

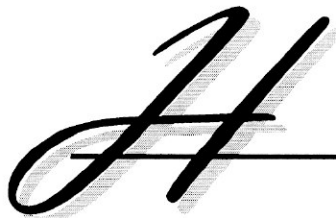
TUOLUMNE PARK AND RECREATION DISTRICT

FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT

JUNE 30, 2017

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Governing Board
Tuolumne Park and Recreation District
Tuolumne, California

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tuolumne Park and Recreation District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, except for the issues noted in the Known Departure From Accounting Principles Generally Accepted in the United States of America paragraph and the Other Matters paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Known Departure From Accounting Principles Generally Accepted in the United States of America

As explained in Note 1 to the financial statements, management has not recorded financial data related to a component unit. Accounting principles generally accepted in the United States of America require that component unit assets, liabilities, and financial activity be included in the financial statements of the primary government. The amount by which this departure would affect the liabilities and expenditures of the governmental activities has not been determined.

Other Matters

Because of the inadequacy of accounting records pertaining to fixed assets and accumulated depreciation, we were unable to review the amounts at which these items are recorded in the accompanying Statement of Net Position as of June 30, 2017, or the amount of depreciation expense recorded in the Statement of Activities for the year then ended. Our review of current year fixed asset transactions was not impaired.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 9 and the budgetary comparison information on page 27 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. The information is the representation of management. I have not audited or reviewed such required supplementary information, and, accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on it.



Certified Public Accountant

September 21, 2017

Tuolumne Park and Recreation District

*18603 Pine Street
Tuolumne California 95379
(209) 928-1214 (209) 928-1205*

*Board of Directors
Donnie Wright - Chairman
Stephen Artzer - Vice Chairman
Michelle Hightower - Secretary
Jake Feriani - Treasurer
Darrin Evans - Member*

MANAGEMENT DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2017

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

This discussion and analysis of the financial performance of the Tuolumne Park and Recreation District ("TPRD") provides an overview of the District's financial activities for the fiscal year ended June 30, 2017. It is management's view of the District's financial condition. It should be read in conjunction with the Independent Auditor's Report, the basic financial statements and the accompanying notes to those financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund-level financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements.

These two kinds of statements report the District's net position and changes in position. Net position is the difference between assets plus deferred outflows and liabilities plus deferred inflows, which is one way to measure the District's financial health. Generally, over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating.

The financial statements also include notes that explain some of the information in the statements. These notes are considered to be an integral part of the financial statements and should be considered with them when looking at the District's financial picture.

The financial statements would be followed by a section of required supplementary information but the District has no required supplementary information.

In the Government-wide financial statements the District's activities are shown as Governmental activities. The District has no funds that are classified as Business-type or fiduciary activities. The fund financial statements provide more detailed information about the District's most significant funds—not the District as a whole. The District only has funds that would be categorized as governmental fund types.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District completed the current year with its funds reporting a *combined* fund balance of approximately \$202,825, a decrease of \$9,521 or 4.48% over last year's ending fund balance. The decrease in combined fund balance is due to an increase in staffing and payroll hours.

Table 1 – Ending Fund Balances

Governmental Fund Type	Ending Balance	
	06/30/16	06/30/17
Park and Public Recreation	\$ 212,346	\$ 202,825

There was no significant acquisition expenditures during the year ended June 30, 2017. The annual tax levy collections, maintenance contract revenue, service charges and interest earnings during the year were sufficient to cover administrative and program costs during the year.

Net Position

The Statement of Net Position is shown in Table 2 and net positions represent the portion of total assets actually owned free and clear by the District. The District's primary assets are land and improvements. The District has a positive Net Position for the year ending June 30, 2017 of \$908,681. This figure represents the amount the District would collect if all operations were ceased, all assets liquidated at carrying value, and all receivables were collected.

Changes in Net Position

The District owns and maintains public parks and other facilities. Expenditures primarily consist of facilities maintenance, program costs, and administration. Revenues are generated by an annual tax levy, a maintenance contract with Tuolumne County, service charges and interest on investments.

Table 2 – Statement of Net Position

	<u>June 30, 2017</u>
Assets	
Unrestricted cash	223,871
Investment in Capital Assets	700,690
Receivables and Prepaids	13,148
Total Assets	<u>937,709</u>
Liabilities	
Accounts Payable and Other Current Liabilities	<u>29,028</u>
 Net Position	
Invested in Capital Assets	700,690
Unrestricted Amount	<u>207,991</u>
 Total Liabilities and Net Position	<u>937,709</u>

Table 3 – Change in Net Position

	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>Change</u>
ASSETS			
Unrestricted Cash	222,254	223,871	1,617
Accounts Receivable	1,721	1,399	(322)
Property Tax Receivable	-	-	-
Prepaid Expenses	<u>1,164</u>	<u>704</u>	<u>(460)</u>
Total Current Assets	225,139	225,974	835
 Total Capital Assets (Net)	 709,278	 700,690	 (8,588)
 Other Receivable (Net)	 <u>11,265</u>	 <u>11,045</u>	 <u>(220)</u>
 Total Assets	 <u>945,682</u>	 <u>937,709</u>	 <u>(7,973)</u>
LIABILITIES AND NET POSITION			
Accounts Payable and Current Liabilities	18,456	29,028	10,572
NET POSITION			
Investment in Capital Assets	709,278	700,690	(8,588)
Unrestricted	<u>217,948</u>	<u>207,991</u>	<u>(9,957)</u>
Total Net Position	<u>927,226</u>	<u>908,681</u>	<u>(18,545)</u>
Total Liabilities and Net Position	<u>945,682</u>	<u>937,709</u>	<u>(7,973)</u>

Table 3 shows the Agency's net position decreased by \$18,545 over the year, indicating expenses were in excess of revenues during the year. This is also illustrated in Table 4. This is also evidenced in Table 3 by the decrease in Total Assets compared to the increase in Liabilities.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Table 4 – Statement of Activities

	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>Change</u>
Program Expenses:			
Salaries and Employee Benefits	182,769	202,949	20,180
Activities and Events	27,933	23,005	(4,928)
Administration	26,371	31,702	5,331
Facility Maintenance and Operations	23,985	32,019	8,034
Depreciation	<u>8,588</u>	<u>8,588</u>	<u>-</u>
Total Program Expenses	269,646	298,263	28,617
Program Revenues			
Charges for Service			
Total Charges for Service	<u>36,493</u>	<u>23,893</u>	<u>(12,600)</u>
Net Governmental Activities - Revenue (Expense)	(233,153)	(274,370)	(41,217)
General Revenues			
Property Taxes	146,153	150,499	4,346
Maintenance Income	90,000	100,000	10,000
Reimbursements	1,317	921	(396)
Miscellaneous	1,211	2,460	1,249
Interest Earnings	<u>1,494</u>	<u>1,945</u>	<u>451</u>
Total General Revenues	<u>240,175</u>	<u>255,825</u>	<u>15,650</u>
Change in Net Position	7,022	(18,545)	(25,567)

Table 4 shows a decrease of \$25,567 in Change in Net Position between fiscal years ended June 30, 2016 and 2017.

BUDGET PERFORMANCE EVALUATION

Revenues in 2017 were up. Additional funds from tax appropriations and a maintenance contract with the County of Tuolumne added to our cash reserves. Incomes were down with regard to events but a decrease in expenses balanced the discrepancy. There were the two main contributors to increases against the budget, 1) a marked increase in staffing and 2) improvements to TPRD facilities and equipment.

CAPITAL ASSET AND DEBT ADMINISTRATION

The District had no expenditures to acquire capital assets during the fiscal year ending June 30, 2017. The District has no long-term debt.

FACTORS BEARING ON THE DISTRICT'S FINANCIAL FUTURE

The housing market and the economy in the Tuolumne County have experienced a significant downturn over the last few years. The District has compensated by searching out partners in the business community to help fill in funding gaps. The District has also rented out a small space in its offices to the Tuolumne County Sheriff's Department for the Community Service Unit. As the economy begins to gain ground the District intends to continue to grow in its service to the community.

At the time these financial statements were prepared and audited, the District was not aware of any other circumstances that could significantly affect its financial health in the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Manager, Tuolumne Park and Recreation District, PO Box 730, 18603 Pine Street Tuolumne, California 95379 or (209) 928-1214.

TUOLUMNE PARK AND RECREATION DISTRICT
GOVERNMENT - WIDE
STATEMENT OF NET POSITION
JUNE 30, 2017

ASSETS

Current Assets:

Unrestricted Cash	\$	223,871	
Accounts Receivable		1,399	
Property Tax Receivable		-	
Prepaid Expenses		<u>704</u>	
Total Current Assets	\$		225,974

Capital Assets

Non-Depreciable		470,341	
Depreciable, Net		<u>230,349</u>	
Total Capital Assets			700,690

Other Assets

Other Receivable, Net			<u>11,045</u>
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Total Assets	\$		<u>937,709</u>
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LIABILITIES AND NET POSITION

Current Liabilities:

Accounts Payable	\$	2,999	
Accrued Liabilities		10,301	
Accrued Compensated Absences		7,277	
Deferred Revenue		5,376	
Deposits		<u>3,075</u>	
Total Current Liabilities and Total Liabilities	\$		29,028

NET POSITION

Investment in Capital Assets		700,690	
Unrestricted		<u>207,991</u>	
Total Net Position			<u>908,681</u>
Total Liabilities and Net Position	\$		<u>937,709</u>

See accompanying notes and independent accountant's review report.

TUOLUMNE PARK AND RECREATION DISTRICT
GOVERNMENT - WIDE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Governmental Activities - Park and Public Recreation

Program Expenses:

Salaries and Employee Benefits	\$ 202,949	
Activities and Events	23,005	
Administration	31,702	
Facility Maintenance and Operations	32,019	
Depreciation	<u>8,588</u>	
Total Program Expenses		\$ 298,263

Program Revenues

Charges for Service - Facilities Rental and Events	<u>23,893</u>
Net Governmental Activities - Revenue (Expense)	(274,370)

General Revenues

Property Taxes	150,499
Maintenance Income	100,000
Reimbursements	921
Miscellaneous	2,460
Interest Earnings	<u>1,945</u>
Total General Revenues	<u>255,825</u>

Change in Net Position	(18,545)
Net Position July 1, 2016	<u>927,226</u>
Net Position June 30, 2017	<u>\$ 908,681</u>

See accompanying notes and independent accountant's review report.

TUOLUMNE PARK AND RECREATION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	GENERAL FUND
ASSETS	
Current Assets:	
Cash and Cash Equivalents - unrestricted	\$ 223,871
Property Tax Receivable	-
Prepaid Expenses	<u>704</u>
Total Current Assets	<u>\$ 224,575</u>
LIABILITIES AND FUND BALANCE	
Current Liabilities:	
Accounts Payable	\$ 2,999
Accrued Liabilities	10,300
Deferred Revenue	5,376
Deposits	<u>3,075</u>
Total Current Liabilities	<u>21,750</u>
Fund Balances:	
Unreserved and Undesignated	<u>202,825</u>
Total Liabilities and Fund Balance	<u>\$ 224,575</u>

See accompanying notes and independent accountant's review report.

TUOLUMNE PARK AND RECREATION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2017

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 202,825
Amounts reported for governmental activities in the statement of net position are different because:	
Long Term Receivables are not a current resource, therefore are not reported in governmental funds.	12,444
Capital assets used in governmental activities are not current financial resources, therefore are not reported in governmental funds.	700,690
Accrued liabilities includes Retirement Payable that does not require use of current resources and are therefore not a liability reported in governmental funds.	(1)
Accrued compensated absences do not require use of current resources and are therefore not a liability reported in governmental funds.	<u>(7,277)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 908,681</u>

See accompanying notes and independent accountant's review report.

TUOLUMNE PARK AND RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	GENERAL FUND
REVENUES	
Property Taxes	\$ 150,499
Facility Rental and Services	23,893
Maintenance Income	100,000
Other Revenues	<u>3,111</u>
Total Operating Revenue	<u>277,503</u>
EXPENDITURES	
Activities and Events	22,396
Director Stipends	4,425
Insurance	5,053
Bank Fees	258
Professional Services	6,623
Office Expense	
Wages	148,879
Payroll Taxes	11,986
Retirement Expense	4,166
Medical Reimbursements	29,141
Workers Compensation Insurance	7,932
Payroll Service Fees	648
Office Supplies and Other	5,098
Dues and Subscriptions	800
Repairs and Maintenance	25,842
Telephone and Utilities	<u>15,722</u>
Total Operating Expenditures	<u>288,969</u>
NON-OPERATING REVENUES	
Interest Income	<u>1,945</u>
Change in Net Position	(9,521)
Fund Balance, July 1, 2016	<u>212,346</u>
Fund Balance, June 30, 2017	<u>\$ 202,825</u>

See accompanying notes and independent accountant's review report.

TUOLUMNE PARK AND RECREATION DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

NET CHANGE IN TOTAL FUND BALANCES - GOVERNMENTAL FUND	\$ (9,521)
Amounts reported for governmental activities in the statement of net position are different because:	
Depreciation Expense is not a current expenditure of resources and therefore is not reported in the governmental activities	(8,588)
Revenues (expenses) in the statement of activities that do not provide current financial resources are not reported as revenues (expenditures) in the funds.	(812)
Accrued compensated absences expense is reported in the government-wide statement of activities and changes in net position but does not require the use of current financial resources. Therefore, accrued absences expense is not reported as expenditures in governmental funds.	<u>376</u>
CHANGE IN NET POSITION - GOVERNMENTAL - WIDE ACTIVITES	<u>\$ (18,545)</u>

See accompanying notes and independent accountant's review report.

TUOLUMNE PARK AND RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE1- ORGANIZATION AND DESCRIPTION OF DISTRICT

Reporting Entity

At the outset, The Tuolumne Park, Recreation and Parkway District, was established on December 1, 1955 as a County Recreation District by the Board of Supervisors of the County of Tuolumne Resolution #23, and currently operates pursuant to Section 61100 of the Government Code. It was then reorganized under the Public Resource Code Section 5780 et. Seq. April 28, 1958. One of the original objectives of the District was to purchase the Basin Creek Fish Hatchery which has since become a part of the River Ranch Campground. In August of 1977 the name was changed to the current one, Tuolumne Park and Recreation district (the "District").

The community of Tuolumne is fortunate to have many recreational assets. In the midst of the town is a beautiful park with a bandstand where summer concerts are held. On display in Depot Park, you will find a turn of the century locomotive that once ran a narrow railway deep into the woods for the Westside Flume and Lumber Company. To the south stands The Veterans Memorial Hall and Playground. Across Main Street you will find a Swimming Pool, Youth Center, Library, Horseshoe Pits, Multi-Use Field and Little League Ball Park. Farther away from the center of town is Reid Park. At the edge of town is the Community Garden, as well as the Westside Narrow Gauge Walking Trail, with the River Ranch Campgrounds located just 6 miles out, situated along the North Fork of the Tuolumne River. The District provides a wide variety of services to residents and visitors of the Tuolumne area including monitoring facility usage, maintaining park and recreational facilities, operation of events, recreational trips and organization of community events.

Governed by the elected Board of Directors, the purpose of the District is to promote and facilitate recreational development in the local community and surrounding areas, with a vision of "building community through, people, parks and recreational activity". The mission of TPRD is to "create recreational opportunities for growth and enhancement by developing diverse services and programs that promote citizen development and strong sense of community while striving to increase the social, cultural, and physical well-being of its residence and visitors" (as adopted by the Board of directors April 11, 2012).

TUOLUMNE PARK AND RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1- ORGANIZATION AND DESCRIPTION OF DISTRICT- (Continued)

Component Unit

As defined by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's board, and either, a) the ability to impose its will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
2. Fiscal dependency on the primary government.

Effective on March 12, 1997, the District Board approved the formation of the Tuolumne Park and Recreation Economic Services Corporation (TPRESC), A California Non-Profit corporation, to be operated exclusively for charitable purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code. This entity was established to act as a conduit financing vehicle in support of the District's improvements to recreation and public facilities. Since the Board members of the District serve as the corporate board of directors for TPRESC, and the District's Financial Manager serves as the Chief Executive Officer, this entity is considered a component unit of the District. The District represents that the net position of this component unit is \$4,184 as of June 30, 2016.

GASB Statement No 14, as amended by GASB Statement No 39 requires a governmental entity to include all financial data related to the component unit that is considered to be material. The financial statements of the District do not include the financial data from the legally separate component TPRESC.

A component unit is any organization for which the District's Board of Directors exercises oversight responsibilities. The exclusion of this component unit is not considered to cause the District's financial statements to be misleading or incomplete.

The accounting policies of Tuolumne Park and Recreation District conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for the establishing governmental accounting and financial principles. The following is a summary of the significant accounting policies followed by the district.

Accountant's Changes - Incorporated

Dividing date: 07/02/2017

- Your Accountant's Changes have been incorporated. All changes were incorporated successfully.

Note from your Accountant

Action	Type	Num	Date	Name	Account	Memo	Amount	Currency
1	Added	<u>Customer</u>		TP&RD				
	Company Name		Active	yes				
2	Added	<u>Journal Entry</u>	JDH2017-01	06/30/2016				
	Adjusting Entry	yes	Home Currency Adjustment	Exchange Rate				
	Account	Debit	Credit	Memo	Name	Billable	Class	
	Petty Cash (AUDITOR ACCT)	80.00		To adjust balances at 6/30/16 to FS				
	Barter Receivable	8.73		To adjust balances at 6/30/16 to FS	TP&RD			
	SUSPENSE	40.00		To adjust balances at 6/30/16 to FS	TP&RD	NotBillable		
	Unearned Income		40.00	To adjust balances at 6/30/16 to FS				
	Hall Deposit Liabilities		110.00	To adjust balances at 6/30/16 to FS				
	Retained Earnings	35.00		To adjust balances at 6/30/16 to FS				
	Other Income		43.73	To adjust balances at 6/30/16 to FS				
	Office Expense	30.00		To adjust balances at 6/30/16 to FS				
3	Added	<u>Journal Entry</u>	JDH2017-02	06/30/2016				
	Adjusting Entry	yes	Home Currency Adjustment	Exchange Rate				
	Account	Debit	Credit	Memo	Name	Billable	Class	
	SUSPENSE		40.00	To adjust balances at 6/30/16 to FS	TP&RD	NotBillable		
	Events Receivable	40.00		To adjust balances at 6/30/16 to FS	TP&RD			
4	Added	<u>Journal Entry</u>	JDH2017-03	06/30/2017				
	Adjusting Entry	yes	Home Currency Adjustment	Exchange Rate				
	Account	Debit	Credit	Memo	Name	Billable	Class	
	Petty Cash (AUDITOR ACCT)		170.38	To adjust balances at 6/30/16 to FS				
	Accounts Payable	170.38		To adjust balances at 6/30/16 to FS	Tuolumne Park & Recreation District			
5	Changed	<u>Journal Entry</u>	JDH2017-03	06/30/2016				
	Adjusting Entry	yes	Home Currency Adjustment	Exchange Rate				
	Account	Debit	Credit	Memo	Name	Billable	Class	
	Petty Cash (AUDITOR ACCT)		170.38	To adjust balances at 6/30/16 to FS				

Accounts Payable	170.38		To adjust balances at 6/30/16 to FS	Tuolumne Park & Recreation District		
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6 Added Journal Entry JDH2017-03R 07/01/2016

Adjusting Entry yes Home Currency Adjustment Exchange Rate

Account	Debit	Credit	Memo	Name	Billable	Class
Petty Cash (AUDITOR ACCT)	170.38		Reverse of GJE JDH2017-03 -- To adjust balances at 6/30/16 to FS			
Accounts Payable		170.38	To adjust balances at 6/30/16 to FS	Tuolumne Park & Recreation District		

7 Added Journal Entry JDH2017-04 09/30/2016

Adjusting Entry yes Home Currency Adjustment Exchange Rate

Account	Debit	Credit	Memo	Name	Billable	Class
County Treasurers Account	3725.16		To properly record Unsecured Income per County Statement			ADMINISTRATION
Tax Revenue:Current Unsecured		3725.16	To properly record Unsecured Income per County Statement			ADMINISTRATION

8 Added Journal Entry JDH2017-05 06/30/2017

Adjusting Entry yes Home Currency Adjustment Exchange Rate

Account	Debit	Credit	Memo	Name	Billable	Class
Accrued Vacations	376.34		To properly adjust Accrued Expenses			ADMINISTRATION
Employer's Expenses:Vacation (AUDITOR ACCT)		376.34	To properly adjust Accrued Expenses			ADMINISTRATION
Payroll Payable (AUDITOR ACCT)		1102.90	To properly adjust Accrued Expenses			ADMINISTRATION
Employer's Expenses:Regular Payroll	1102.90		To properly adjust Accrued Expenses			ADMINISTRATION

9 Added Journal Entry JDH2017-06 06/30/2017

Adjusting Entry yes Home Currency Adjustment Exchange Rate

Account	Debit	Credit	Memo	Name	Billable	Class
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Equip Accumulated Depreciation		8588.00	To record annual Depreciation			
Depreciation Expense	8588.00		To record annual Depreciation			
Investment in Fixed Assets	8588.00		To record annual Depreciation			
Retained Earnings		8588.00	To record annual Depreciation			

10 Added Journal Entry JDH2017-07 06/30/2017

Adjusting Entry yes Home Currency Adjustment Exchange Rate

Account	Debit	Credit	Memo	Name	Billable	Class
SUSPENSE	1281.00		To properly reclassify Unearned Income			SUMMER & FALL ACTIVITIES:Concerts in the Park
Unearned Income		1281.00	To properly reclassify Unearned Income			SUMMER & FALL ACTIVITIES:Concerts in the Park



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Robert A. Hawks, Jr., CPA

• think **BOLDLY** • plan **CAREFULLY** • execute **PRECISELY** •

HOW TO MERGE ACCOUNTANT'S CHANGES INTO CLIENT'S QUICKBOOKS FILE

Tuolumne Park & Recreation District

Date: November 9, 2017

Enclosed is a flash drive that contains the accountant's changes to your QuickBooks records. This file has a .QBY extension.

Load changes onto your system:

- 1 Copy the Change file that has been e-mailed/uploaded to your desktop or other location of your choice.
- 2 Open your company file in QuickBooks as usual. Then, from the File menu, choose Accountant's Review, and choose Import Accountant's Changes.
- 3 When the message about backing up your data appears, click OK. Backing up is a safeguard in case anything goes wrong when you try to merge the changes.
- 4 Enter a filename and location of your choice for the backup and click Back Up.
- 5 In the Import Changes from Accountant's Copy window, enter/select the filename and location of the accountant's changes and click Open.

Print reports to fax back to Rob:

- 6 Print Balance Sheet Previous Year Comparison and Profit & Loss Previous Year Comparison after you have imported our adjustments. For the Balance Sheet date, use **06/30/17**. For the Profit & Loss date range, use **07/01/16 to 06/30/17**.
- 7 Please fax these to our office at **529-2948**, for our records.

To prevent changes to your data:

- 8 Select Edit, Preferences, Accounting, Closing Date, and key the last fiscal year end date as the closing date. This will keep you from inadvertently making changes to the time period we have finalized.

TO JAKE
FROM TPRD

CONFIRMATION OF
ACCOUNTANT'S CHANGED

Tuolumne Park & Recreation District

Balance Sheet

As of June 30, 2017

	Jun 30, 17
ASSETS	
Current Assets	
Checking/Savings	
100220 · Oak Valley Community - T - 8003	6,735.37
100200 · Oak Valley Community - M - 7996	35,493.92
100100 · County Treasurers Account	181,612.05
100400 · Petty Cash (AUDITOR ACCT)	104.75
Total Checking/Savings	223,946.09
Accounts Receivable	
102080 · Barter Receivable	808.73
102060 · Events Receivable	115.00
102200 · Jodi Davis Collections	59,531.70
102020 · Accounts Receivable	475.00
Total Accounts Receivable	60,930.43
Other Current Assets	
Payroll Refunds	18.63
110001 · Reserve-Uncollectible Balance	-48,486.85
110005 · Prepaid Expenses	684.83
Total Other Current Assets	-47,783.39
Total Current Assets	237,093.13
Fixed Assets	
12315 · Westside Train Restoration	6,945.00
122001 · Oak Street Easment	30,000.00
122000 · TPRD Property - Land	
1992.04 · Lot 17/25/26 Willow Ave	65,000.00
1993.11 · 18310 Willow Ave	50,000.00
1996.06 · Community Garden	37,500.00
1996.10 · Willow St T-Ball Field	23,756.35
1996.12 · Reid Park	33,000.00
122000 · TPRD Property - Land - Other	231,084.36
Total 122000 · TPRD Property - Land	440,340.71
123000 · TPRD - Structures & Improvement	
123215 · Tot Lot Improvements	65,269.28
123214 · Westside park	5,476.15
123202 · Maintenance Shop	
123202A · WIP (AUDITOR ACCT)	49,758.01
123202 · Maintenance Shop - Other	30,051.65
Total 123202 · Maintenance Shop	79,809.66
123203 · TPRD Office Building	26,647.39
123206 · Willow Avenue Vacant Lots	3,678.50
123207 · Willow Street T-Ball Field	11,093.22
123211 · Horseshoe Pits	5,811.29
123212 · Depot Parking Lot	4,994.81
123213 · Depot Park (Skate Park)	19,261.08
123000 · TPRD - Structures & Improvement - Other	543,361.48
Total 123000 · TPRD - Structures & Improvement	765,402.86
124000 · TPRD Equipment	
124003 · Auto and Travel	1,500.00
124001 · Office Equipment	6,053.30
124002 · Other Equipment	75,452.28
Total 124000 · TPRD Equipment	83,005.58
129100 · Equip Accumulated Depreciation	-625,004.00
Total Fixed Assets	700,690.15
TOTAL ASSETS	937,783.28
LIABILITIES & EQUITY	
Liabilities	

Tuolumne Park & Recreation District
Balance Sheet
As of June 30, 2017

	Jun 30, 17
Current Liabilities	
Accounts Payable	
202200 · Cal Fire Payable	426.60
202100 · Accounts Payable	-595.94
Total Accounts Payable	-169.34
Credit Cards	
202000 · Bank Of America Visa - 2303	3,242.55
Total Credit Cards	3,242.55
Other Current Liabilities	
210310 · Unearned Income	
210310V · Unearned Vendor Income	-40.00
210310E · Unearned Event Income	3,215.00
210310H · Unearned Hall Income	880.00
210310 · Unearned Income - Other	1,321.00
Total 210310 · Unearned Income	5,376.00
201100 · Office Tenant Deposits	300.00
201000 · Hall Deposit Liabilities	
201002 · Short Term Hall Deposits	390.00
201001 · Long Term Hall Deposits	2,275.00
201000 · Hall Deposit Liabilities - Other	110.00
Total 201000 · Hall Deposit Liabilities	2,775.00
202500 · Retirement Payable	1.00
210500 · Payroll Payable (AUDITOR ACCT)	1,616.12
202300 · Accrued Vacations	7,276.64
202400 · Payroll Taxes Payable	
Federal Unemployment (940)	33.24
CA SUI / ETT	232.86
CA PIT / SDI	417.96
Federal Taxes (941/944)	4,156.02
Total 202400 · Payroll Taxes Payable	4,840.08
210700 · Employee Medical Reimbursement	
211104 · Tony.Krieg	2,088.84
211101 · Cindy.Wano	1,266.28
211102 · James.Wood	132.52
211103 · Jerome.Peterson	356.58
Total 210700 · Employee Medical Reimbursement	3,844.22
Total Other Current Liabilities	26,029.06
Total Current Liabilities	29,102.27
Total Liabilities	29,102.27
Equity	
931 · Investment in Fixed Assets	700,690.15
932 · Retained Earnings	226,535.67
Net Income	-18,544.81
Total Equity	908,681.01
TOTAL LIABILITIES & EQUITY	937,783.28

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Accrual Basis

Tuolumne Park & Recreation District Profit & Loss Prev Year Comparison

July 2016 through June 2017

	Jul '16 - Jun 17	Jul '15 - Jun 16	\$ Change	% Change
Income				
491110 · Sale of Fixed Asset	1,040.00	0.00	1,040.00	100.0%
443110 · Office Rents	3,635.00	3,600.00	35.00	1.0%
483111 · Over Payment	0.00	26.07	-26.07	-100.0%
483410 · Dividends (CAPRI)	921.27	1,317.00	-395.73	-30.1%
496000 · Donations	100.00	0.00	100.00	100.0%
441110 · Interest Income	1,945.31	1,494.11	451.20	30.2%
411000 · Tax Revenue				
458110 · State - Home Owners X Prop Tax	890.13	1,027.03	-136.90	-13.3%
416110 · Supplemental Property Taxes	6,592.14	4,230.68	2,361.46	55.8%
414110 · Prior Unsecured	68.39	78.96	-10.57	-13.4%
412110 · Current Unsecured	3,883.61	182.70	3,700.91	2,025.7%
411110 · Current Secured	139,064.21	140,633.69	-1,569.48	-1.1%
Total 411000 · Tax Revenue	150,498.48	146,153.06	4,345.42	3.0%
443116 · Memorial Hall Income	6,137.00	6,630.00	-493.00	-7.4%
479107 · County Maintenance Contract	100,000.00	90,000.00	10,000.00	11.1%
483155 · Community Garden Income	270.00	60.00	210.00	350.0%
483110 · Other Income				
483110M · Family Movie Night	434.25	0.00	434.25	100.0%
483110A · Strawberry Days	1,445.00	0.00	1,445.00	100.0%
483110S · Snack Shack	6,109.50	7,996.50	-1,887.00	-23.6%
483110N · Rebates, Rewards and ...	519.76	0.00	519.76	100.0%
483110Y · Springfest	805.00	1,549.00	-744.00	-48.0%
483110P · Maintenance Services	2,500.00	2,716.70	-216.70	-8.0%
483110B · Senior Baseball Trip	0.00	6,190.00	-6,190.00	-100.0%
483110C · Concerts in the Park				
Concert Advertizing, Barter	-316.88	-1,033.12	716.24	69.3%
Concert Advertizing, Cash	200.00	1,200.00	-1,000.00	-83.3%
Concert Wood Sales	100.00	2,840.00	-2,740.00	-96.5%
Concert Vendors	1,884.00	3,515.00	-1,631.00	-46.4%
Total 483110C · Concerts in the Park	1,867.12	6,521.88	-4,654.76	-71.4%
483110O · Office Services	0.00	85.00	-85.00	-100.0%
483110W · Christmas Activities	440.00	220.00	220.00	100.0%
483110X · Fall Yard Sale	0.00	940.00	-940.00	-100.0%
483110 · Other Income - Other	0.00	43.73	-43.73	-100.0%
Total 483110 · Other Income	14,120.63	26,262.81	-12,142.18	-46.2%
477335 · Ball Field Ad Income	1,050.00	1,125.00	-75.00	-6.7%
Total Income	279,717.69	276,668.05	3,049.64	1.1%
Gross Profit	279,717.69	276,668.05	3,049.64	1.1%
Expense				
526110 · Professional Services	6,622.89	4,440.17	2,182.72	49.2%
529232 · Utilities (Office)	9,544.72	9,129.87	414.85	4.5%
529210 · Utilities (Parks)	6,177.31	5,419.88	757.43	14.0%
521000 · Office Expense				
526211 · Social Media Expense	990.46	0.00	990.46	100.0%
529910 · Office Equipment	1,318.78	0.00	1,318.78	100.0%
527770 · Voided Checks	0.00	0.00	0.00	0.0%
526124 · Banking Fees	257.95	69.75	188.20	269.8%
525110 · Office Supplies	1,883.58	2,572.23	-688.65	-26.8%
521000 · Office Expense - Other	0.00	30.00	-30.00	-100.0%
Total 521000 · Office Expense	4,450.77	2,671.98	1,778.79	66.6%
511000 · Employer's Expenses				
521210 · Uniform Purchases	472.85	0.00	472.85	100.0%
526508 · Drug & Background Check	100.00	0.00	100.00	100.0%
512212 · Medical Reimbursements	29,141.50	28,644.00	497.50	1.7%
512110 · Retirement Expense				
Tony D. Krieg	1,267.20	1,229.58	37.62	3.1%
James M. Wood	1,403.54	1,257.11	146.43	11.7%
Jerome J. Peterson	981.63	674.33	307.30	45.6%
Cindy M. Wano	513.58	522.00	-8.42	-1.6%
Total 512110 · Retirement Expense	4,165.95	3,683.02	482.93	13.1%
511110 · Regular Payroll				
David Keller	900.00	0.00	900.00	100.0%
Carolyn Peterson	260.00	0.00	260.00	100.0%
Michael Piasecki	4,110.00	0.00	4,110.00	100.0%
Sherry Krieg	0.00	567.50	-567.50	-100.0%
Jan Wood	435.00	450.00	-15.00	-3.3%
Ralph Linden	588.00	6,137.25	-5,549.25	-90.4%
Shirley Ingalls	0.00	1,572.51	-1,572.51	-100.0%
Tony Krieg	42,239.69	40,985.46	1,254.23	3.1%
Jerome Peterson	32,719.89	22,477.81	10,242.08	45.6%
Gail Sorensen	2,654.77	4,088.38	-1,433.61	-35.1%
Cindy Wano	17,119.45	17,400.96	-281.51	-1.6%
James Wood	46,749.16	41,903.51	4,845.65	11.6%
511110 · Regular Payroll - Other	1,102.90	-4,922.13	6,025.03	122.4%
Total 511110 · Regular Payroll	148,878.86	130,661.25	18,217.61	13.9%
512415 · Payroll Taxes				
David Keller	90.45	0.00	90.45	100.0%
Carolyn Peterson	25.38	0.00	25.38	100.0%
Michael Piasecki	396.80	0.00	396.80	100.0%

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Accrual Basis

Tuolumne Park & Recreation District Profit & Loss Prev Year Comparison

July 2016 through June 2017

	Jul '16 - Jun 17	Jul '15 - Jun 16	\$ Change	% Change
Sherry A Krieg	0.00	53.64	-53.64	-100.0%
Jan Wood	41.12	42.53	-1.41	-3.3%
Ralph Linden	55.56	614.82	-559.26	-91.0%
Shirley A Ingalls	0.00	167.25	-167.25	-100.0%
Jerome J Peterson	2,629.06	1,845.56	783.50	42.5%
Gail M Sorensen	250.89	404.68	-153.79	-38.0%
Cindy M Wano	1,435.63	1,457.17	-21.54	-1.5%
James M Wood	3,702.31	3,331.62	370.69	11.1%
Tony D Krieg	3,358.57	3,307.92	50.65	1.5%
Total 512415 · Payroll Taxes	11,985.77	11,225.19	760.58	6.8%
526214 · Payroll Service	647.97	658.00	-10.03	-1.5%
512310 · Workers Comp Insurance (CAPRI)	7,931.96	5,314.00	2,617.96	49.3%
511110V · Vacation (AUDITOR ACCT)	-376.34	2,733.70	-3,110.04	-113.8%
Total 511000 · Employer's Expenses	202,948.52	182,919.16	20,029.36	11.0%
SUSPENSE	0.00	0.00	0.00	0.0%
521610 · Liability Insurance (CAPRI)	5,052.98	5,137.00	-84.02	-1.6%
523210 · Dues & Memberships	800.00	546.25	253.75	46.5%
524210 · Miscellaneous (AUDITOR ACCT)	300.00	0.00	300.00	100.0%
526505 · TPRD Events				
526505M · Family Movie Night	283.24	37.55	245.69	654.3%
526505C · Concerts in the Park				
Concert Production Expenses	1,474.56	514.95	959.61	186.4%
Concert / Wood Sales Expense	0.00	1,512.10	-1,512.10	-100.0%
Musicians / Bands	5,399.00	7,700.00	-2,301.00	-29.9%
Total 526505C · Concerts in the Park	6,873.56	9,727.05	-2,853.49	-29.3%
526505Z · Event Equipment	0.00	1,152.31	-1,152.31	-100.0%
526505A · Strawberry Days	118.00	62.51	55.49	88.8%
526505S · Snack Shack	3,718.06	4,083.12	-365.06	-8.9%
526505X · Fall Yard Sale	0.00	125.00	-125.00	-100.0%
526505Y · Springfest	1,213.66	1,997.84	-784.18	-39.3%
526505B · Senior Baseball Trip	5,687.71	5,461.00	226.71	4.2%
526505Q · Swim Activities	0.00	287.50	-287.50	-100.0%
526505H · Halloween Activities	202.66	195.62	7.04	3.6%
526505E · Easter Activities	529.02	424.96	104.06	24.5%
526505W · Christmas Activities	428.37	389.87	38.50	9.9%
Total 526505 · TPRD Events	19,054.28	23,944.33	-4,890.05	-20.4%
528334 · Community Garden				
528334L · Garden Labor	570.00	300.00	270.00	90.0%
528334W · Utilities	1,901.57	1,354.04	547.53	40.4%
528334S · Supplies	608.97	812.97	-204.00	-25.1%
Total 528334 · Community Garden	3,080.54	2,467.01	613.53	24.9%
528420 · TPRD Sponsored Events				
528420K · School Projects	296.45	0.00	296.45	100.0%
528420H · Horseshoe Tournament	64.43	0.00	64.43	100.0%
528420A · Aerobics	187.13	0.00	187.13	100.0%
528420G · Sober Graduation	0.00	1,200.00	-1,200.00	-100.0%
528420O · Old 'ville Run	321.75	322.50	-0.75	-0.2%
Total 528420 · TPRD Sponsored Events	869.76	1,522.50	-652.74	-42.9%
528704 · Board Member Stipend	4,425.00	4,275.00	150.00	3.5%
522115 · Maintenance Expense				
522115R · River Ranch	211.97	0.00	211.97	100.0%
522115P · Reimbursement	76.29	182.28	-105.99	-58.2%
522115W · CDF Crews	2,679.32	1,074.19	1,605.13	149.4%
522115A · County Facility Maintenance	1,922.31	4,958.52	-3,036.21	-61.2%
522115B · County Facility Improvement	741.85	360.00	381.85	106.1%
522115C · TPRD Facility Improvement	7,676.74	4,739.65	2,937.09	62.0%
522115D · TPRD Facility Maintenance	4,518.98	2,018.38	2,500.60	123.9%
522115E · Equipment Repair	1,544.84	1,362.06	182.78	13.4%
522115O · Fuel-Equip/Vehicle	1,692.34	1,619.20	73.14	4.5%
522115G · Equipment Replacement	2,520.37	537.49	1,982.88	368.9%
522115S · Supplies	2,257.47	1,712.82	544.65	31.8%
Total 522115 · Maintenance Expense	25,842.48	18,564.59	7,277.89	39.2%
596550 · Loss on Emp Theft	0.00	-150.00	150.00	100.0%
597110 · Depreciation Expense	8,588.00	8,588.00	0.00	0.0%
66900 · Reconciliation Discrepancies	0.00	-0.05	0.05	100.0%
528110 · Special Departmental Exp	505.25	170.62	334.63	196.1%
Total Expense	298,262.50	269,646.31	28,616.19	10.6%
Net Income	-18,544.81	7,021.74	-25,566.55	-364.1%

TUOLUMNE PARK AND RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounts of the Agency are organized on the basis of funds, each of which is considered a separate set of self-balancing accounts that are comprised of its assets, liabilities, fund balances, revenues and expenditures. Financial resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the provisions of the bond resolution.

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). The District's recreation and general administrative services are classified as governmental activities.

The District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. In the fund financial statements, governmental funds report the following classifications of fund balances:

Restricted fund balance – amounts that can be spent only for specific purposes because of restrictions from external sources (creditors, laws of other governments, etc.) or constitutional provisions or enabling legislation. District's Redemption Funds are restricted by the Trustee Agreement.

Assigned fund balance – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The District's board is the highest level of decision making authority for the agency. Under the board adopted policy the finance officer may assign funds for specific purposes. The District's Capital Project Funds have assigned balances.

It is the Agency's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available; and to first apply committed, then assigned, then unassigned amounts when expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental Type Activities for the District.

Fiduciary funds and fiduciary component units, if any, are excluded from the Government-Wide Financial Statements.

TUOLUMNE PARK AND RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (continued)

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, liabilities and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Inter-fund and other internal activity, if any, is eliminated by offsetting entries in the Government-Wide Financial Statements.

The District applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as following the Financial Accounting Standards Board (FASB) Accounting Standards Codification except when it conflicts with or contradicts GASB pronouncements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment offset program revenues. Direct expenses are those that are clearly identifiable with the specific function or segment. Program revenues include: 1) charges to customer or applicants, who purchase, use, or directly benefit from goods, services or privileges provided by a given function or section and 2) grants and contributions that are restricted to meeting operational and capital requirements of a particular function or segment.

Governmental Funds Financial Statements

Separate financial statements are provided for governmental funds. Except for TPRESO, all District activities are presented in the general fund for the current fiscal year.

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in governmental fund balances as presented in these statements to the net assets presented in the Government-Wide Financial Statements. The District has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a "current financial resources" measurement focus. This means that only current assets and current liabilities are generally included in their balance sheets. Their reported unreserved fund balance is considered a measure of available spendable resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

TUOLUMNE PARK AND RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (continued)

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available to finance expenditures of the current fiscal period, which is normally up to 60 days post year end. Taxes and interest on investments are revenues susceptible to accrual. Expenditures are recognized when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

Taxes and other items not properly included among program revenues are reported instead as general revenues. The net costs (by function) are normally covered by general revenue (property tax, interest income, etc.). The district does not allocate indirect costs. The government-wide focus is on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year.

B. Property Taxes

Article XIII of the California Constitution (Proposition 13) limits ad valorem taxes on real property to one percent of value plus taxes necessary to pay indebtedness approved by the voters prior to July 1, 1978. The Article also established the 1975-76 assessed valuation as the base and limits annual increases to the cost of living, not to exceed two percent, for each year thereafter. Property may also be reassessed to full market value after a sale, transfer of ownership, or completion of new construction. Property may also be reassessed where there is a decline in full market value. The State is prohibited under the Article from imposing new ad valorem, sales, or transactions taxes on real property. Local governments may impose special taxes (except on real property) with the approval of two-thirds of the qualified electors.

The County of Tuolumne is responsible for assessing, collecting and distribution taxes in accordance with state laws. Liens on property are established on January 1 for the ensuing fiscal year. Secured property taxes are due in two installments in November and February and are delinquent after December 10 and April 10, respectively. The property tax is levied as of July 1 on all taxable property located in the County. Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction.

In fiscal year 1993-94, the County of Tuolumne adopted the Alternate Method of Property Tax Allocation (commonly referred to as the Teeter Plan). Under the Teeter Plan, the County Auditor-Controller is authorized to pay 100 percent of the property taxes billed (secured, supplemental, and debt service) to the taxing agencies within the County of Tuolumne. The County recognizes property tax revenue in the period for which the taxes are levied. This method allocates property taxes based on the total property tax billed. On a semi-annual basis the County of

TUOLUMNE PARK AND RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (continued)

Tuolumne advances cash to each taxing jurisdiction equal to the current annual assessments. In exchange the County of Tuolumne receives the penalties and interest on delinquent taxes when collected. The penalties and interest are used to pay the interest cost of borrowing the cash used for investments. In addition, the District can receive revenue from a percentage of supplemental and unsecured property taxes paid to the County during the year.

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, such results could differ from those estimates.

D. Cash and Cash Equivalents

The District considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair market value because of the short maturities of those financial instruments.

E. Receivables

All trade and property tax receivables are shown as net of allowance for uncollectable amounts.

F. Compensated Absences

Vacation pay is earned by regular full-time employees based on level of service and terms of employment. All vacation pay is accrued when incurred in the governmental funds only if they have matured, for example, as they are used or as the result of an employee's resignation or termination.

G. Capital Assets

Purchased property, plant and equipment and recorded cost, where historical records are available. Donated property is recorded at its estimated fair market value on the date received. Depreciation is computed using the straight-line method over the estimated useful life of each asset, which ranges from 5 to 60 years. Expenditures for maintenance and repairs that do not add to the value or life of the asset are expensed as incurred, while expenditures for improvements are capitalized and depreciated

An inventory of property, plant and equipment has not been performed, and a

TUOLUMNE PARK AND RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (continued)

complete set of historical records does not exist for District assets. Therefore, the totals for property, plant and equipment, as shown on the balance sheet may be materially misstated.

Buildings, improvements and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Building and improvements	12-60 years
Equipment	5-10 years

Until the GASB issued Statement No. 34 Basic Financial Statements- and Management's Discussion and Analysis for State and Local Governments in June of 1999, the District was not required to keep historical cost records for its property, plant and equipment. Some records prior to this time are no longer available and therefore the property, plant and equipment account balances are not reconcilable to a list of all assets.

The General Fixed Assets Accounting for California Special Districts, issued June 1992, provides for the accounting guidelines to be used by California special districts and was excerpted from Chapter 15, General Fixed Assets, from the Accounting Standards and Procedures for Counties Manual prescribed by the State Controller's Office, Division of Local Government Fiscal Affairs. According to this fixed asset guide, historical cost determination problems are most often difference between this actual cost and the recorded estimated cost could be sizeable and still have no material impact on current financial statements. In the case where the difference between the detailed cost and the recorded cost on the financial statements are not material, sophisticated cost estimates are not advocated. The difference between the detailed cost and the recorded cost on the District's financial statements has not been determined.

Management has weighed the estimated benefits of identifying and valuing the unsupported assets against the estimated costs of acquiring that information through the use of appraisers and consultants and has decided that the benefit of obtaining this information does not outweigh the costs of obtaining the information at this time.

H. Net Position

Net assets, restricted and unrestricted, represent the difference between assets and liabilities in the statement of activities.

Investment in Capital Assets- This component of net assets consists of capital

TUOLUMNE PARK AND RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (continued)

assets, including, if any, the restricted assets' net of accumulated depreciation

Restricted Net Position- This component of net assets consists of net assets with limits on their use that are imposed by outside parties.

Unrestricted Net Position- This component of net assets consists of net assets that do not meet either of the definitions of "investment in capital assets" or "restricted net assets".

I. Fund Equity

In the fund financial statements, governmental funds report reservations (if any) of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

J. Restricted and Unrestricted Revenue and Support

Contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending upon the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending upon the nature of the restriction. A restriction expires when the stipulated time restriction ends, or the purpose of the restriction has been accomplished. Upon expiration, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

K. Risk Management

Risk exposures that may exist in connection with activities of the District, are addressed by the district's risk management policy. The District's risk management policy includes implementation of safety policies and procedures. As a part of the District's risk management policy, commercial insurance policies are purchased to cover substantially all expected losses from most types of routine risks of loss such as those due to torts; asset theft or damage; employee injuries; and natural disasters; accordingly, the District does not incur a significant self-insured retention.

The District believes its exposure to risks of loss due to business interruption and errors or omissions is fully provided for with purchased insurance.

Coverage is obtained through its participation with other recreation and park districts in the California Association of Park and Recreation Insurance (CAPRI) group program

TUOLUMNE PARK AND RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3-STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The District prepares an annual operating budget for the government funds for the fiscal year commencing July 1 and ending June 30 of the following calendar year. Prior to the end of the fiscal year, the Board prepares and adopts an itemized budget for the next fiscal year, which is subject to public hearing and record. The budget is based on the analysis of the prior year's actual revenues and expenditures along with anticipated spending and revenue sources. Expenditures should not exceed the total appropriations. Changes to the budget must be approved by the board. All budgets are adopted on a non-GAAP basis. All budget appropriations lapse at year-end. The budget is reviewed by the Board on a quarterly basis and amended as necessary.

Encumbrance Policies

Encumbrance accounting, a method wherein purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve appropriations, is not used.

NOTE 4 – CASH HELD BY FISCAL AGENT

Within the guidelines of Government Code Section 53601, the District maintains a portion of its cash with the Tuolumne County Treasurer. Tuolumne County ("County") collects much of the District's operating revenues on behalf of the District and holds a portion of this amount pending requests from the District for reimbursement of operating expenditures. Assumptions made in determining the fair value of the cash held by the County are available from the County Treasurer. The County is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. Pooled funds in the County treasury are secured by County assets. Deposits and investments are categorized to give an indication of the level of risk assumed. Uncategorized includes investments in pools managed by other governments or in mutual funds or money market funds.

The Uncategorized balance of funds held by the County as of June 30, 2017 is \$181,612. This amount is included in the balance reported for Cash and cash equivalents - unrestricted cash. Additionally, \$42,191 of uncollateralized cash is held at financial institutions.

TUOLUMNE PARK AND RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5-OTHER RECEIVABLES

The balance in other receivables is derived from court ordered restitution to be repaid to the District by a former employee.

On March 6, 2009 the Tuolumne County District Attorney's Office filed a complaint citing five counts of felony embezzlement of public funds from the District. It was determined that the embezzlement took place over the two year period from May 2006 to May 2008. On November 27, 2009, the Tuolumne County Superior Court ordered the former employee to repay the District \$62,181 in embezzled funds.

The amount ordered to be repaid (which represented the losses incurred to date and costs incurred by the District to correct the accounting records) was recorded as a receivable. During the fiscal year ending June 30 2011, the District evaluated the collectability of this balance and determined that the receivable was considered impaired for it is improbable that they would be able to collect the total amount due. In accordance with FASB ASC 310-10; 310-40, since the receivable is considered to be impaired, its value has been re-measured based on the present value of expected cash flows to be received, discounted based on an imputed effective interest rate of 4.09%, the prime mortgage interest rate on long term borrowing at the time.

During the year ending June 30, 2017, the District received \$220 as restitution on this debt.

No further impairment was determined for the year ending June 30, 2017.

NOTE 6- CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Dispositions</u>	Ending <u>Balance</u>
Land	\$ 470,341	0	0	\$ 470,341
Building and Improvements	772,347	0	0	772,347
Equipment	83,006	0	0	83,006
Total Capital Assets				
Being Depreciated	1,325,694	0	0	1,325,694
Less:				
Accumulated Depreciation	(616,416)	(8,588)	0	(625,004)
Capital Assets, Net	<u>\$709,278</u>	<u>(8,588)</u>	<u>0</u>	<u>\$700,690</u>

TUOLUMNE PARK AND RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7- SUMMARY OF GRANTS, DONATIONS AND OTHER FUNDING

Maintenance Contract

The District entered into a Facilities Management Agreement with the County of Tuolumne to provide janitorial, landscaping and minor maintenance service to County property. The current agreement has an original three year term ending June 30, 2015, with the allowance to be extended by mutual agreement by both parties for two one year terms. In accordance with the facilities management agreement with the County of Tuolumne, the County employs the District to manage facilities located in and around the unincorporated area of Tuolumne County known as Tuolumne Township. The facilities include Veterans Memorial Hall, a town park known as Westside Memorial Park, a little league baseball field known as Jerry Whitehead, Sr. Ball Field, and the Tuolumne Youth Center/ Library. A new three year contract was executed beginning July 1, 2016.

Under this agreement the District shall take reservations for, and schedule the use of the County of Tuolumne facilities in accordance with the County's rules for facility usage. The District is to maintain the County facilities and monitor reasonable clean and serviceable conditions and provide janitorial and other cleaning services for the facilities as needed with the exception of the Tuolumne Youth Center/ Library. The cleaning of the Tuolumne Youth Center / Library is under a separate contract.

The District is to provide minor maintenance service for the facilities and grounds. The District shall not be required to make any repairs if the cost of the repair is in excess of \$25 excluding labor and overhead. If the District incurs aggregate repair costs of \$300 during any single contract year, the County shall reimburse the District for all labor provided by the District's own employees and all additional repairs cost in excess of the annual limit. The reimbursement shall be at the District's actual cost for the repair (excluding District labor) plus 10% for overhead.

NOTE 8- PENSION/ RETIREMENT PLANS

In November 2009, the District adopted a Savings Incentive Match Plan for employees (SIMPLE), under Section 409 (p) of the Internal Revenue Plan. The plan includes a salary deferral option whereby eligible employees may elect to have a portion of their compensation contributed to the plan under a salary reduction agreement.

Under this plan, the District elected to contribute to the plan through an employer match whereby the District will match the employee salary deferral up to 3% of the calendar year compensation. In any two years out of a 5 year period the employer may reduce the match down to, but no lower than 1%. The remaining 3 years must be matched at 3%. During the year ended June 30, 2017 the District contributed \$4,166 to the plan.

NOTE 10- SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 21, 2017, the date the financial statements were available to be issued.

TUOLUMNE PARK AND RECREATION DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENSES, BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2017

	BUDGET	BUDGET		FAVORABLE (UNFAVORABLE)
	(ORIGINAL)	(FINAL)	ACTUAL	VARIANCE
REVENUES				
Property Taxes	\$ 153,783	\$ 153,783	\$ 150,499	\$ (3,284)
Facility Rental and Services	11,717	11,717	23,893	12,176
Maintenance Income	100,000	100,000	100,000	-
Other Revenues	-	-	3,111	3,111
Total Operating Revenue	<u>265,500</u>	<u>265,500</u>	<u>277,503</u>	<u>12,003</u>
EXPENDITURES				
Activities and Events	23,750	23,750	22,396	1,354
Director Stipends	4,500	4,500	4,425	75
Insurance	5,053	5,053	5,053	-
Bank Fees	100	100	258	(158)
Professional Services	7,640	7,640	6,623	1,017
Office Expense				
Wages	140,306	140,306	148,879	(8,573)
Payroll Taxes	12,468	12,468	11,986	482
Retirement Expense	3,944	3,944	4,166	(222)
Medical Reimbursements	28,644	28,644	29,141	(497)
Workers Compensation Insurance	7,688	7,688	7,932	(244)
Payroll Service Fees	660	660	648	12
Office Supplies and Other	2,400	2,400	5,098	(2,698)
Dues and Subscriptions	547	547	800	(253)
Repairs and Maintenance	14,500	14,500	25,842	(11,342)
Telephone and Utilities	14,800	14,800	15,722	(922)
Total Operating Expenditures	<u>267,000</u>	<u>267,000</u>	<u>288,969</u>	<u>(21,969)</u>
NON-OPERATING REVENUES				
Interest Income	1,500	1,500	1,945	445
Change in Net Position	-	-	(9,521)	(9,521)
Fund Balance, July 1, 2016	<u>212,346</u>	<u>212,346</u>	<u>212,346</u>	<u>-</u>
Fund Balance, June 30, 2017	<u>\$ 212,346</u>	<u>\$ 212,346</u>	<u>\$ 202,825</u>	<u>\$ (9,521)</u>

See accompanying notes and independent accountant's review report.

TUOLUMNE PARK AND RECREATION DISTRICT ROSTER OF BOARD MEMBERS

As of June 30, 2017, the district board consisted of the following members:

Director

Donnie Wright

Stephen Artzer

Michelle Hightower

Jake Feriani

Darrin Evans

Office

Chairman

Vice-Chairman

Secretary

Treasurer

Board Member

Other Positions

James Wood

Cindy Wano

Jerome Peterson

Tony Krieg

District Manager

Office Manager

Maintenance Manager

Finance Officer

Regular Meetings

The regular meeting of the Board of Directors is held at 6:00 P.M. on the second Wednesday of each month at the Tuolumne Park and Recreation office building, located at 18603 Pine Street, Tuolumne, CA. The Park office phone number is (209) 984-1214.