placed on their use that are either (a) externally imposed by creditors, granters, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - amounts that can only be used for specific purposes determined by formal action of the District's highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in

CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT
Notes to the Financial Statements
June 30, 2022

DRAFT 05.09.2022

the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned - amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose.

Unassigned – amounts that represent the residual net resources in excess of the other classifications.

G. Spending Policy

Government-Wide Financial Statements

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the District's practice is to apply the restricted component of net position first, then use the unrestricted component of net position as needed.

Governmental Fund Financial Statements

When expenditures are incurred for purposes where only unrestricted fund balances are available, the District uses the unrestricted resources in the following order, except for instances wherein an ordinance specifies the fund balance: committed, assigned, and unassigned.

H. Estimates

The preparation of the basic financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Revenues and Expenditures/Expenses

1. *Program Revenues* – Amounts reported as *program revenues* include (1) grants and contributions that are restricted to meeting the operational requirements of grant awards
2. *General Revenues* – Amounts reported as *general revenues* include (1) grants and contributions not restricted to specific programs, (2) investment earnings, and (3) other revenue.

Note 2—Cash Deposits with Financial Institutions

Classification

The District's cash deposits consist of the following at June 30, 2022:

Government-wide Statement of Net Position	<u>Total</u>
Cash	\$ 494,252
Total cash	<u>\$ 494,252</u>

Custodial Credit Risk – Deposits – In the case of deposits, this is the risk that, in the event of a bank's failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2022, the District's bank balance was \$494,504 of which \$244,504 of the amount was exposed to custodial credit risk because up to \$250,000 was insured with the FDIC. The book bank balance is reported at \$494,252.

CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT
Notes to the Financial Statements
June 30, 2022

DRAFT 05.09.2022

Note 3—Capital Assets

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2022:

	<u>Balance July 1, 2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2022</u>
Government Activities				
Capital assets not subject to depreciation				
Land	\$ 93,947	\$ -	\$ -	\$ 93,947
Total capital assets not subject to depreciation	<u>93,947</u>	<u>-</u>	<u>-</u>	<u>93,947</u>
Capital assets subject to depreciation:				
Buildings and improvements	226,885	-	-	226,885
Total capital assets being depreciated	<u>226,885</u>	<u>-</u>	<u>-</u>	<u>226,885</u>
Less accumulated depreciation for:				
Buildings and improvements	(29,193)	(7,691)	-	(36,884)
Total accumulated depreciation	<u>(29,193)</u>	<u>(7,691)</u>	<u>-</u>	<u>(36,884)</u>
Total capital assets being depreciated, net	<u>197,692</u>	<u>(7,691)</u>	<u>-</u>	<u>190,001</u>
Capital assets, net	<u>\$ 291,639</u>	<u>\$ (7,691)</u>	<u>\$ -</u>	<u>\$ 283,948</u>

Depreciation expense was charged to functions/programs/funds as follows:

Conservation	\$ 7,691
Total governmental activities	<u>\$ 7,691</u>

Note 4—Litigation

At June 30, 2022, there were no matters of litigation involving the District or which would materially affect the District's financial position should any court decisions on pending matters not be favorable to such entities.

Note 5—Risk Management

The Calaveras County Resource Conservation District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District uses the Special District Risk Management Authority to account for and finance risks for general liability, property damage, and workers' compensation. Insurance policies are purchased for the following exposures with the deductible, or the amount of risk retention indicated in parenthesis: public officials and employment practices liability (\$1,000/\$1,000 deductible), boiler and machinery (\$1,000 deductible), employee faithful performance (\$1,000 deductible), and the District retains risks up to \$2,500,000). There were no settlements in excess of the insurance coverage in any of the three prior fiscal years. The annual contribution is \$3,110 for the property/liability program. The annual contribution is \$1,075 for the workers' compensation program (based on actual wages).

REQUIRED SUPPLEMENTARY INFORMATION

CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT

General Fund

**Budgetary Comparison Schedule
For the Year Ended June 30, 2022**

DRAFT 05.09.2022

	<u>Budgeted Amount</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Intergovernmental	\$ 646,312	\$ 646,312	\$ 526,793	\$ (119,519)
Investment earnings	10,450	10,450	10,444	(6)
Total revenues	<u>656,762</u>	<u>656,762</u>	<u>537,237</u>	<u>(119,525)</u>
EXPENDITURES				
Current:				
Conservation	651,491	651,491	522,325	129,166
Total expenditures	<u>651,491</u>	<u>651,491</u>	<u>522,325</u>	<u>129,166</u>
Net change in fund balances	5,271	5,271	14,912	9,641
Fund balances - beginning	<u>27,847</u>	<u>27,847</u>	<u>27,847</u>	<u>-</u>
Fund balances - ending	<u>\$ 33,118</u>	<u>\$ 33,118</u>	<u>\$ 42,759</u>	<u>\$ -</u>

See Notes to Required Supplementary Information.

CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison Schedule
June 30, 2022

DRAFT 05.09.2022

Budgetary Basis of Accounting

The budget for the general fund is prepared on generally accepted accounting principles basis. Revenues are budgeted in the year receipt is expected; expenditures are budgeted in the year that the applicable warrant requisitions are expected to be issued. The budget and actual financial statements are reported on the above basis.

Annual budget requests are submitted by the District's staff to the District Board of Directors for preliminary review and approval. After public hearing, a final budget is approved by the District Board of Directors, with a resolution adopting said budget. Copies of the approved budget are sent to all required agencies.