

**AMADOR COUNTY RESOURCE  
CONSERVATION DISTRICT**

Financial Statements  
and  
Independent Auditor's Report

For Fiscal Years Ended June 30, 2012-2016

**AMADOR COUNTY RESOURCE CONSERVATION DISTRICT**

Financial Statements  
and  
Independent Auditor's Report

For Fiscal Years Ended June 30, 2012-2016

# AMADOR COUNTY RESOURCE CONSERVATION DISTRICT

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# AMADOR COUNTY RESOURCE CONSERATION DISTRICT

Management's Discussion and Analysis  
June 30, 2016, 2015, 2014, 2013, and 2012

Our discussion and analysis of Amador County Resource Conservation District's financial performance provides an overview of the District's financial activities for the fiscal years ended June 30, 2016, 2015, 2014, 2013, and 2012.

## Financial Highlights

As discussed in further detail in the discussion and analysis, the following represents the most significant financial highlights for the years ended June 30, 2016, 2015, 2014, 2013, and 2012:

## Using this Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the District as a whole and present a long-term view of the District's finances. This long-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year.

The fund financial statements present a short-term view; they tell us how the District's resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the District's operation in more detail.

## The District as a Whole

The following table shows, in a comparative, condensed format, the net position as of June 30, 2011 and 2012:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>Percent Change</u>
Assets	\$ 395,153	\$ 308,857	28%
Liabilities	<u>-</u>	<u>1,856</u>	<u>-100%</u>
Net Position	<u>\$ 395,153</u>	<u>\$ 307,001</u>	<u>29%</u>



# AMADOR COUNTY RESOURCE CONSERATION DISTRICT

## Management's Discussion and Analysis June 30, 2016, 2015, 2014, 2013, and 2012

The following table shows, in a comparative, condensed format, the net position as of June 30, 2013 and 2012:

	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>Percent Change</u>
Assets	\$ 366,270	\$ 395,153	-7%
Liabilities	<u>100</u>	<u>-</u>	<u>100%</u>
Net Position	<u>\$ 366,170</u>	<u>\$ 395,153</u>	<u>-7%</u>

The following table shows, in a comparative, condensed format, the net position as of June 30, 2014 and 2013:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>Percent Change</u>
Assets	\$ 476,308	\$ 366,270	30%
Liabilities	<u>350</u>	<u>100</u>	<u>250%</u>
Net Position	<u>\$ 475,958</u>	<u>\$ 366,170</u>	<u>30%</u>

The following table shows, in a comparative, condensed format, the net position as of June 30, 2015 and 2014:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Percent Change</u>
Assets	\$ 457,988	\$ 476,308	-4%
Liabilities	<u>65</u>	<u>350</u>	<u>-81%</u>
Net Position	<u>\$ 457,923</u>	<u>\$ 475,958</u>	<u>-4%</u>

**AMADOR COUNTY RESOURCE CONSERATION DISTRICT**

Management's Discussion and Analysis  
June 30, 2016, 2015, 2014, 2013, and 2012

The following table shows, in a comparative, condensed format, the net position as of June 30, 2016 and 2015:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Percent Change</u>
Assets	\$ 651,716	\$ 476,308	37%
Liabilities	<u>506</u>	<u>350</u>	<u>45%</u>
Net Position	<u>\$ 651,210</u>	<u>\$ 475,958</u>	<u>37%</u>

The following table shows, in a comparative, condensed format, the changes in net position during the year ended June 30, 2012 and 2011:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>Percent Change</u>
Revenues	\$ 260,497	\$ 157,916	65%
Expenses	<u>172,344</u>	<u>171,806</u>	<u>0.31%</u>
Income (Loss)	<u>\$ 88,153</u>	<u>\$ (13,890)</u>	<u>735%</u>

The following table shows, in a comparative, condensed format, the changes in net position during the year ended June 30, 2013 and 2012:

	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>Percent Change</u>
Revenues	\$ 220,296	\$ 260,497	-15%
Expenses	<u>249,280</u>	<u>172,344</u>	<u>45%</u>
Income (Loss)	<u>\$ (28,984)</u>	<u>\$ 88,153</u>	<u>-133%</u>

The following table shows, in a comparative, condensed format, the changes in net position during the year ended June 30, 2014 and 2013:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>Percent Change</u>
Revenues	\$ 326,720	\$ 220,296	48%
Expenses	<u>216,931</u>	<u>249,280</u>	<u>-13%</u>
Income (Loss)	<u>\$ 109,789</u>	<u>\$ (28,984)</u>	<u>479%</u>

## AMADOR COUNTY RESOURCE CONSERATION DISTRICT

Management's Discussion and Analysis  
June 30, 2016, 2015, 2014, 2013, and 2012

The following table shows, in a comparative, condensed format, the changes in net position during the year ended June 30, 2015 and 2014:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Percent Change</u>
Revenues	\$ 345,289	\$ 326,720	6%
Expenses	<u>363,324</u>	<u>216,931</u>	<u>67%</u>
Income (Loss)	<u>\$ (18,035)</u>	<u>\$ 109,789</u>	<u>-116%</u>

The following table shows, in a comparative, condensed format, the changes in net position during the year ended June 30, 2016 and 2015:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Percent Change</u>
Revenues	\$ 462,257	\$ 345,289	34%
Expenses	<u>268,970</u>	<u>363,324</u>	<u>-26%</u>
Income (Loss)	<u>\$ 193,287</u>	<u>\$ (18,035)</u>	<u>1172%</u>

### District Activities

The District continued operations and acquired no capital assets during the fiscal years 2012-2016. As of June 30, 2016, the District had no long term debt.

### Fund Budgetary Highlights

As shown in the budgetary comparison schedules, the significant budgets to actual differences were a result of the following:

The major differences in 2012 are as follows:

1. Insurance and Bonds expenses were less by \$100.
2. Other expenses were greater by \$2,210.
3. Scholarships expenses were greater by \$9,999.
4. Aid from other agencies was greater by \$4,000.



# AMADOR COUNTY RESOURCE CONSERATION DISTRICT

Management's Discussion and Analysis  
June 30, 2016, 2015, 2014, 2013, and 2012

## Fund Budgetary Highlights (Continued)

The major differences in 2013 are as follows:

1. Scholarships expenses were greater by \$13,221.
2. NRCS/ARCD expenses were less by \$6,911.
3. Stone Jug Grant expenses were less by \$72,612.
4. NRCS/ARCD revenues were less by \$24,851.

The major differences in 2014 are as follows:

1. Clerical and Accounting expenses were less by \$5,000.
2. Special Department expenses were less by \$1,735.
3. Aid from other Agencies was greater by \$1,000.

The major differences in 2015 are as follows:

1. Special Project expenses were less by \$3,000.
2. Mother Lode Meats Assistance Fund expenses were less by \$2,720.
3. Stone Jug Grant revenues were greater by \$2,484.

The major differences in 2016 are as follows:

1. Special Department expenses were less by \$3,155.
2. Contractor Travel expenses were less by \$3,600.
3. Professional Services fee expenses were less by \$16,594.
4. Interest revenue was greater by \$238.

## Contacting the District's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the District's management at, 12200-B Airport Road, Jackson, CA 95642.



Blomberg & Griffin Accountancy Corporation  
Certified Public Accountant

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Amador County Resource Conservation District

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Amador County Resource Conservation District's as of and for the years ended June 30, 2016, 2015, 2014, 2013, and 2012, 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**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Amador County Resource Conservation District, as of June 30, 2016, 2015, 2014, 2013, and 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the years 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 1 through 5 be presented to supplement the basic financial statements. Such information, 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.

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 04, 2017 on our consideration of the Amador County Resource Conservation District 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 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 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 Amador County Resource Conservation District internal control over financial reporting and compliance.



Blomberg & Griffin A.C.  
Stockton, CA  
May 04, 2017



**AMADOR COUNTY RESOURCE CONSERATION DISTRICT**

Governmental Fund Balance Sheet/Statement of Net Position

For the Year Ended June 30, 2012

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
Cash and Cash Equivalents:			
ARCD	\$ 53,266	\$ -	\$ 53,266
SAWQC	<u>341,887</u>	<u>-</u>	<u>341,887</u>
Total Assets	<u>395,153</u>	<u>-</u>	<u>395,153</u>
<b>LIABILITIES</b>			
Accounts Payable/Warrant Payable	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE/NET POSITION</b>			
Fund Balance:			
Reserved	5,345	5,345	
Unreserved Undesignated	<u>389,808</u>	<u>389,808</u>	
Total Fund Balance	<u>395,153</u>	<u>395,153</u>	
Total Liabilities and Fund Balance	<u>\$ 395,153</u>		
Net Position:			
Investment in Capital Assets - Net of Related Debt		-	-
Reserved		5,345	5,345
Unrestricted		<u>389,808</u>	<u>389,808</u>
Total Net Position		<u>\$ 395,153</u>	<u>\$ 395,153</u>

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

**AMADOR COUNTY RESOURCE CONSERATION DISTRICT**

Statement of Governmental Fund Revenues, Expenditures and

Changes in Fund Balances/Statement of Activities

For the Year Ended June 30, 2012

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/ Expenses:			
Communications	\$ 1,350	\$ -	\$ 1,350
Insurance and Bonds	2,623	-	2,623
Office Expenses	949	-	949
Other	9,575	-	9,575
Special Project	100	-	100
Mini Grants/Sponsorship	10,499	-	10,499
Travel and Transportation	664	-	664
Utilities	984	-	984
CDF Stewardship Program	-	-	-
Professional & Spec. Services	145,600	-	145,600
P.S. - Clerical and Accounting	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 172,344	\$ -	\$ 172,344
Revenues:			
Intergovernmental:			
Contributions from Property Owners	\$ 244,490	-	\$ 244,490
Other State	4,000	-	4,000
Other Federal	10,149	-	10,149
Other			
Interest Income	1,858	-	1,858
	<hr/>	<hr/>	<hr/>
Total Revenues	260,497	-	260,497
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) Revenue Over (Under) Expenditures	88,153	-	88,153
	<hr/>	<hr/>	<hr/>
Fund Balance, July 1, 2011	307,000	-	307,000
	<hr/>	<hr/>	<hr/>
Fund Balance, June 30, 2012	\$ 395,153	\$ -	\$ 395,153
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**AMADOR COUNTY RESOURCE CONSERVATION DISTRICT**

Governmental Fund Balance Sheet/Statement of Net Position

For the Year Ended June 30, 2013

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
Cash and Cash Equivalents:			
ARCD	\$ 69,857	\$ -	\$ 69,857
SAWQC	<u>296,413</u>	<u>-</u>	<u>296,413</u>
Total Assets	<u>366,270</u>	<u>-</u>	<u>366,270</u>
<b>LIABILITIES</b>			
Accounts Payable/Warrant Payable	<u>100</u>	<u>-</u>	<u>100</u>
Total Liabilities	<u>100</u>	<u>-</u>	<u>100</u>
<b>FUND BALANCE/NET POSITION</b>			
Fund Balance:			
Reserved	5,345	5,345	
Unreserved Undesignated	<u>360,825</u>	<u>360,825</u>	
Total Fund Balance	<u>366,170</u>	<u>366,170</u>	
Total Liabilities and Fund Balance	<u><u>\$ 366,270</u></u>		
Net Position:			
Investment in Capital Assets - Net of Related Debt		-	-
Reserved		5,345	5,345
Unrestricted		<u>360,825</u>	<u>360,825</u>
Total Net Position		<u><u>\$ 366,170</u></u>	<u><u>\$ 366,170</u></u>

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

AMADOR COUNTY RESOURCE CONSERATION DISTRICT  
Statement of Governmental Fund Revenues, Expenditures and  
Changes in Fund Balances/Statement of Activities  
For the Year Ended June 30, 2013

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/ Expenses:			
Communications	\$ 1,330	\$ -	\$ 1,330
Insurance and Bonds	2,715	-	2,715
Memberships	50	-	50
Office Expenses	954	-	954
Other	2,968	-	2,968
Special Project	7,717	-	7,717
Mini Grants/Sponsorship	14,221	-	14,221
Travel and Transportation	524	-	524
Utilities	800	-	800
CDF Stewardship Program	-	-	-
Professional & Spec. Services	191,046	-	191,046
P.S. - Clerical and Accounting	26,955	-	26,955
	<u>26,955</u>	<u>-</u>	<u>26,955</u>
 Total Expenditures	 <u>\$ 249,280</u>	 <u>\$ -</u>	 <u>\$ 249,280</u>
 Revenues:			
Intergovernmental:			
Contributions from Property Owners	\$ 194,288	-	\$ 194,288
Other State		-	-
Other Federal	24,651	-	24,651
 Other			
Interest Income	1,358	-	1,358
	<u>1,358</u>	<u>-</u>	<u>1,358</u>
 Total Revenues	 <u>220,296.34</u>	 <u>-</u>	 <u>220,296.34</u>
 Excess (Deficiency) Revenue Over (Under) Expenditures	 (28,983.46)	 -	 (28,983.46)
 Fund Balance, July 1, 2012	 <u>395,153</u>	 <u>-</u>	 <u>395,153</u>
 Fund Balance, June 30, 2013	 <u>\$ 366,170</u>	 <u>\$ -</u>	 <u>\$ 366,170</u>

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



**AMADOR COUNTY RESOURCE CONSERATION DISTRICT**

Governmental Fund Balance Sheet/Statement of Net Position

For the Year Ended June 30, 2014

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
Cash and Cash Equivalents:			
ARCD	\$ 80,609	\$ -	\$ 80,609
SAWQC	<u>395,699</u>	<u>-</u>	<u>395,699</u>
Total Assets	<u>476,308</u>	<u>-</u>	<u>476,308</u>
<b>LIABILITIES</b>			
Accounts Payable/Warrant Payable	<u>350</u>	<u>-</u>	<u>350</u>
Total Liabilities	<u>350</u>	<u>-</u>	<u>350</u>
<b>FUND BALANCE/NET POSITION</b>			
Fund Balance:			
Reserved	5,345	5,345	
Unreserved Undesignated	<u>470,613</u>	<u>470,613</u>	
Total Fund Balance	<u>475,958</u>	<u>475,958</u>	
Total Liabilities and Fund Balance	<u>\$ 476,308</u>		
Net Position:			
Investment in Capital Assets - Net of Related Debt		-	-
Reserved		5,345	5,345
Unrestricted		<u>470,613</u>	<u>470,613</u>
Total Net Position		<u>\$ 475,958</u>	<u>\$ 475,958</u>

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

AMADOR COUNTY RESOURCE CONSERATION DISTRICT  
Statement of Governmental Fund Revenues, Expenditures and  
Changes in Fund Balances/Statement of Activities  
For the Year Ended June 30, 2014

	General Fund	Adjustments	Statement of Activities
Expenditures/ Expenses:			
Communications	\$ 1,137	\$ -	\$ 1,137
Insurance and Bonds	3,069	-	3,069
Membership	300	-	300
Office Expenses	886	-	886
Other	2,051	-	2,051
Special Project	4,130	-	4,130
Mini Grants/Sponsorship	500	-	500
Travel and Transportation	287	-	287
Utilities	1,100	-	1,100
Prop 204 Water Shed	44,658	-	44,658
CDF Stewardship Program		-	-
Professional & Spec. Services	146,690	-	146,690
P.S. - Clerical and Accounting	12,122	-	12,122
 Total Expenditures	 \$ 216,931	 \$ -	 \$ 216,931
 Revenues:			
Intergovernmental:			
Contributions from Property Owners	\$ 272,706	-	\$ 272,706
Other State	52,555	-	52,555
Aid from Other Agencies	1,000	-	-
Other Federal		-	-
Other			
Interest Income	458	-	458
 Total Revenues	 326,719.51	 -	 325,719.51
Excess (Deficiency) Revenue Over (Under) Expenditures	109,788.66	-	109,788.66
Fund Balance, July 1, 2013	366,169.54	-	366,169.54
Fund Balance, June 30, 2014	\$ 475,958	\$ -	\$ 475,958

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



**AMADOR COUNTY RESOURCE CONSERATION DISTRICT**

Governmental Fund Balance Sheet/Statement of Net Position

For the Year Ended June 30, 2015

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
Cash and Cash Equivalents:			
ARCD	\$ 90,466	\$ -	\$ 90,466
SAWQC	<u>367,522</u>	<u>-</u>	<u>367,522</u>
Total Assets	<u>457,988</u>	<u>-</u>	<u>457,988</u>
<b>LIABILITIES</b>			
Accounts Payable/Warrant Payable	<u>65</u>	<u>-</u>	<u>65</u>
Total Liabilities	<u>65</u>	<u>-</u>	<u>65</u>
<b>FUND BALANCE/NET POSITION</b>			
Fund Balance:			
Reserved	5,345	5,345	
Unreserved Undesignated	<u>452,578</u>	<u>452,578</u>	
Total Fund Balance	<u>457,923</u>	<u>457,923</u>	
Total Liabilities and Fund Balance	<u>\$ 457,988</u>		
Net Position:			
Investment in Capital Assets - Net of Related Debt		-	-
Reserved		5,345	5,345
Unrestricted		<u>452,578</u>	<u>452,578</u>
Total Net Position		<u>\$ 457,923</u>	<u>\$ 457,923</u>

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

AMADOR COUNTY RESOURCE CONSERATION DISTRICT  
Statement of Governmental Fund Revenues, Expenditures and  
Changes in Fund Balances/Statement of Activities  
For the Year Ended June 30, 2015

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/ Expenses:			
Communications	\$ 920	\$ -	\$ 920
Insurance and Bonds	3,059	-	3,059
Memberships	350	-	-
Office Expenses	3,273	-	3,273
Other	4,679	-	4,679
Special Project	2,000	-	2,000
Special Department Expense	6,112	-	6,112
Mini Grants/Sponsorship	-	-	-
Travel and Transportation	863	-	863
Utilities	503	-	503
Prop 204 Water Shed	4,050	-	4,050
CDF Stewardship Program	-	-	-
Professional & Spec. Services	312,494	-	312,494
P.S. - Clerical and Accounting	25,021	-	25,021
	<u>363,324</u>	<u>-</u>	<u>362,974</u>
Total Expenditures	\$ 363,324	\$ -	\$ 362,974
Revenues:			
Intergovernmental:			
Contributions from Property Owners	\$ 341,425	-	\$ 341,425
Other State	2,484	-	2,484
Other Federal	-	-	-
Other			
Interest Income	1,381	-	1,381
	<u>345,289.47</u>	<u>-</u>	<u>345,289.47</u>
Total Revenues	345,289.47	-	345,289.47
Excess (Deficiency) Revenue Over (Under) Expenditures	(18,034.77)	-	(18,034.77)
Fund Balance, July 1, 2014	<u>475,958.20</u>	<u>-</u>	<u>475,958.20</u>
Fund Balance, June 30, 2015	<u>\$ 457,923</u>	<u>\$ -</u>	<u>\$ 457,923</u>

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

**AMADOR COUNTY RESOURCE CONSERATION DISTRICT**

Governmental Fund Balance Sheet/Statement of Net Position

For the Year Ended June 30, 2016

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
Cash and Cash Equivalents:			
ARCD	\$ 77,096	\$ -	\$ 77,096
SAWQC	<u>574,620</u>	<u>-</u>	<u>574,620</u>
Total Assets	<u>651,716</u>	<u>-</u>	<u>651,716</u>
<b>LIABILITIES</b>			
Accounts Payable/Warrant Payable	<u>506</u>	<u>-</u>	<u>506</u>
Total Liabilities	<u>506</u>	<u>-</u>	<u>506</u>
<b>FUND BALANCE/NET POSITION</b>			
Fund Balance:			
Reserved	5,345	5,345	
Unreserved Undesignated	<u>645,865</u>	<u>645,865</u>	
Total Fund Balance	<u>651,210</u>	<u>651,210</u>	
Total Liabilities and Fund Balance	<u><u>\$ 651,716</u></u>		
Net Position:			
Investment in Capital Assets - Net of Related Debt		-	-
Reserved		5,345	5,345
Unrestricted		<u>645,865</u>	<u>645,865</u>
Total Net Position		<u><u>\$ 651,210</u></u>	<u><u>\$ 651,210</u></u>

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

AMADOR COUNTY RESOURCE CONSERATION DISTRICT  
Statement of Governmental Fund Revenues, Expenditures and  
Changes in Fund Balances/Statement of Activities  
For the Year Ended June 30, 2016

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/ Expenses:			
Communications	\$ 767	\$ -	\$ 767
Insurance and Bonds	2,950	-	2,950
Memberships	1,262	-	1,262
Office Expenses	3,844	-	3,844
Other	1,750	-	1,750
Special Project	13,785	-	13,785
Mini Grants/Sponsorship		-	-
Travel and Transportation		-	-
Utilities		-	-
CDF Stewardship Program		-	-
Professional & Spec. Services	223,410	-	223,410
P.S. - Clerical and Accounting	21,202	-	21,202
	<u>268,970</u>	<u>-</u>	<u>268,970</u>
Total Expenditures	\$ 268,970	\$ -	\$ 268,970
Revenues:			
Intergovernmental:			
Contributions from Property Owners	\$ 444,794	-	\$ 444,794
Other State		-	-
Miscellaneous	15,310	-	15,310
Other Federal		-	-
Other			
Interest Income	2,153	-	2,153
	<u>462,256.84</u>	<u>-</u>	<u>462,256.84</u>
Total Revenues	462,256.84	-	462,256.84
Excess (Deficiency) Revenue Over (Under) Expenditures	193,286.48	-	193,286.48
Fund Balance, July 1, 2015	<u>457,923.43</u>	<u>-</u>	<u>457,923.43</u>
Fund Balance, June 30, 2016	<u>\$ 651,210</u>	<u>\$ -</u>	<u>\$ 651,210</u>

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



**AMADOR COUNTY RESOURCE CONSERATION DISTRICT**  
**STATEMENT OF EXPENDITURES - SAWQA**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2016, 2015, 2014, 2013, 2012**

(NOTE:SAWQA EXPENDITURES ONLY REFLECTED ON THIS PAGE)

SAWQA EXPENDITURES

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenditures:					
Insurance and Bonds	\$ 1,376	\$ 1,427	\$ 1,432	\$ 1,266	\$ 1,223
Office Expense	3,641	1,697	-	281	332
Miscellaneous Expense	201	-	64	-	-
Other	-	4,063	870	1,575	4,365
Travel and Transportation	-	807	287	524	664
Professional & Spec. Services	214,804	312,494	146,690	184,408	144,025
P.S. - Clerical and Accounting	19,958	24,821	12,122	25,935	-
Mini Grants Sponsorship	-	-	-	500	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>
 Total Expenditures	 <u>\$ 239,979</u>	 <u>\$ 345,309</u>	 <u>\$ 161,465</u>	 <u>\$ 214,489</u>	 <u>\$ 150,609</u>

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

**Amador County Resource Conservation District  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2012  
 Note: This Budget Comparison Only Reflects ARCD**

	Original & Final Budgeted Amounts	Actual Amounts (3)	Variance With Final Budget Positive (Negative)
Expenditures:			
Insurance and Bonds	\$ 1,500	\$ 1,400	\$ 100
Office Expense	1,000	617	383
Clerical and Accounting	8,000	-	8,000
Auditor's Services	1,500	1,575	(75)
Other	3,000	5,210	(2,210)
Speical Projects	1,500	100	1,400
Scholarships	500	10,499	(9,999)
Meetings and Conferences	500	-	500
Utilities (AT&T)	1,000	984	16
Communications (County)	1,500	1,350	150
Memberships and Dues	400	-	400
Fixed Assets-Equipment	300	-	300
Contractor Travel	250	-	250
	<u>20,950.00</u>	<u>21,734.94</u>	<u>(784.94)</u>
Revenues:			
Aid from Other Agencies	-	4,000.00	4,000.00
Interest	-	352.08	352.08
	<u>-</u>	<u>4,352.08</u>	<u>4,352.08</u>
	<u>-</u>	<u>4,352.08</u>	<u>4,352.08</u>
Total Changes Revenues (Expenses)	<u>\$ 20,950</u>	<u>\$ (17,383)</u>	<u>\$ 3,567</u>

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



**Amador County Resource Conservation District**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2013**  
**Note: This Budget Comparison Only Reflects ARCD**

	Original & Final Budgeted Amounts	Actual Amounts (3)	Variance With Final Budget Positive (Negative)
<b>Expenditures:</b>			
Insurance and Bonds	\$ 1,500	\$ 1,450	\$ 50
Office Expense	800	673	127
Clerical and Accounting	8,000	-	8,000
Speical Projects	1,500	7,717	(6,217)
Scholarships	500	13,721	(13,221)
Meetings and Conferences	500	833	(333)
Utilities (AT&T)	1,000	800	200
Communications (County)	1,500	1,330	170
Memberships and Dues	400	50	350
Fixed Assets-Equipment	300	-	300
Grant Development	3,000	1,020	1,980
Contractor Travel	250	-	250
NRCS/ARCD Cooperative Agreement	13,548	6,638	6,911
Stone Jug Grant	73,172	560	72,612
	<u>105,970.37</u>	<u>34,790.67</u>	<u>71,179.70</u>
Total Expenses			
<b>Revenues:</b>			
Country Contribution	2,000.00	-	(2,000.00)
Transfer from SAWQA	25,000.00	-	(25,000.00)
Interest	350.00	176.76	(173.24)
NRCS/ARCD Cooperative Agreement	24,851.12	-	(24,851.12)
Stone Jug Grant	73,172.00	-	(73,172.00)
	<u>125,373.12</u>	<u>176.76</u>	<u>(125,196.36)</u>
Total Changes Revenues (Expenses)	<u>\$ 19,403</u>	<u>\$ (34,614)</u>	<u>\$ (54,017)</u>

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

**Amador County Resource Conservation District  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2014  
 Note: This Budget Comparison Only Reflects ARCD**

	Original & Final Budgeted Amounts	Actual Amounts (3)	Variance With Final Budget Positive (Negative)
<b>Expenditures:</b>			
Insurance and Bonds	\$ 2,000	\$ 1,637	\$ 363
Office Expense	800	886	(86)
Clerical and Accounting	5,000	-	5,000
Auditor's Services	1,000	-	1,000
Special Projects	5,000	4,130	870
Special Department Expense	2,000	265	1,735
Scholarships	500	500	-
Meetings and Conferences	500	165	336
Utilities (AT&T)	1,000	1,100	(100)
Communications (County)	1,500	1,137	363
Memberships and Dues	400	300	100
Fixed Assets-Equipment	300	688	(388)
Grant Development	3,000	-	3,000
Mother Lode Meats Assistance Fund	2,000	-	2,000
Contractor Travel	250	-	250
Stone Jug Grant	73,172	44,658	28,514
	<u>98,422.00</u>	<u>55,465.28</u>	<u>42,956.72</u>
Total Expenses	98,422.00	55,465.28	42,956.72
<b>Revenues:</b>			
Aid From Other Agencies	-	1,000.00	1,000.00
Transfer from SAWQA	15,000.00	12,122.29	(2,877.71)
Interest	350.00	89.89	(260.11)
Miscellaneous Revenues	520.00	200.00	(320.00)
Transfer from Reserve	7,380.00	-	(7,380.00)
Stone Jug Grant	73,172.00	52,555.10	(20,616.90)
	<u>96,422.00</u>	<u>65,967.28</u>	<u>(30,454.72)</u>
Total Changes Revenues (Expenses)	<u>\$ (2,000)</u>	<u>\$ 10,502</u>	<u>\$ 12,502</u>

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

**Amador County Resource Conservation District  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2015  
Note: This Budget Comparison Only Reflects ARCD**

	Original & Final Budgeted Amounts	Actual Amounts (3)	Variance With Final Budget Positive (Negative)
<b>Expenditures:</b>			
Insurance and Bonds	\$ 2,000	\$ 1,632	\$ 368
Office Expense	800	1,576	(776)
Clerical and Accounting	3,000	200	2,800
Auditor's Services	1,000	-	1,000
Special Projects	5,000	2,000	3,000
Special Department Expense	6,400	6,112	288
Scholarships	500	-	500
Meetings and Conferences	500	-	500
Utilities (AT&T)	1,000	503	497
Communications (County)	1,500	920	580
Memberships and Dues	900	350	550
Fixed Assets-Equipment	300	-	300
Other	-	336	(336)
Grant Development	3,000	-	3,000
Contractor Travel	250	56	194
Mother Lode Meats Assistance Fund	3,000	280	2,720
Stone Jug Grant	-	4,050	(4,050)
	<u>29,150.00</u>	<u>18,015.02</u>	<u>11,134.98</u>
Total Expenses			
<b>Revenues:</b>			
Transfer from SAWQA	21,000.00	-	(21,000.00)
Interest	100.00	221.31	121.31
Transfer from Reserve	7,550.00	-	(7,550.00)
Miscellaneous Revenues	500.00	-	(500.00)
NRCS/ARCD Cooperative Agreement	-	-	-
Stone Jug Grant	-	2,483.94	2,483.94
	<u>29,150.00</u>	<u>2,705.25</u>	<u>(26,444.75)</u>
Total Changes Revenues (Expenses)	<u>\$ -</u>	<u>\$ (15,310)</u>	<u>\$ (15,310)</u>

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



**Amador County Resource Conservation District**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2016**  
**Note: This Budget Comparison Only Reflects ARCD**

	Original & Final Budgeted Amounts	Actual Amounts (3)	Variance With Final Budget Positive (Negative)
<b>Expenditures:</b>			
Insurance and Bonds	\$ 1,700	\$ 1,573	\$ 127
Office Expense	800	203	597
Clerical and Accounting	1,500	1,244	256
Auditor's Services	1,000	-	1,000
Special Projects	1,500	13,785	(12,285)
Special Department Expense	4,400	1,245	3,155
Scholarships	1,000	-	1,000
Meetings and Conferences	500	304	196
Communications (County)	1,500	767	733
Memberships and Dues	1,500	1,262	238
Fixed Assets-Equipment	300	-	300
Contractor Travel	3,600	-	3,600
Mother Lode Meats Assistance Fund	1,500	-	1,500
Professional Services	25,200	8,606	16,594
	<u>46,000</u>	<u>28,991</u>	<u>17,009</u>
Total Expenses			
<b>Revenues:</b>			
Transfer from SAWQA	15,000	-	(15,000)
Interest	100	338	238
Transfer from Reserve	30,900	-	(30,900)
Miscellaneous Revenues	-	27	27
Stone Jug Grant	-	283	283
	<u>46,000.00</u>	<u>648.03</u>	<u>(45,351.97)</u>
Total Changes Revenues (Expenses)	<u>\$ -</u>	<u>\$ (28,343)</u>	<u>\$ (28,343)</u>

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

AMADOR COUNTY RESOURCE CONSERATION DISTRICT

Notes to Financial Statements

June 30, 2016, 2015, 2014, 2013, and 2012

**NOTE 1**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Organization & Description of the District:

The District, organized under Division IX of the CA Public Resources Code, operates under the auspices of a five (5) member Board of Directors. Conservation programs are conducted in the following geographic areas: The entire County of Amador, portions of adjacent and nearby counties. Funding of project expenditures are almost entirely the result of membership fees and grant solicitation proceeds.

The financial statements of ACRCDD have been prepared on a modified cash basis of accounting. Cash basis accounting, recognizes revenues as they are received and expenditures as they are disbursed. In addition, fixed assets are considered expenditures as they are purchased and are therefore not capitalized nor depreciated over their useful economic lives.

REPORTING ENTITY

In evaluating how to define ACRCDD for financial reporting purposes, management has considered all potential component units. The decision to include a potential unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP). The primary - but not only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and the accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether ACRCDD is able to exercise oversight responsibilities. Based upon the application of these criteria, no component units were determined to exist that would warrant inclusion in ACRCDD's financial statements as part of the reporting entity.

However, based upon the application of the above criteria, ACRCDD is a component unit of the County of Amador, state of California. As such, ACRCDD is part of the financial reporting entity of the County of Amador, state of California. These component unit financial statements do not, and are not, intended to represent more than ACRCDD.



AMADOR COUNTY RESOURCE CONSERATION DISTRICT

Notes to Financial Statements

June 30, 2016, 2015, 2014, 2013, and 2012

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

*Fund Financial Statements:*

Fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities,

Fund equity, revenues and expenditures/expense. Funds are organized into three major categories; governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major funds if it is the primary operating fund of the District or meet the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The General Fund is the general operating fund of the District and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. It is the District's only fund.

**Measurement Focus and Basis of Accounting:**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

*Measurement Focus*

In the Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below.

In the Governmental Fund Balance Sheet and the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances, the "current financial resources" measurements focus or the "economic resources" measurements focus is used as appropriate:



AMADOR COUNTY RESOURCE CONSERATION DISTRICT

Notes to Financial Statements

June 30, 2016, 2015, 2014, 2013, and 2012

**NOTE 1**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

a. The “current financial resources” measurement focus is used when accounting for all governmental funds. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

b. The accounting objectives of the “economic resources” measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and all liabilities (whether current or noncurrent) associated with the operation of these funds are reported.

*Basis of Accounting*

In the Statement of Net Position and Statements of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transaction are recognized when the exchange takes place.

In the Governmental Fund Balance Sheet and the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means collectible within the current period or soon enough thereafter to pay current liabilities. The District defines available to be within 60 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

As the District is a single-program government, the government-wide and fund financial statements are combined with an adjustment column to reconcile the differences in the accounting methods. Explanations of the adjustments are noted on the face of the statements.

AMADOR COUNTY RESOURCE CONSERATION DISTRICT

Notes to Financial Statements

June 30, 2016, 2015, 2014, 2013, and 2012

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

Budgetary Data:

Budgets for the operating fund are prepared on the cash and expenditures/encumbrances basis. Revenues are budgeted in the year receipt is expected; and expenditures, which include encumbrances, 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 bases.

An annual budget request is submitted by the District Clerk to the Board of Directors for preliminary review and approval. After a public hearing, a fiscal budget is approved by the District's Board of Directors, with a resolution adopting said budget. Copies of the approved budget are sent to all required agencies.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Capital Assets:

Capital assets, recorded at historical cost or estimated historical cost if actual historical cost is not available, are reported in the governmental activities column of the government-wide financial statements. Contributed fixed assets are valued at their estimated fair market value. Capital assets include land, buildings, building improvements, and equipment.



AMADOR COUNTY RESOURCE CONSERATION DISTRICT

Notes to Financial Statements

June 30, 2016, 2015, 2014, 2013, and 2012

**NOTE 2**      **CASH AND INVESTMENTS:**

Amador County Resource Conservation District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of less than one year from the date of acquisition. The cash balance as of June 30, 2012 was \$395,153; June 30, 2013 was \$366,270; June 30, 2014 was \$476,308; June 30, 2015 was \$457,988; June 30, 2016 was \$651,716.

**NOTE 3**      **CAPITAL ASSETS AND DEPRECIATION:**

The District does not have capital assets as of June 30, 2016.

**NOTE 4**      **SUBSEQUENT EVENTS:**

Management has evaluated subsequent events through May 14, 2017, the date these financial statements were available for release.

**NOTE 5**      **RISK MANAGEMENT:**

Amador County Resource Conservation District is exposed to various risks of loss related to torts, thefts of, damages to, and destruction of assets; errors and omissions; and natural disasters. The Amador County Resource Conservation District's board purchases commercial insurance for general liability and auto.

**NOTE 6**      **CONCENTRATION OF RISK**

Amador County Resource Conservation District receives substantially all of its revenues from the landowners.

**NOTE 7**      **COMMITMENTS AND CONTINGENCIES**

Amador County Resource Conservation District has received state, federal, and local funds for specific purposes that are subject to review and audit by grantor agencies. Although such audits could generate expenditure disallowance under terms of the grants and contracts, it is management's opinion that any required reimbursement would not be material. In addition, continued operation of the District is dependent on the level of funding from federal, state, and local agencies.

**NOTE 8**      **FUND BALANCE**

The District has adopted the provisions of GASB Statement No. 54 Fund Balance and Governmental Fund Type Definitions. GASB 54 establishes Fund Balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The



AMADOR COUNTY RESOURCE CONSERATION DISTRICT

Notes to Financial Statements

June 30, 2016, 2015, 2014, 2013, and 2012

**NOTE 8**      **FUND BALANCE (Continued)**

Governmental Fund statements conform to this new classification. The Fund Financial Statements consist of Non-spendable, Restricted, Committed, Assigned, and Unassigned amounts as described below:

**Non-Spendable:** Items that cannot be spent because they are not in spendable form, such as prepaid items or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan fund.

**Restricted:** Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors, laws, or regulations of other governments, as well as restrictions imposed by law through constitutional provision or enabling legislation.

**Committed:** Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making (normally the governing body) and that remain binding unless removed in the same manner.

**Assigned:** Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose.

**Unassigned:** This category is for any balances that have no restrictions placed upon them.

The District established the following policies relating to its fund balance classifications.

1. **Committed Fund Balances**

- *Highest Level of Decision-Making Authority* – the Board of Directors of the District are acknowledged as the highest level of decision-making authority in terms of establishing fund balance classifications and creating committed fund balances.
- *Formal Action Required* – the Board shall have the authority to establish, modify, or rescind committed fund balances by Resolution, where appropriate, passed by a majority vote.

AMADOR COUNTY RESOURCE CONSERATION DISTRICT

Notes to Financial Statements

June 30, 2016, 2015, 2014, 2013, and 2012

**NOTE 8**

**FUND BALANCE (Continued)**

- *Timing* – the Board will take formal action to commit any resources as soon as possible upon determining its desire to take such action, but no later than June 30 of the fiscal year in which it applies in order for the action to be valid for the presentation of the annual report.
  
- 2. Assigned Fund Balances
  - *Approval Authority* – the Board has not delegated the authority to assign fund balance amounts.
  
- 3. Expenditure of Funds – Order of Expenditure
  - *Restricted and Unrestricted Funds* – when expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District shall consider that restricted funds shall be spent first until such funds are exhausted, at which time committed, assigned, or unassigned funds will be used.
  
  - *Committed, Assigned, or Unassigned Funds* – when an expenditure is incurred where there are no restricted funds available, and for which committed and assigned fund balances are available, the District shall exhaust unassigned funds first unless the board determines the use of available assigned or committed fund balances is appropriate.





Blomberg & Griffin Accountancy Corporation  
Certified Public Accountant

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

To the Board of Directors  
Amador County Resource Conservation District

We have audited the financial statements of Amador County Resource Conservation District as of and for the years ended June 30, 2016, 2015, 2014, 2013 and 2012, and have issued our report thereon dated May 12, 2017. We conducted our audit in accordance with auditing standards generally accepted standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their signed functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and other matters

As part of obtaining reasonable assurance whether the District's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Blomberg & Griffin A.C.*

Blomberg & Griffin A.C  
Stockton, CA  
May 04, 2017