

TUOLUMNE PARK AND RECREATION DISTRICT

FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT

JUNE 30, 2015

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Robert A. Hawks, Jr., CPA

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

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, 2015, 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, 2015, 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 29 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

October 21, 2015

Tuolumne Park and Recreation District

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

Board of Directors
Stephen Artzer - Chairman
Darrin Evans, Vice Chairman
Michelle Hightower, Secretary
Donnie Wright, Treasurer
Debra Munsel, Member

MANAGEMENT DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2015

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, 2015. 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 \$194,239, a decrease of \$13,705 or 6.59% over last year's ending fund balance. The decrease in combined fund balance is due to the demolition and replacing of the concrete slabs in Depot Park.

Table 1 – Ending Fund Balances

Governmental Fund Type	Ending Balance	
	06/30/14	06/30/15
Park and Public Recreation	\$ 207,944	\$ 194,239

There were no significant acquisition expenditures during the year ended June 30, 2015. 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, 2015 of \$920,204. 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, 2015</u>
Assets	
Unrestricted cash	215,225
Investment in Capital Assets	717,866
Receivables and Prepaids	13,563
Total Assets	<u><u>946,654</u></u>
Liabilities	
Accounts Payable and Other Current Liabilities	<u>26,450</u>
Net Position	
Invested in Capital Assets	717,866
Unrestricted Amount	<u>202,338</u>
Total Liabilities and Net Position	<u><u>946,654</u></u>

Table 3 – Change in Net Position

	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>Change</u>
ASSETS			
Unrestricted Cash	226,671	215,225	(11,446)
Accounts Receivable	6,634	1,658	(4,976)
Property Tax Receivable	145	-	(145)
Prepaid Expenses	<u>4,335</u>	<u>545</u>	<u>(3,790)</u>
Total Current Assets	237,785	217,428	(20,357)
Total Capital Assets (Net)	726,454	717,866	(8,588)
Other Receivable (Net)	<u>11,585</u>	<u>11,360</u>	<u>(225)</u>
Total Assets	<u>975,824</u>	<u>946,654</u>	<u>(29,170)</u>
LIABILITIES AND NET POSITION			
Accounts Payable and Current Liabilities	26,310	26,450	140
NET POSITION			
Investment in Capital Assets	726,454	717,866	(8,588)
Unrestricted	<u>223,060</u>	<u>202,338</u>	<u>(20,722)</u>
Total Net Position	<u>949,514</u>	<u>920,204</u>	<u>(29,310)</u>
Total Liabilities and Net Position	<u>975,824</u>	<u>946,654</u>	<u>(29,170)</u>

Table 3 shows the Agency's net position decreased by \$29,310 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 decrease in Liabilities.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Table 4 – Statement of Activities

	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>Change</u>
Program Expenses:			
Salaries and Employee Benefits	173,306	183,643	10,337
Activities and Events	16,308	22,561	6,253
Administration	20,422	24,972	4,550
Facility Maintenance and Operations	14,389	36,614	22,225
Depreciation	<u>8,588</u>	<u>8,588</u>	<u>-</u>
Total Program Expenses	233,013	276,378	43,365
Program Revenues			
Charges for Service			
Total Charges for Service	<u>12,688</u>	<u>24,230</u>	<u>11,542</u>
Net Governmental Activities - Revenue (Expense)	(220,325)	(252,148)	(31,823)
General Revenues			
Property Taxes	132,504	137,954	5,450
Maintenance Income	80,000	80,000	-
Reimbursements	1,113	1,363	250
Miscellaneous	1,325	1,895	570
Interest Earnings	<u>997</u>	<u>1,626</u>	<u>629</u>
Total General Revenues	<u>215,939</u>	<u>222,838</u>	<u>6,899</u>
Change in Net Position	(4,386)	(29,310)	(24,924)

Table 4 shows a decrease of \$24,924 in Change in Net Position between fiscal years ended June 30, 2014 and 2015.

BUDGET PERFORMANCE EVALUATION

There are three line item expenditures that are noticeably out inconsistent. Activities and Events include expenditures from the previous year's bus trip to an amount over \$4,000.00. The Board's decision to operate a snack shack during little league season resulted in almost a \$3,500.00 increase and a fundraising expenses of almost \$500.00 were the larger expenses that pushed this item over budget. The District spent additional funds on unanticipated illness and injury in the wage expense category and the capital improvement in Depot Park caused the overage in the maintenance budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

The District had no expenditures to acquire capital assets during the fiscal year ending June 30, 2015. The District has no long-term debt.

FACTORS BEARING ON THE DISTRICT'S FINANCIAL FUTURE

The housing market and the economy in the Tuolumne 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 it 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, 2015

ASSETS

Current Assets:			
Unrestricted Cash	\$	215,225	
Accounts Receivable		1,658	
Property Tax Receivable		132	
Prepaid Expenses		413	
Total Current Assets		<u> </u>	\$ 217,428
Capital Assets			
Non-Depreciable		470,341	
Depreciable, Net		247,525	
Total Capital Assets		<u> </u>	717,866
Other Assets			
Other Receivable, Net			<u>11,360</u>
Total Assets			<u>\$ 946,654</u>

LIABILITIES AND NET POSITION

Current Liabilities:			
Accounts Payable	\$	2,733	
Accrued Liabilities		14,896	
Accrued Compensated Absences		4,919	
Deferred Revenue		1,065	
Deposits		2,837	
Total Current Liabilities and Total Liabilities		<u> </u>	\$ 26,450

NET POSITION

Investment in Capital Assets	717,866	
Unrestricted	202,338	
Total Net Position		<u>920,204</u>
Total Liabilities and Net Position		<u>\$ 946,654</u>

See accompanying notes and independent accountant's review report.

TUOLUMNE PARK AND RECREATION DISTRICT
 GOVERNMENT - WIDE
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2015

Governmental Activities - Park and Public Recreation

Program Expenses:

Salaries and Employee Benefits	\$ 183,257	
Activities and Events	22,561	
Administration	24,972	
Facility Maintenance and Operations	36,614	
Depreciation	<u>8,588</u>	
Total Program Expenses		\$ 275,992

Program Revenues

Charges for Service - Facilities Rental and Events	<u>24,230</u>
Net Governmental Activities - Revenue (Expense)	(251,762)

General Revenues

Property Taxes	137,954
Maintenance Income	80,000
Reimbursements	1,363
Miscellaneous	1,509
Interest Earnings	<u>1,626</u>
Total General Revenues	<u>222,452</u>

Change in Net Position	(29,310)
Net Position July 1, 2014	<u>949,514</u>
Net Position June 30, 2015	<u>\$ 920,204</u>

See accompanying notes and independent accountant's review report.

TUOLUMNE PARK AND RECREATION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	GENERAL FUND
ASSETS	
Current Assets:	
Cash and Cash Equivalents - unrestricted	\$ 215,225
Property Tax Receivable	132
Prepaid Expenses	<u>413</u>
Total Current Assets	<u>\$ 215,770</u>
LIABILITIES AND FUND BALANCE	
Current Liabilities:	
Accounts Payable	\$ 2,733
Accrued Liabilities	14,896
Deferred Revenue	1,065
Deposits	<u>2,837</u>
Total Current Liabilities	<u>21,531</u>
Fund Balances:	
Unreserved and Undesignated	<u>194,239</u>
Total Liabilities and Fund Balance	<u>\$ 215,770</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, 2015

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	194,239
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.		13,018
Capital assets used in governmental activities are not current financial resources, therefore are not reported in governmental funds.		717,866
Accrued compensated absences do not require use of current resources and are therefore not a liability reported in governmental funds.		<u>(4,919)</u>
 NET POSITION OF GOVERNMENTAL ACTIVITIES	 \$	 <u>920,204</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, 2015

	GENERAL FUND
REVENUES	
Property Taxes	\$ 137,954
Facility Rental and Services	24,230
Maintenance Income	80,000
Other Revenues	<u>8,073</u>
Total Operating Revenue	<u>250,257</u>
EXPENDITURES	
Activities and Events	22,561
Director Stipends	3,825
Insurance	5,110
Bank Fees	72
Professional Services	5,614
Office Expense	
Wages	134,269
Payroll Taxes	11,471
Retirement Expense	3,692
Medical Reimbursements	25,960
Workers Compensation Insurance	5,472
Payroll Service Fees	577
Office Supplies and Other	2,375
Dues and Subscriptions	400
Repairs and Maintenance	31,549
Telephone and Utilities	<u>12,642</u>
Total Operating Expenditures	<u>265,589</u>
NON-OPERATING REVENUES	
Interest Income	1,626
Change in Net Position	(13,706)
Fund Balance, July 1, 2014	<u>207,944</u>
Fund Balance, June 30, 2015	<u>\$ 194,238</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, 2015

NET CHANGE IN TOTAL FUND BALANCES - GOVERNMENTAL FUND	\$	(13,706)
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.		(5,201)
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>(1,815)</u>
CHANGE IN NET POSITION - GOVERNMENTAL - WIDE ACTIVITIES	\$	<u>(29,310)</u>

See accompanying notes and independent accountant's review report.