

Yosemite Alpine Community Services District

FINANCIAL STATEMENTS

AUDIT REPORT

June 30, 2018

and

June 30, 2019



March 26, 2020

Yosemite Alpine Community Services District

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Yosemite Alpine Community Services District as of and for the year-ended June 30, 2018 and June 30, 2019, as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

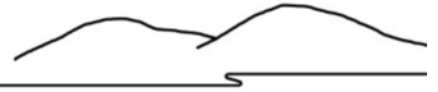
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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 applicable to financial audits contained in Governmental 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 of 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 our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yosemite Alpine Community Services District as of June 30, 2018 and June 30, 2019, and the respective changes in financial position, and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

The District has not presented Management’s Discussion and Analysis or budgetary comparison information that accounting principles generally accepted in the United States of America require 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 financial statements in an appropriate operational, economic, or historical context.

A handwritten signature in black ink, appearing to read 'Zach'.

PnPCPA

Yosemite Alpine Community Services District

**Audit Report
June 30, 2018
And
June 30, 2019**

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Yosemite Alpine Community Services District
District
Statement of Net Position

	2019	2018
<u>ASSETS</u>		
<u>Current Assets:</u>		
Cash	\$ 125,684	\$ 28,460
Accounts Receivable	48,351	46,787
Total Current Assets	174,035	75,247
<u>Capital Assets:</u>		
Leased Asset	355,280	-
Land	-	2,002
Buildings and Improvements	-	114,464
Equipment	-	43,115
Less: Accumulated Amortization	(23,685)	-
Less: Accumulated Depreciation	-	(105,353)
Total Capital Assets	331,595	54,228
TOTAL ASSETS	505,630	129,475
<u>LIABILITIES</u>		
<u>Current Liabilities:</u>		
Current Portion Due	16,800	-
Accounts Payable	-	115,737
Sierra Foothill Conservancy	-	-
Total Current Liabilities	16,800	115,737
<u>Long-Term Liabilities:</u>		
Lease Payable	327,700	-
TOTAL LIABILITIES	344,500	115,737
<u>NET POSITION</u>		
Net Investment in Capital Assets	(12,905)	54,228
Restricted	-	-
Unrestricted	174,035	(40,490)
TOTAL NET POSITION	\$ 161,130	\$ 13,738

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

Yosemite Alpine Community Services District
District
Statement of Activities
For the Year Ended

	2019	2018
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 48,350	\$ 48,867
Misc. Revenue	779	30,479
	49,129	79,346
<u>OPERATING EXPENSES</u>		
Snow Removal	2,446	1,090
Water Testing & Treatment	925	1,275
Administration	7,529	11,415
Professional Fees	120,466	239,930
Repairs and Maintenance	582	9,178
Utilities	771	766
Misc. Expenses	1,891	-
Loan Fees	45,000	-
Amortization	23,685	-
Depreciation - 1969 Assets	-	2,547
	203,295	266,201
<u>TOTAL OPERATING EXPENSES</u>		
<u>NON-OPERATING REVENUES/EXPENSES</u>		
Interest Income	46	41
Sale of Capital Assets	301,034	-
Taxes and Intergovernmental-Mariposa County	12,498	11,742
Interest Expense	(12,021)	-
	301,557	11,783
<u>Total Non-Operating Revenues</u>		
	147,392	(175,072)
<u>NET CHANGE IN NET POSITION</u>		
	13,738	188,810
<u>NET POSITION, BEGINNING OF YEAR</u>		
	\$ 161,130	\$ 13,738
<u>NET POSITION, END OF YEAR</u>		

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

Yosemite Alpine Community Services District
District
Statement of Cash Flow
For the Year-Ended

	2019	2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Cash Received from Charges for Service and other income	\$ 47,548	\$ 45,789
Deduct: Cash paid for Operating Expenses	(295,347)	(147,917)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(247,799)	(102,128)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Draw on Capital Lease	355,280	-
Capital Lease Payments	(22,801)	-
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	332,479	-
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Property Tax Receipts	12,498	11,742
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	12,498	11,742
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest Receipts	46	41
NET CASH FLOWS FROM INVESTING ACTIVITIES	46	41
<u>NET INCREASE (DECREASE) IN CASH</u>	97,224	(90,345)
<u>CASH, BEGINNING OF YEAR</u>	28,460	118,805
<u>CASH, END OF YEAR</u>	\$ 125,684	\$ 28,460
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Operating Income (Loss)	\$ (154,166)	\$ (186,855)
Adjustments to reconcile operating income to net cash provided by operating activities		
Add back depreciation/Amortization	23,685	2,547
(Increase) Decrease in Accounts Receivable	(1,581)	(11,674)
Increase (Decrease) in Unearned Revenue	-	(21,883)
Increase (Decrease) in Accounts Payable	(115,737)	115,737
Net Cash Provided by Operating Activities	\$ (247,799)	\$ (102,128)

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

**Yosemite Alpine Community Services District
Notes to Financial Statements
June 30, 2018 and June 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Yosemite Alpine Community Services District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Description of the Reporting Entity

Yosemite Alpine Community Services District is an independent district that was organized in 1969 by the Mariposa County Board of Supervisors by Resolution No. 69-45, which has been filed with the California Secretary of State. The District operates under the Community Services District Law, California Government Code sections 61000 - 61226. The District was formed to provide governmental services within limited boundaries (Government Code section 56036(a).).

The District was formed to serve the municipal needs of that portion of Fish Camp known as Yosemite Alpine Village. The Mariposa County Local Agency Formation Commission recognizes the District's sphere of influence to be all of Fish Camp. By law, the District's territory may include additional areas, whether incorporated or unincorporated, whether contiguous or noncontiguous, and whether in one or more counties. Yosemite Alpine Community Services District (the 'District') is tiny, consisting of about 40 families in 2013, with a budget of under \$50,000. The District was formed pursuant to, and is governed by, California Government Code, Division 3, Community Services Districts (Sections 61000 et seq.).

The powers of the District are those authorized by enabling California State law and are vested in the Board of Directors of the District (the 'Board'), who reserve the right to delegate by resolution such powers as are appropriate and permissible by law. The District provides water for any beneficial uses, maintains streets and roads, and removes snow from public streets, roads, easements, and rights-of-way. The District retains latent powers to provide additional services.

Oversight responsibility, the ability to conduct independent financial affairs, issue debt instruments, approve budgets, and otherwise influence operations and account for fiscal matters is exercised by the District's Board of Directors. The District is a separate reporting entity for financial reporting purposes and the accompanying financial statements reflect the assets, liabilities, net position, revenues, and expenses of the District only.

As defined by GASB Statements No. 14 and 39, The Financial Reporting Entity, the District is not financially accountable for any other entity other than itself, nor are there any other entities for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete.

B. Basis of Accounting/Measurement Focus

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, revenues, expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Yosemite Alpine Community Services District
Notes to Financial Statements
June 30, 2018 and June 30, 2019

C. Government-Wide Financial Statements

The District 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 and Business-Type Activities for the District accompanied by a total column. These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net assets. 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 types of transactions reported as operating revenues for the District are reported as charges for services.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities demonstrating the degree to which the direct expenses of a given project are offset by project revenues. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function or segment. Operating revenues include (1) charges paid by the recipients of services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes are presented instead as non-operating revenues.

Enterprise Funds – The enterprises funds are used to account for all the financial resources of the District. The enterprise net assets is available to the District for any purpose, provided it is expended or transferred according to the general laws of California and the bylaws of the District. .

Exchange and Non-Exchange Transactions of Revenues – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Non-exchange transactions, in which the District receives value without directly giving value in return, include taxes and donations. Revenues are recognized when susceptible to accrual, when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. The assessor of the County determines the assessed valuations of such property and the tax collector of the County collects the taxes. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which

**Yosemite Alpine Community Services District
Notes to Financial Statements
June 30, 2018 and June 30, 2019**

the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

Expenses - On an accrual basis of accounting, expenses are recognized at the time they are incurred.

E. Funds on Deposit, County and Bank

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit or first trust deed mortgage notes with a value of 150% of the District's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the District's name and places the District ahead of general creditors of the institution pledging the collateral. The District has waived collateral requirements for the portion of deposits covered by federal deposit insurance.

The District's investments are carried at fair value, as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

Authorized Investments

The California Government Code allows the District to invest in the following provided the credit ratings of the issuers are acceptable to the District and approved percentages and maturities are not exceeded.

The table below also identifies certain provisions of the California Government Code.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>
California Local Agency Investment Fund	N/A	None
U.S. Treasury Obligations	5 years	None
Negotiable Certificates of Deposit	1 year	30%

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Fair Value of Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value using the aggregate method, which includes any adjustments in interest/investment income.

Custodial Credit Risk - Deposits.

For deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District follows the Government Code to address credit risk. As of June 30, 2019, the District did not have any funds exposed to custodial credit risk because their bank balance did not exceed the \$250,000 Federal Deposit Insurance Corporation's insurance limits. Should the District's balance exceed that limit, the uninsured bank balance is collateralized by the pledging financial institutions at 110% of the deposits, in accordance with the State of California Government Code.

F. Accounts Receivable

Accounts receivable are recorded at their gross value, where appropriate are reduced by the portion that is considered uncollectable. Accounts receivable consists primarily of service fees that have been billed but not paid as of year-end. Management believes its receivables to be fully collectable due to the ability to place a lien against property for unpaid receivables and, accordingly no allowance for doubtful accounts is necessary.

G. Capital Assets

Capital assets, which include property, plant, and equipment, infrastructure assets and intangible are reported in the applicable governmental -type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of one year. Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Donated or contributed capital assets are recorded at their estimated fair value on the date received. The current capitalization threshold is \$2,500 for an individual item.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

H. Installment purchase

The District entered into a conveyance agreement with Umpqua Bank where the District sold the Enterprise to the bank. At the same time the District entered into a capital lease whereby the District would lease back said enterprise from Umpqua Bank over 15 years after which the District would regain ownership to said enterprise. Interest is due and payable at a rate of 5.27% per

**Yosemite Alpine Community Services District
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June 30, 2018 and June 30, 2019**

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INSTALLMENT PAYMENT SCHEDULE

Due Date	Interest ⁽¹⁾	Principal	Total
12/1/18	\$7,079.33	\$10,094.91	\$17,174.24
6/1/19	9,096.15	8,078.09	17,174.24
12/1/19	8,883.30	8,290.94	17,174.24
6/1/20	8,664.83	8,509.41	17,174.24
12/1/20	8,440.61	8,733.63	17,174.24
6/1/21	8,210.48	8,963.76	17,174.24
12/1/21	7,974.28	9,199.96	17,174.24
6/1/22	7,731.86	9,442.38	17,174.24
12/1/22	7,483.06	9,691.18	17,174.24
6/1/23	7,227.69	9,946.55	17,174.24
12/1/23	6,965.60	10,208.64	17,174.24
6/1/24	6,696.60	10,477.64	17,174.24
12/1/24	6,420.52	10,753.72	17,174.24
6/1/25	6,137.16	11,037.08	17,174.24
12/1/25	5,846.33	11,327.91	17,174.24
6/1/26	5,547.84	11,626.40	17,174.24
12/1/26	5,241.48	11,932.76	17,174.24
6/1/27	4,927.06	12,247.18	17,174.24
12/1/27	4,604.34	12,569.90	17,174.24
6/1/28	4,273.13	12,901.11	17,174.24
12/1/28	3,933.18	13,241.06	17,174.24
6/1/29	3,584.28	13,589.96	17,174.24
12/1/29	3,226.18	13,948.06	17,174.24
6/1/30	2,858.65	14,315.59	17,174.24
12/1/30	2,481.44	14,692.80	17,174.24
6/1/31	2,094.28	15,079.96	17,174.24
12/1/31	1,696.92	15,477.32	17,174.24
6/1/32	1,289.10	15,885.14	17,174.24
12/1/32	870.52	16,303.72	17,174.24
6/1/33	440.92	16,733.24	17,174.16

Yosemite Alpine Community Services District
Notes to Financial Statements
June 30, 2018 and June 30, 2019

I. Accounts Payable

On an accrual basis, expenses are recognized in the fiscal year in which the goods or services are received. Payables are liabilities of the District based upon current year charges for goods or services received but not paid in the current year.

L. Property Tax Revenue

The District's property taxes are levied each calendar year on all taxable real property located in the District. Property taxes are recorded on an accrual basis of accounting.

The County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to each unit its respective share of the collections. The property taxes are due to the Mariposa County Tax Collector on December 10th and April 10th.

The first installment is an estimated bill, and is approximately one-half of the prior year's tax bill. The second installment is based on the current levy, assessment, equalization, and certificate to limit levy, if any and any changes from the prior year will be reflected in the second installment bill. Taxes must be levied by the last Tuesday in December for the following collection year. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

M. Net Position

The District's net position represents the difference between its assets and liabilities in the statement of net assets. Net position is reported as restricted when there are legal limitations imposed on their use by their source.

N. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2018 and 2019, the District contracted with private insurance agencies for liability, property, crime damage, and employee and director insurances.

Yosemite Alpine Community Services District
Notes to Financial Statements
June 30, 2018 and June 30, 2019

NOTE 3: USE OF RESTRICTED/UNRESTRICTED NET POSITION

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District's policy is to apply restricted net position first.

NOTE 4: COMPARATIVE DATA AND RECLASSIFICATIONS

Comparative data for the prior year have been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with current year's presentation.

NOTE 5: CONTIGENCIES

As of June 30, 2019, the District did not have any pending litigation or potential nondisclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 6 : DATE OF MANAGEMENT'S REVIEW

Subsequent events have been evaluated through **March 26, 2020**, which is the date the financial statements were available to be issued.