

COARSEGOLD RESOURCE CONSERVATION DISTRICT

Independent Auditor's Report
And
Financial Statements

June 30, 2016

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	3-4
Management's Discussion and Analysis	5-7
Basic Financial Statements	
Statement of Net Position	8
Statement of Activities and Change in Net Position	9
Statement of Cash Flows	10
Notes to the Financial Statements	11-13
Required Supplementary Information	
Budgetary Comparison Schedule	14
Note to Required Supplementary Information	15

Lori A. Ringeisen, C.P.A.
216 Robertson Blvd., Suite B
Chowchilla, CA 93610

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Coarsegold Resource Conservation District

I have audited the accompanying financial statements of the Coarsegold Resource Conservation District as of and for the sixty months ended June 30, 2016, and the related statement of activities and changes in net position, and cash flows for the sixty months then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the *State Controller's Minimum Audit Requirements for California Special Districts*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

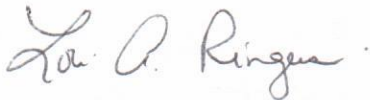
Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Coarsegold Resource Conservation District for the sixty months ended June 30, 2016, and the respective changes in financial position for the sixty months then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-7 and budgetary comparison information on pages 16-17 be presented to supplement the basic financial statements. Such 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 appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.



Chowchilla, CA
January 16, 2020

Coarsegold Resource Conservation District

Management's Discussion and Analysis

Sixty months ending June 30, 2016

Our discussion and analysis of Coarsegold Resource Conservation District's (District) financial performance provides an overview of the District's financial activities for the sixty months ended June 30, 2016.

Background

The District was reorganized in July of 2014 following a determination by the Madera County Board of Supervisors that many of the District Board members were ineligible due to residency and conflict of interest (elected officials). The years of 2014-2016 were rebuilding years as new Board members were recruited and became familiar with Resource Conservation District operations. Lack of Board experience and staffing required the District to become introspect and many District programs and projects were farmed out to other organizations as the District slowly rebuilt itself.

The District's purpose is to develop and carry out natural resource conservation programs and administer grants and contracts in eastern Madera county above the elevation of 500 feet. The District is governed by a five-person board of Directors who reside within the District boundaries and are appointed by the Madera Board of Supervisors. The Board of Directors perform managerial duties. In late 2016, a part time staff person was hired to assist the Board in completing their programs and projects. The basic operations of the District are financed by federal/state grants and local funding sources.

Financial Highlights

- The District's net position for all governmental activities was \$3,521 at June 30, 2016 which is an increase of \$5,085 from June 30, 2011.
- The District's major source of revenue was State grants (RAC and Cal Recycle) in the amount of \$71,346 which comprises approximately 91% of total revenue.
- The District implemented 3 individual resource conservation projects (Grant 811, RAC 274 and Cal Recycle) with District staff from 2012-2016.

Using the Annual Report

- The Statement of Net Position, found on page 5, presents information on all the District's assets and liabilities, with a difference between the two being reported as net position on June 30, 2016.
- The Statement of Activities and Changes in Net Position, found on page 7 presents information showing how the District's net position changed during this time period.
- The Statement of Cash Flows, found on page 7, presents information about the District's cash receipts and cash payments during the sixty months ended June 30, 2016.
- The Notes to Financial Statements on page 8-11 provide additional information that is essential to the full understanding of the data provided in the basic financial statements.

Reporting on the District as a Whole

Is the District, as a whole, better off or worse as a result of its activities? The answer is yes. As previously stated, the District is slowly rebuilding itself. During 2012 through 2015, there were no active projects. In the latter part of 2015, the District was awarded a RAC grant thru the USDA Forest Service.

Coarsegold Resource Conservation District

Management's Discussion and Analysis

Sixty months ending June 30, 2016

Lacking staff, the District partnered with Yosemite Sequoia RC&DC and was able to complete the project. The District also received a Cal Recycle grant and capacity building assistance from the National Resource Conservation Service. Together, the District was able to hire a part time administrator, enabling the District to complete the project. As part of the rebuilding phase, the District is leveraging the remaining capacity building and administrative grant funds so it can submit additional grant proposals.

Condensed Financial Information

	<u>2016</u>	<u>2011</u>
Statement of Net Position		
Assets:		
Current Assets	\$9,091	\$8,219
Total assets	<u>\$9,091</u>	<u>\$8,219</u>
Liability:		
Current Liability	\$ 570	3,134
Deferred Grant Income	<u>5,000</u>	<u>0</u>
Total Liability	\$5,570	\$3,134
Net Position:		
Unrestricted	<u>\$3,521</u>	<u>\$5,085</u>
Total Net Position	<u>\$3,521</u>	<u>\$5,085</u>
Total Liability and Net Position	<u>\$9,091</u>	<u>\$8,219</u>

Since June 30 2011, Cash has increased \$872 and Current Liabilities have decreased \$2,564. Deferred Grant Income is for a grant from the Picayune Rancheria of Chuckchansi Indians. The money has been received but the project has not been completed as of June 30, 2016. The grant income will be recognized as income when the grant is earned. The current liability in 2016 is an overdraft of funds at the Madera County Treasury.

Change in Net Position for 60 months ending June 30, 2016

Revenue	
Program Revenue	\$72,191
General Revenue	<u>6,499</u>
Total Revenue	<u>\$78,690</u>
Expense	
Program Expense	78,710
General Expense	<u>1,544</u>
Total Expense	<u>\$80,254</u>
Change in Net Position	<u>-1,564</u>
Net Position at Beginning of Period	<u>\$5,085</u>
Net Position at End of Period	<u>\$3,521</u>

Coarsegold Resource Conservation District

Management's Discussion and Analysis

Sixty months ending June 30, 2016

Program revenue consists of grant, donation and luncheon income. The major source of program revenue is grants from Cal recycle grant and RAC in the amount of \$34,198 and \$31,553, accordingly. Fundraising provided \$5,001 of general revenue. Program expenses are related to management and general functions of the District. General expenses are due to fundraising and other expenses. Prior audited financial statements were for 12 months ending June 30, 2011. Program revenue consisted of a state grant for \$13,576 and program expenses of \$25,988.

Capital Asset Administration

During the fiscal year, the District did not own any capital assets.

Budget

The District prepared an annual budget of projected revenue and expenditures for June 30, 2012 and 2014. The District's board of trustees reviews and adopts the budget as an operating guideline for the year.

Actual to Budget Comparison

	<u>2012</u>		<u>2014</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Revenues	\$ 7,594	\$5,600	\$ 360	\$ 0
Expenditures	<u>12,383</u>	<u>5,115</u>	<u>2,607</u>	<u>4,454</u>
Excess(deficit) of revenue over expenditures	<u>\$(4,789)</u>	<u>\$ 485</u>	<u>\$(2,246)</u>	<u>\$ (4,454)</u>

In 2012, the District collected more revenue than budgeted, but also incurred more expenditures. Fundraising increased revenue. Audit fees were the significant increase to expenditures. In 2014, the District collected more revenue than budgeted. Actual expenditures were less than budgeted mostly due to fewer activities by the District.

Conditions Affecting Current Financial Position

Currently, there are no conditions affecting the District's current financial position.

Requests for Information

Requests for further information, please contact the District at Coarsegold RCD, P.O. Box 1306 North Fork, Ca 93643 or through the website www.crcd.org

Coarsegold Red Top Resource Conservation District
Statement of Net Position
June 30, 2016

Assets

Cash	<u>\$ 9,091</u>
Total Assets	<u><u>\$ 9,091</u></u>

Liability, Deferred Inflows of Resources, and Net Position

Liability	
Bank Overdraft	<u>\$ 570</u>
Deferred inflows of resources	
Deferred grant income	<u>5,000</u>
Net Position	
Unrestricted	<u>3,521</u>
Total Net Position	<u><u>3,521</u></u>
Total Liability and Net Position	<u><u>\$ 9,091</u></u>

See accompanying notes and accountant's report

Coarsegold Resource Conservation District
Statement of Activities and Changes in Net Position
Sixty Month Period Ended June 30, 2016

	12 Month Period Ended June 30, 2012	12 Month Period Ended June 30, 2013	12 Month Period Ended June 30, 2014	12 Month Period Ended June 30, 2015	12 Month Period Ended June 30, 2016	Total 60 Month Period Ended June 30, 2016
Program Expenses						
Grant 811	\$ 5,095	\$ -	\$ -	\$ -	\$ -	\$ 5,095
RAC Rd 274	-	-	-	22,365	9,188	31,553
Cal Recycle Grant	-	-	-	-	27,493	27,493
Professional Fees	3,000	-	-	-	423	3,423
Note Taking	1,288	1,625	1,000	-	-	3,913
Insurance	1,000	167	1,000	-	1,649	3,816
Web-Hosting Fees	254	234	235	3	-	726
Office Supplies	240	238	164	36	82	760
Dues	190	130	30	24	150	524
Speech Awards	175	-	175	276	175	801
Supplies	63	-	-	-	-	63
Donation	200	-	-	-	-	200
Workshop Expenses	343	-	-	-	-	343
Total program expenses	\$ 11,848	\$ 2,394	\$ 2,604	\$ 22,704	\$ 39,160	\$ 78,710
Program Revenue						
Grant 811	5,595	-	-	-	-	5,595
RAC Rd 274	-	-	-	22,365	9,188	31,553
Cal Recycle Grant	-	-	-	-	34,198	34,198
Donation	40	-	40	-	150	230
CRCD Lunch	-	-	300	-	315	615
Total program revenue	5,635	-	340	22,365	43,851	72,191
Net program revenue (deficit)	(6,213)	(2,394)	(2,264)	(339)	4,691	(6,519)
General Revenue(Expenses)						
Fundraising Income	1,662	3,001	20	318	-	5,001
Miscellaneous Income	297	1,200	1	-	-	1,498
Fundraising Expenses	(300)	(444)	-	-	-	(744)
Miscellaneous Expense	(231)	(553)	-	-	-	(784)
Interest Expense	(3)	(3)	(3)	(4)	(3)	(16)
Total General Revenue(Expenses)	1,425	3,201	18	314	(3)	4,955
Revenues in excess (deficit) of expenses/ Change in net position	(4,788)	807	(2,246)	(25)	4,688	(1,564)
Net Position-Beginning of year						5,085
Net Position-End of year						\$ 3,521

See accompanying notes and accountant's report

Coarsegold Resource Conservation District
Statement of Cash Flows
Sixty Months Period Ended June 30, 2016

Cash Flows From Operating Activities	
Cash received from grant	\$ 79,479
Cash received from others	7,345
Cash payments to contractors	(73,855)
Cash payments to suppliers	<u>(9,533)</u>
Net Cash Provided (Used) By Operating Activities	<u>3,436</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,436
Cash and Cash Equivalents-Beginning of Year	<u>5,085</u>
Cash and Cash Equivalents-End of Year	<u>\$ 8,521</u>
Reconciliation of Program Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Program Income (Loss)	\$ (1,564)
Adjustments to reconcile program income (loss) to net cash provided (used) by operating activities:	
Decrease (increase) in grant receivable	3,134
Increase (decrease) in accounts payable	<u>1,866</u>
Net cash provided (used) by operating activities	<u>\$ 3,436</u>

**Coarsegold Resource Conservation District
Notes to the Financial Statements
Sixty Month Period Ended June 30, 2016**

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Coarsegold Resource Conservation District (District) was formed on September 19, 1966 under Division 9 of the Public Resource Code of the State of California. The District includes 534,380 acres in the eastern part of Madera County, in the State of California. The purpose of the District is to promote, protect, and improve the diverse natural resources of Eastern Madera County by demonstrating conservation practices with co-operative land users, providing information and assistance, educating the public in resource conservation and enhancement methods, and providing technical, scientific, legal and professional advice to public agencies on the social, cultural, and economic impact of land use on the environs of all life forms, ownership, and natural resources. The District is governed by a Board of Directors that is selected pursuant to Government Code Section 1780. The basic operations of the District are financed by a grant and fundraising activities.

B. Basis of Presentation

The accompanying statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either a.) the District's ability to impose its will over the organization or b.) the potential that the organization will provide a financial benefit to, or impose a financial burden on the District. Using these criteria, the District has no component units.

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The District distinguishes program revenues and expenses from general items. Program revenues consist of receipts from grants and donations for conservation activities. Expenses generally result from providing services that are directly related to conservation activities. All revenues and expenses not meeting this definition are reported as general revenues and expenses.

The District has adopted a budget for the fiscal years ending June 30, 2012 and 2014. The District has not adopted a budget for fiscal years ending June 30, 2013, 2015 and 2016.

C. Assets, Liability, and Net Position

1. Cash and Investments

For purposes of the statement of cash flows, the District considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

The District has cash on deposit with the County of Madera. The Madera County Treasury is an external investment pool for the District and the District is considered an involuntary participant. The Treasurer/Tax Collector of Madera County has adopted a formal investment policy for the funds in the County Treasury in accordance with the California Government Code, Sections 53601 et seq. Cash surplus may be invested in obligations of the United States Treasury, agencies and instrumentalities, medium term notes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund.

**Coarsegold Resource Conservation District
Notes to the Financial Statements
Sixty Month Period Ended June 30, 2016**

Participant's equity in the investment pool is determined by the dollar amount of the participant's deposits, adjusted for withdrawals and distributed investment income. Earnings from such investments are allocated to the respective participant based on applicable cash participation. The investment pool is managed such that all participants have the ability to deposit and withdraw cash as if they were demand deposit accounts, and therefore all balances representing participants' equity in the investment pool are classified as cash equivalents for purposes of these statements. At June 30, 2016, the District had a deficit balance in this account.

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investments in external investment pools are considered to have no credit risk, accordingly no credit rating is disclosed for these investments. Bank deposits are insured by the FDIC up to \$250,000. The District has no policy related to interest rate risk and has not adopted deposit and investment policies.

2. Deferred Inflows of Resources

Deferred grant income represents grant monies received from Picayune Rancheria of Chukchansi Indians and Madera County. The grant money received did not cover the expenses of the original project. The District completed a project to fulfill the grant requirements in July, 2017. At June 30, 2016, the District had not earned this grant thru completion of activities.

3. Capital Assets

Capital assets purchased by governmental funds are recorded at historical cost. The District capitalizes assets with an initial individual cost of \$1,000 and an estimated useful life of three or more years. The District does not maintain any capital assets.

4. Net Position

Net Position is the difference between assets and liabilities. Net position invested in capital assets are capital assets, less accumulated depreciation. Net position is reported as restricted when there are legal limitations imposed on their use by the District or external restrictions by other governments, creditors, or grantors. Unrestricted net position consists of net position that does not meet the definition of "restricted" or "invested in capital assets". When expenditures are incurred for purposes for which both restricted and unrestricted net position are available, the District's policy is to first apply restricted fund balance.

5. Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2-CASH AND INVESTMENTS

Cash and investments of the District at June 30 consisted of the following:

	2012	2013	2014	2015	2016
United Security Bank	\$ 854	\$ 1,664	\$ 5,421	\$ 27,665	\$ 9,091
Madera County Treasurer's Pool	(558)	(560)	(563)	(567)	(570)
	<u>\$ 296</u>	<u>\$ 1,104</u>	<u>\$ 4,858</u>	<u>\$ 27,098</u>	<u>\$ 8,521</u>

**Coarsegold Resource Conservation District
Notes to the Financial Statements
Sixty Month Period Ended June 30, 2016**

NOTE 3-CONTINGENT LIABILITIES

The District has received a state grant for a specific purpose that is subject to audit and adjustment by the state government. Any disallowed claims, including amounts already collected, may constitute a liability of the District. The amount, if any, of expenditures which may be disallowed by the state cannot be determined at this time. The District expects such amounts, if any, to be immaterial

NOTE 4-SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 16, 2020 which is the date the financial statements were available to be issued.

Coarsegold Resource Conservation District
Notes to the Financial Statements
Sixty months ended June 30, 2016

	2012			2014		
	Original And Final Budget	Actual	Variance Positive (Negative)	Original And Final Budget	Actual	Variance Positive (Negative)
Revenues						
State grants	\$ 1,200	\$ 5,595	\$ 4,395	\$ -	\$ -	\$ -
Fundraising	4,400	1,702	(2,698)	-	360	360
Miscellaneous Income		297	297		1	1
Total Revenues	<u>5,600</u>	<u>7,594</u>	<u>1,994</u>	<u>-</u>	<u>361</u>	<u>361</u>
Expenditures						
Professional Fees	\$ 1,000	\$ 3,000	\$ (2,000)	\$ 600	\$ -	\$ 600
Note Taking	1,200	1,288	(88)	1,500	1,000	500
Insurance	1,000	1,000	-	1,000	1,000	-
Web-Hosting Fees	255	254	1	255	235	20
Office Supplies	450	240	210	150	56	94
Dues	370	190	180	30	30	-
Speech Awards	250	175	75	175	175	-
Supplies	100	63	37			-
Donation		200	(200)			-
Workshop Expenses	100	343	(243)			-
Grant Expenses	-	5,095	(5,095)			-
Fundraising Expenses		300				-
Miscellaneous Expense	390	231	159			-
Conference Expense				600		600
Interest Expense		3	(3)		3	(3)
Bank Charges				144	108	36
Total Expenditures	<u>5,115</u>	<u>12,382</u>	<u>(6,967)</u>	<u>4,454</u>	<u>2,607</u>	<u>1,847</u>
Net Change in Fund Balance	485	(4,788)	<u>\$ (4,973)</u>	(4,454)	(2,246)	<u>\$2,208</u>
Net Position, beginning	<u>5,085</u>	<u>5,085</u>		<u>1,104</u>	<u>1,104</u>	
Net Position, ending	<u>\$ 5,570</u>	<u>\$ 297</u>		<u>\$ (3,350)</u>	<u>\$ (1,142)</u>	

See independent auditor's report

Coarsegold Resource Conservation District
Notes to the Financial Statements
Sixty months ended June 30, 2016

Note 1-Budgets and Budgetary Accounting

Annual budgets are adopted by resolution of the District's Board of Trustees. They are then submitted to Madera County. No budget transfers or amendments were requested during the year. The lowest level of budgetary control exercised by the District's governing body is the government-wide level. The District prepares its budget on the modified accrual basis of accounting. Annual budgets were adopted for fiscal years ending June 30, 2012 and 2014. Budgets were not adopted for fiscal years ending June 30, 2013, 2015, and 2016 and are not presented.

See independent auditor's report