

**GOLD RIDGE RESOURCE CONSERVATION DISTRICT  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
For the Fiscal Year Ended  
June 30, 2021  
(With Comparative Information as of June 30, 2020)**

**NIGRO & NIGRO<sup>PC</sup>**

**GOLD RIDGE RESOURCE CONSERVATION DISTRICT**

*For the Fiscal Year Ended June 30, 2021*

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***Financial Section***

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Gold Ridge Resource Conservation District  
Sebastopol, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and general fund of Gold Ridge Resource Conservation District as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Gold Ridge Resource Conservation District, as of June 30, 2021, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of the net pension liability and schedule of pension contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Prior-Year Comparative Information**

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2020, from which such partial information was derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a separate report dated January 15, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Walnut Creek, California  
January 15, 2022

# GOLD RIDGE RESOURCE CONSERVATION DISTRICT

## Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2021

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Management's Discussion and Analysis (MD&A) offers readers of Gold Ridge Resource Conservation District's financial statements a narrative overview of the District's financial activities for the fiscal year ended June 30, 2021. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The District's net position decreased \$13,883 or 10.49% as a result of this year's operations.
- Total revenues from all sources decreased by 24.77%, or \$522,768 from \$2,110,548 to \$1,587,780, from the prior year, primarily due to a \$524,178 decrease in grant revenue.
- Total expenses for the District's operations decreased by 24.74% or \$526,471 from \$2,128,134 to \$1,601,663, from the prior year, primarily due to a decrease in grant related expenses.
- Depreciation expense was \$11,205.

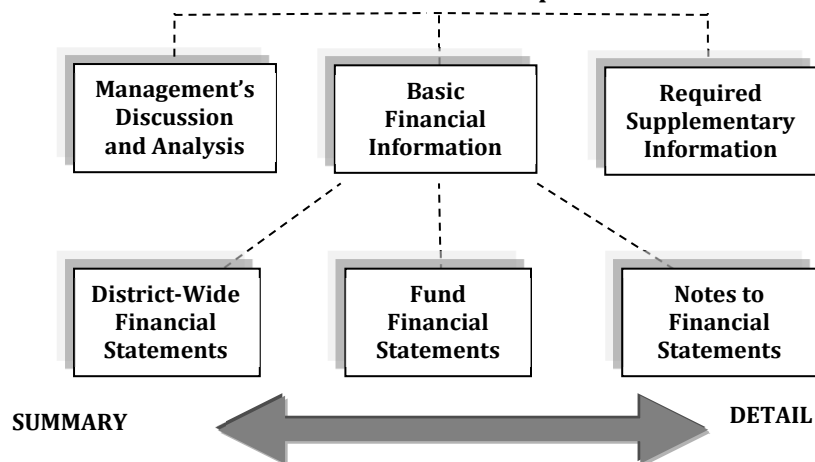
### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- *District-wide financial statements* provide both short-term and long-term information about the District's overall financial status.
- *Fund financial statements* focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
  - The *governmental funds* statements tell how basic services were financed in the short term as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1. Organization of Gold Ridge Resource Conservation District's Annual Financial Report**



**GOLD RIDGE RESOURCE CONSERVATION DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2021*

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**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

**Figure A-2. Major Features of the District-Wide and Fund Financial Statements**

<b>Type of Statements</b>	<b>District-Wide</b>	<b>Governmental Funds</b>
<i>Scope</i>	Entire District	The activities of the District that are not proprietary or fiduciary
<i>Required financial statements</i>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures &amp; Changes in Fund Balances</li> </ul>
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

**GOLD RIDGE RESOURCE CONSERVATION DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2021*

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**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**District-Wide Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's demographics and the condition of buildings and other facilities.
- In the district-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as resource conservation and grant compliance. Federal, state and local programs finance most of these activities.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and by grantor requirements.

The District has one fund the general Fund.



**GOLD RIDGE RESOURCE CONSERVATION DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2021*

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**FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION**

**Analysis of Net Position**

**Table A-1: Condensed Statement of Net Position**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>
<b>Assets:</b>			
Current assets	\$ 980,159	\$ 903,127	\$ 77,032
Capital assets, net	<u>36,119</u>	<u>47,324</u>	<u>(11,205)</u>
<b>Total assets</b>	<u>1,016,278</u>	<u>950,451</u>	<u>65,827</u>
<b>Deferred outflows of resources</b>	<u>122,934</u>	<u>129,281</u>	<u>(6,347)</u>
<b>Liabilities:</b>			
Current liabilities	876,947	814,855	62,092
Non-current liabilities	<u>142,878</u>	<u>128,242</u>	<u>14,636</u>
<b>Total liabilities</b>	<u>1,019,825</u>	<u>943,097</u>	<u>76,728</u>
<b>Deferred inflows of resources</b>	<u>943</u>	<u>4,308</u>	<u>(3,365)</u>
<b>Net position:</b>			
Investment in capital assets	16,200	18,724	(2,524)
Unrestricted	<u>102,244</u>	<u>113,603</u>	<u>(11,359)</u>
<b>Total net position</b>	<u>\$ 118,444</u>	<u>\$ 132,327</u>	<u>\$ (13,883)</u>

At the end of fiscal year 2021, the District shows a positive balance in its unrestricted net position of \$102,244. Unrestricted net position decreased because the District's General Fund expenses exceeded its revenues for the fiscal year 2021.

**Analysis of Revenues and Expenses**

**Table A-2: Condensed Statements of Activities**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>
<b>Program revenues</b>	\$ 1,553,824	\$ 2,078,002	\$ (524,178)
<b>Expenses</b>	<u>(1,601,663)</u>	<u>(2,128,134)</u>	<u>526,471</u>
<b>Net program expense</b>	(47,839)	(50,132)	2,293
<b>General revenues</b>	<u>33,956</u>	<u>32,546</u>	<u>1,410</u>
<b>Change in net position</b>	(13,883)	(17,586)	3,703
<b>Net position:</b>			
<b>Beginning of year</b>	<u>132,327</u>	<u>149,913</u>	<u>(17,586)</u>
<b>End of year</b>	<u>\$ 118,444</u>	<u>\$ 132,327</u>	<u>\$ (13,883)</u>

The statement of activities shows how the government's net position changed during the fiscal year. In the case of the District, the operations of the District decreased by \$13,883.

**GOLD RIDGE RESOURCE CONSERVATION DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2021*

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**FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (Continued)**

**Analysis of Revenues and Expenses**

**Table A-3: Total Revenues**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Increase (Decrease)</u>
<b>Program revenues:</b>			
Operating grants and contributions:			
Federal grants	\$ 567,763	\$ 951,700	\$ (383,937)
State grants	538,870	645,041	(106,171)
Other grants	424,900	464,500	(39,600)
Other revenue	<u>22,291</u>	<u>16,761</u>	<u>5,530</u>
<b>Total program revenues</b>	<u>1,553,824</u>	<u>2,078,002</u>	<u>(524,178)</u>
<b>General revenues:</b>			
Property taxes	<u>33,956</u>	<u>32,546</u>	<u>1,410</u>
<b>Total general revenues</b>	<u>33,956</u>	<u>32,546</u>	<u>1,410</u>
<b>Total revenues</b>	<u>\$ 1,587,780</u>	<u>\$ 2,110,548</u>	<u>\$ (522,768)</u>

Total revenues from all sources decreased by 24.77%, or \$522,768 from \$2,110,548 to \$1,587,780, from the prior year, primarily due to a \$524,178 decrease in grant revenue.

**Table A-4: Total Expenses**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Increase (Decrease)</u>
<b>Expenses:</b>			
Salaries and wages	\$ 573,869	\$ 632,441	\$ (58,572)
Employee benefits	139,183	129,419	9,764
Materials and services	870,972	1,349,859	(478,887)
Depreciation expense	11,205	8,971	2,234
Interest expense	<u>6,434</u>	<u>7,444</u>	<u>(1,010)</u>
<b>Total expenses</b>	<u>\$ 1,601,663</u>	<u>\$ 2,128,134</u>	<u>\$ (526,471)</u>

Total expenses for the District's operations decreased by 24.74% or \$526,471 from \$2,128,134 to \$1,601,663, from the prior year, primarily due to a decrease in grant related expenses.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a fund balance of \$143,449, which is more than last year's ending fund balance of \$126,465.

**GOLD RIDGE RESOURCE CONSERVATION DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2021*

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**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)**

**General Fund Budgetary Highlights**

The final budgeted expenditures for the District at year-end were \$370,588 more than actual. The variance is principally due to a reduction in materials and services need for grant expenditures as compared to budget. Actual revenues were less than the anticipated budget by \$366,801, primarily because of less grant revenue.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Table A-5: Capital Assets at Year End, Net of Depreciation**

	<u>Balance</u> <u>June 30, 2021</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>Capital assets:</b>		
Non-depreciable assets	\$ 2,400	\$ 2,400
Depreciable assets	88,940	88,940
Accumulated depreciation	<u>(55,221)</u>	<u>(44,016)</u>
<b>Total capital assets, net</b>	<u>\$ 36,119</u>	<u>\$ 47,324</u>

At the end of fiscal year 2021, the District's investment in capital assets amounted to \$36,119 (net of accumulated depreciation). This investment in capital assets includes buildings, equipment and vehicles. There were no capital asset additions during the year. See Note 3 for further information on the District's capital assets.

**Table A-6: Long-Term Debt**

	<u>Balance</u> <u>June 30, 2021</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>Long-term debt:</b>		
Capital lease payable	<u>\$ 19,919</u>	<u>\$ 28,600</u>

At the end of fiscal year 2021, the District's long-term debt amounted to \$19,919. See Note 6 for further information on the District's long-term debt.

**FACTORS AFFECTING CURRENT FINANCIAL POSITION**

Management is unaware of any item that would affect the current financial position.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

The District's basic financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional information, please contact the District's Executive Director at the Gold Ridge Resource Conservation District at 2776 Sullivan Rd, Sebastopol, CA 95472 or (707) 823-5244.

# GOLD RIDGE RESOURCE CONSERVATION DISTRICT

## Statement of Net Position

June 30, 2021 (With Comparative Information as of June 30, 2020)

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>Restated 2020</u>
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 415,657	\$ 416,499
Grants and retentions receivable	550,903	469,706
Prepaid items	13,599	16,922
<b>Total current assets</b>	<b>980,159</b>	<b>903,127</b>
<b>Non-current assets:</b>		
Capital assets – not being depreciated (note 3)	2,400	2,400
Capital assets, net – being depreciated (note 3)	33,719	44,924
<b>Total non-current assets</b>	<b>36,119</b>	<b>47,324</b>
<b>Total assets</b>	<b>1,016,278</b>	<b>950,451</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Deferred amounts related to net pension liability (note 7)	122,934	129,281
<b>Total deferred outflows of resources</b>	<b>122,934</b>	<b>129,281</b>
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	325,452	195,650
Unearned revenue – advances	111,258	81,012
County of Sonoma – Note (note 4)	400,000	500,000
Long-term liabilities – due within one year:		
Compensated absences (note 5)	30,998	29,512
Capital lease payable (note 6)	9,239	8,681
<b>Total current liabilities</b>	<b>876,947</b>	<b>814,855</b>
<b>Noncurrent liabilities:</b>		
Long-term liabilities – due in more than one year:		
Capital lease payable (note 6)	10,680	19,919
Net pension liability (note 7)	132,198	108,323
<b>Total noncurrent liabilities</b>	<b>142,878</b>	<b>128,242</b>
<b>Total liabilities</b>	<b>1,019,825</b>	<b>943,097</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Deferred amounts related to net pension liability (note 7)	943	4,308
<b>Total deferred inflows of resources</b>	<b>943</b>	<b>4,308</b>
<b><u>NET POSITION</u></b>		
Net investment in capital assets (note 8)	16,200	18,724
Unrestricted	102,244	113,603
<b>Total net position</b>	<b>\$ 118,444</b>	<b>\$ 132,327</b>

# GOLD RIDGE RESOURCE CONSERVATION DISTRICT

## Statement of Activities

For the Fiscal Year Ended June 30, 2021

(With Comparative Information for the Year Ended June 30, 2020)

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>Restated 2020</b>
<b>Expenses:</b>		
Resource conservation:		
Salaries and wages	\$ 573,869	\$ 632,441
Employee benefits	139,183	129,419
Materials and services	870,972	1,349,859
Depreciation expense	11,205	8,971
Interest expense	6,434	7,444
<b>Total expenses</b>	<b>1,601,663</b>	<b>2,128,134</b>
<b>Program revenues:</b>		
Operating grants and contributions:		
Federal grants	567,763	951,700
State grants	538,870	645,041
Other grants	424,900	464,500
Other revenue	22,291	16,761
<b>Total program revenues</b>	<b>1,553,824</b>	<b>2,078,002</b>
<b>Net program expense</b>	<b>(47,839)</b>	<b>(50,132)</b>
<b>General revenues:</b>		
Property taxes	33,956	32,546
<b>Total general revenues</b>	<b>33,956</b>	<b>32,546</b>
<b>Change in net position</b>	<b>(13,883)</b>	<b>(17,586)</b>
<b>Net position:</b>		
Beginning of year, as restated (note 10)	132,327	149,913
End of year	\$ 118,444	\$ 132,327

**GOLD RIDGE RESOURCE CONSERVATION DISTRICT**

*Balance Sheet – Governmental Funds*

*June 30, 2021 (With Comparative Information as of June 30, 2020)*

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	<u>General Fund</u>	
	<u>2021</u>	<u>Restated 2020</u>
<b>ASSETS</b>		
<b>Assets:</b>		
Cash and cash equivalents	\$ 415,657	\$ 416,499
Grants and retentions receivable	550,903	469,706
Prepaid items	13,599	16,922
<b>Total assets</b>	<b>\$ 980,159</b>	<b>\$ 903,127</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 325,452	\$ 195,650
Unearned revenue – advances	111,258	81,012
County of Sonoma – Note	400,000	500,000
<b>Total liabilities</b>	<b>836,710</b>	<b>776,662</b>
<b>Fund balance: (note 9)</b>		
Nonspendable	13,599	16,922
Committed	30,998	29,512
Unassigned	98,852	80,031
<b>Total fund balance</b>	<b>143,449</b>	<b>126,465</b>
<b>Total liabilities and fund balance</b>	<b>\$ 980,159</b>	<b>\$ 903,127</b>

## GOLF RIDGE RESOURCE CONSERVATION DISTRICT

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2021 (With Comparative Information as of June 30, 2020)

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	<u>2021</u>	<u>2020</u>
<b>Fund Balance of Governmental Funds</b>	<b>\$ 143,449</b>	<b>\$ 126,465</b>
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those assets as capital assets.	36,119	47,324
Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred outflows of resources.	122,934	129,281
Long-term liabilities applicable to the District are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position as follows:		
Compensated absences	(30,998)	(29,512)
Net pension liability	(132,198)	(108,323)
Capital lease payable	(19,919)	(28,600)
Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred inflows of resources.	(943)	(4,308)
<b>Total adjustments</b>	<b>(25,005)</b>	<b>5,862</b>
<b>Net Position of Governmental Activities</b>	<b>\$ 118,444</b>	<b>\$ 132,327</b>

**GOLD RIDGE RESOURCE CONSERVATION DISTRICT***Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
For the Fiscal Year Ended June 30, 2021**(With Comparative Information for the Year Ended June 30, 2020)*

	<b>General Fund</b>	
	<b>2021</b>	<b>Restated 2020</b>
<b>Revenues:</b>		
Property taxes	\$ 33,956	\$ 32,546
Operating grants and contributions:		
Federal grants	567,763	951,700
State grants	538,870	645,041
Other grants	424,900	464,500
Other revenue	22,291	16,761
<b>Total revenues</b>	<b>1,587,780</b>	<b>2,110,548</b>
<b>Expenditures:</b>		
Current operations:		
Salaries and wages	572,383	631,539
Employee benefits	112,326	107,188
Materials and services	870,972	1,349,859
Capital outlay	-	35,745
Debt service:		
Principal payments	8,681	7,145
Interest payments	6,434	7,444
<b>Total expenditures</b>	<b>1,570,796</b>	<b>2,138,920</b>
<b>Excess of revenue over expenditures</b>	<b>16,984</b>	<b>(28,372)</b>
<b>Other financing sources(uses):</b>		
Proceeds from capital lease payable	-	35,745
<b>Change in fund balance</b>	<b>16,984</b>	<b>7,373</b>
<b>Fund Balance:</b>		
Beginning of year, as restated (note 10)	126,465	119,092
End of year	<u>\$ 143,449</u>	<u>\$ 126,465</u>



## **GOLD RIDGE RESOURCE CONSERVATION DISTRICT**

### *Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities*

*For the Fiscal Year Ended June 30, 2021*

*(With Comparative Information for the Year Ended June 30, 2020)*

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	<u>2021</u>	<u>2020</u>
<b>Net Change in Fund Balance – Governmental Funds</b>	<b>\$ 16,984</b>	<b>\$ 7,373</b>
Amount reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay	-	35,745
Depreciation expense	(11,205)	(8,971)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenses in governmental funds as follows:		
Net change in compensated absences	(1,486)	(902)
Net change in net pension liability and related deferred resources	(26,857)	(22,231)
Principal repayment of long-term debt is reported as an expenditure in governmental funds. However, principal repayments reduce liabilities in the statement of net position and do not result in expenses in the statement of activities.	8,681	7,145
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal and consumes the current financial resources of the governmental funds. Issuance of the capital lease principal is an other financing source and repayment of the capital lease principal is an expenditure in the governmental funds, but the issuance increases long-term liabilities and the repayment reduces long-term liabilities on the statement of net position.	-	(35,745)
<b>Total adjustments</b>	<u>(30,867)</u>	<u>(24,959)</u>
<b>Change in Net Position of Governmental Activities</b>	<u>\$ (13,883)</u>	<u>\$ (17,586)</u>

# **GOLD RIDGE RESOURCE CONSERVATION DISTRICT**

## *Notes to Financial Statements*

*June 30, 2021*

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### **NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Description of Organization**

The Gold Ridge Resource Conservation District (District) develops soil and water conservation programs in Sonoma County under Division 9 of the Public Resources Code. The purpose of the District is to help all land users in the District, individually and as community groups, conserve and develop soil and protect water and land resources through good agricultural practices, erosion control, improved irrigation, flood control, development and protection of water supplies, soil and crop involvement, range and pasture improvement, and proper use of wasteland.

#### **B. Reporting Entity**

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

The District has identified no organizations that are required to be reported as component units.

#### **C. Basis of Presentation, Basis of Accounting**

##### **1. Basis of Presentation**

##### **Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) 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 all taxes, are presented as general revenues.

##### **Major Governmental Fund**

The District maintains the following major governmental fund:

**General Fund:** This fund is used to account for all financial resources of the District except those required to be accounted for in another fund.

# **GOLD RIDGE RESOURCE CONSERVATION DISTRICT**

## *Notes to Financial Statements*

*June 30, 2021*

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### **NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **C. Basis of Presentation, Basis of Accounting (continued)**

##### **2. Measurement Focus, Basis of Accounting**

###### **Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

###### **Governmental Fund Financial Statements**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

##### **3. Revenues - Exchange and Non-Exchange Transactions**

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. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

#### **D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position**

##### **1. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

##### **2. Investments**

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

# GOLD RIDGE RESOURCE CONSERVATION DISTRICT

## Notes to Financial Statements

June 30, 2021

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### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

##### 2. Investments (continued)

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the District’s own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

##### 3. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District’s policy to capitalize assets costing over \$5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets.

Estimated service lives for the District’s classes of assets are as follows:

Description	Estimated Lives
Buildings and improvements	10-30 years
Equipment and vehicles	5-10 years
Vehicles	4 years

##### 4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

## **GOLD RIDGE RESOURCE CONSERVATION DISTRICT**

*Notes to Financial Statements*

*June 30, 2021*

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### **NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)**

##### **5. Compensated Absences**

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated vacation leave balances. The liability has been calculated using the vesting method, in which leave amounts for employees who currently are eligible to receive termination payments and employees who are expected to become eligible in the future to receive such payments upon termination are included.

##### **6. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan and addition to/deductions from the Plans fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date June 30, 2019

Measurement Date June 30, 2020

Measurement Period July 1, 2019 to June 30, 2020

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retirees) as of the beginning of the measurement period.

##### **7. Net Position**

Net position is classified into two components: investment in capital assets and unrestricted. These classifications are defined as follows:

- **Investment in capital assets** - This component of net position consists of capital assets, net of accumulated depreciation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

# GOLD RIDGE RESOURCE CONSERVATION DISTRICT

## Notes to Financial Statements

June 30, 2021

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### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

##### 8. Fund Balances

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

**Nonspendable:** Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

**Committed:** The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

**Assigned:** Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

**Unassigned:** Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

#### E. Use of Estimates

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

#### F. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1, each year. Secured property taxes are levied on July 1 and are payable in two installments, on December 10 and April 10. The Sonoma County Assessor's Office assesses all real and personal property within the County each year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one (1%) of countywide assessed valuations. The Sonoma County Auditor-Controller's Office remits an undisclosed portion of the one (1%) current and delinquent property tax collections to the District throughout the year.

## **GOLD RIDGE RESOURCE CONSERVATION DISTRICT**

### *Notes to Financial Statements*

*June 30, 2021*

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#### **NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and investments at June 30, 2021, are reported at fair value and consisted of the following:

<u>Description</u>	<u>Balance</u>
Cash with fiscal agent	\$ 90,103
Demand deposits with financial institutions	2,009
Deposits with Sonoma County Treasury Pool	<u>323,545</u>
<b>Total cash and cash equivalents</b>	<b><u>\$ 415,657</u></b>

#### **Demand Deposits**

At June 30, 2021, the carrying amount of the District's demand deposits was \$2,009 and the financial institutions balances totaled \$1,504. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items.

#### **Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

#### **Sonoma County Treasury Investment Pool (SCTIP)**

As authorized by Public Resources Code 9521 (a), the District's cash is pooled with the Sonoma County treasurer, who acts as a disbursing agent for the District. The fair value of the District's investments in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the Treasury pool for the entire Treasury Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on accounting records maintained by the Treasury Pool, which are recorded on an allocated quarterly to the appropriate fund based on its respective average daily balance for that quarter. The Treasury Oversight Committee has regulatory oversight for all monies deposited into the Treasury Pool.

The District's pooled cash and investments are invested pursuant to investment policy guidelines established by the county Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority: safety of capital, liquidity and maximum rate of return. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code 53601, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity. A copy of the Treasury Pool investment policy is available upon request from the Sonoma county Treasurer at 585 Fiscal Drive, Room 100-F, Santa Rosa, California 95403-2871. The District held \$323,545 in the SCTIP as of June 30, 2021.

## GOLD RIDGE RESOURCE CONSERVATION DISTRICT

### Notes to Financial Statements

June 30, 2021

#### NOTE 3 – CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2021, were as follows:

	<u>Balance July 1, 2020</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2021</u>
Non-depreciable capital assets:				
Land	\$ 2,400	\$ -	\$ -	\$ 2,400
Total non-depreciable capital assets	<u>2,400</u>	<u>-</u>	<u>-</u>	<u>2,400</u>
Depreciable capital assets:				
Buildings and improvements	8,104	-	-	8,104
Equipment	45,091	-	-	45,091
Vehicles	<u>35,745</u>	<u>-</u>	<u>-</u>	<u>35,745</u>
Total depreciable capital assets	<u>88,940</u>	<u>-</u>	<u>-</u>	<u>88,940</u>
Accumulated depreciation:				
Buildings and improvements	(8,104)	-	-	(8,104)
Equipment	(29,210)	(2,269)	-	(31,479)
Vehicles	<u>(6,702)</u>	<u>(8,936)</u>	<u>-</u>	<u>(15,638)</u>
Total accumulated depreciation	<u>(44,016)</u>	<u>(11,205)</u>	<u>-</u>	<u>(55,221)</u>
Total depreciable capital assets, net	<u>44,924</u>	<u>(11,205)</u>	<u>-</u>	<u>33,719</u>
<b>Total capital assets, net</b>	<u>\$ 47,324</u>	<u>\$ (11,205)</u>	<u>\$ -</u>	<u>\$ 36,119</u>

#### NOTE 4 – COUNTY OF SONOMA NOTE

The District has a note with the County of Sonoma with an interest rate of 3/4 of 1 percent above the County's "pooled investment account rate" compounded and payable quarterly. The instrument is secured by the District's accounts receivables and future contract billings. The balance due at June 30, 2021 amounted to \$400,000.

#### NOTE 5 – COMPENSATED ABSENCES

Changes to compensated absences balance for the year ended June 30, 2021, was as follows:

<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
\$ 29,512	\$ 49,302	\$ (47,816)	\$ 30,998

#### NOTE 6 – CAPITAL LEASE PAYABLE

Changes to the capital lease payable balance for the year ended June 30, 2021, was as follows:

<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$ 28,600	\$ -	\$ (8,681)	\$ 19,919	\$ 9,239	\$ 10,680



# GOLD RIDGE RESOURCE CONSERVATION DISTRICT

## Notes to Financial Statements

June 30, 2021

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### NOTE 6 – CAPITAL LEASE PAYABLE (Continued)

The District is leasing one vehicle under a capital lease payable. The lease is for a forty-eight-month period. The monthly payment on the vehicle totals \$852. Future remaining lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	9,239	983	9,239
2023	9,833	389	9,833
2024	847	4	847
<b>Total</b>	<b>\$ 19,919</b>	<b>\$ 1,376</b>	<b>\$ 19,919</b>

### NOTE 7 – NET PENSION LIABILITY AND PENSION PLAN

#### Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

<u>Description</u>	<u>2021</u>
Pension related deferred outflows	\$ 122,934
Net pension liability	132,198
Pension related deferred inflows	943

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees' Retirement System (CalPERS), or "The Plan".

#### A. General Information about the Pension Plan

##### The Plan

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	<u>Miscellaneous Plans</u>	
	<u>Classic Tier 1</u>	<u>PEPRA Tier 2</u>
Hire date	Prior to <u>January 1, 2013</u>	On or after <u>January 1, 2013</u>
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52-67 & up
Monthly benefits, as a % of eligible compensation	1.8% to 2.0%	1.0% to 2.0%
Required member contribution rates	7.000%	6.750%
Required employer contribution rates – FY 2020	9.680%	6.985%

# GOLD RIDGE RESOURCE CONSERVATION DISTRICT

## Notes to Financial Statements

June 30, 2021

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### NOTE 5 – NET PENSION LIABILITY AND PENSION PLAN (continued)

#### A. General Information about the Pension Plan (continued)

##### Plan Description (continued)

The District contributes to the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2020 Annual Actuarial Valuation Reports. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

At June 30, 2021, the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic	PEPRA	
	Tier 1	Tier 2	
Active members	5	4	9
Transferred and terminated members	1	2	3
Retired members and beneficiaries	-	-	-
<b>Total plan members</b>	<b>6</b>	<b>6</b>	<b>12</b>

All qualified permanent and probationary employees are eligible to participate in the District's cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

##### Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five years of service. The death benefit is one of the following the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each Plan are applied as specified by the Public Employees' Retirement Law.

##### Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

# GOLD RIDGE RESOURCE CONSERVATION DISTRICT

## Notes to Financial Statements

June 30, 2021

### NOTE 5 – NET PENSION LIABILITY AND PENSION PLAN (continued)

#### A. General Information about the Pension Plan (continued)

Contributions for the fiscal year ended June 30, 2021, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 40,700	\$ 21,806	\$ 62,506
Contributions – members	19,445	15,386	34,831
<b>Total contributions</b>	<b>\$ 60,145</b>	<b>\$ 37,192</b>	<b>\$ 97,337</b>

#### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

##### Proportionate Share of Net Pension Liability and Pension Expense

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The following table shows the District's proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2021:

Plan Type and Balance Descriptions	Plan Total Pension Liability	Plan Fiduciary Net Position	Change in Plan Net Pension Liability
<b>CalPERS – Miscellaneous Plan:</b>			
Balance as of June 30, 2019 (Measurement Date)	\$ 838,063	\$ 729,740	\$ 108,323
Balance as of June 30, 2020 (Measurement Date)	\$ 1,008,459	\$ 876,261	\$ 132,198
<b>Change in Plan Net Pension Liability</b>	<b>\$ 170,396</b>	<b>\$ 146,521</b>	<b>\$ 23,875</b>

The District's proportionate share percentage of the net pension liability for the June 30, 2020, measurement date was as follows:

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020	
Measurement Date	June 30, 2020	June 30, 2019	
Percentage of Risk Pool Net Pension Liability	0.003134%	0.002705%	0.000429%
Percentage of Plan (PERF C) Net Pension Liability	0.001215%	0.001057%	0.000158%

# GOLD RIDGE RESOURCE CONSERVATION DISTRICT

## Notes to Financial Statements

June 30, 2021

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### NOTE 5 – NET PENSION LIABILITY AND PENSION PLAN (continued)

#### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

##### Proportionate Share of Net Pension Liability and Pension Expense (continued)

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$89,358. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Account Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made after the measurement date	\$ 62,506	\$ -
Difference between actual and proportionate share of employer contributions	30,135	-
Adjustment due to differences in proportions	19,558	-
Differences between expected and actual experience	6,813	-
Differences between projected and actual earnings on pension plan investments	3,927	-
Changes in assumptions	-	(943)
<b>Total Deferred Outflows/(Inflows) of Resources</b>	<u>\$ 122,939</u>	<u>\$ (943)</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years.

An amount of \$62,506 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

# GOLD RIDGE RESOURCE CONSERVATION DISTRICT

## Notes to Financial Statements

June 30, 2021

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### NOTE 5 – NET PENSION LIABILITY AND PENSION PLAN (continued)

#### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

##### Proportionate Share of Net Pension Liability and Pension Expense (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

Amortization Period Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2022	\$ 27,594
2023	19,794
2024	10,218
2025	1,884
<b>Total</b>	<b>\$ 59,490</b>

##### Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019, total pension liability. The June 30, 2020, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

##### Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

# GOLD RIDGE RESOURCE CONSERVATION DISTRICT

## Notes to Financial Statements

June 30, 2021

### NOTE 5 – NET PENSION LIABILITY AND PENSION PLAN (continued)

#### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

##### Long-term Expected Rate of Return (continued)

The table below reflects long-term expected real rate of return by asset class.

<u>Investment Type</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10<sup>1</sup></u>	<u>Real Return Years 11+<sup>2</sup></u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	<u>100.0%</u>		

<sup>1</sup> An expected inflation of 2.0% is used for years 1-10.

<sup>2</sup> An expected inflation of 2.9% is used for years 11+.

##### Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

##### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

<u>Plan Type</u>	<u>Plan's Net Pension Liability/(Asset)</u>		
	<u>Discount Rate - 1%</u>	<u>Current Discount Rate</u>	<u>Discount Rate + 1%</u>
	<u>6.15%</u>	<u>Rate 7.15%</u>	<u>8.15%</u>
CalPERS - Miscellaneous Plan	<u>266,400</u>	<u>\$ 132,199</u>	<u>\$ 21,312</u>

##### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

#### C. Payable to the Pension Plans

At June 30, 2021, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2021.

## GOLD RIDGE RESOURCE CONSERVATION DISTRICT

### Notes to Financial Statements

June 30, 2021

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#### NOTE 8 – NET INVESTMENT IN CAPITAL ASSETS

At June 30, 2021, the District’s net investment in capital assets was calculated as follows:

<u>Description</u>	<u>Amount</u>
Capital assets – not being depreciated	\$ 2,400
Capital assets, net – being depreciated	33,719
Capital lease payable – current	(9,239)
Capital lease payable – non- current	<u>(10,680)</u>
<b>Net investment in capital assets</b>	<b><u>\$ 16,200</u></b>

#### NOTE 9 – FUND BALANCES

At June 30, 2021, fund balances of the District’s governmental fund was classified as follows:

<u>Description</u>	<u>General Fund</u>
<b>Nonspendable:</b>	
Prepaid items	\$ 13,599
<b>Committed:</b>	
Compensated absences	30,998
<b>Unassigned</b>	<u>98,852</u>
<b>Total fund balances</b>	<b><u>\$ 143,449</u></b>

#### NOTE 10 – PRIOR PERIOD ADJUSTMENTS

##### Net Position:

<u>Description</u>	<u>Amount</u>
Net position – June 30, 2020, as stated	\$ 131,884
<b>Prior period adjustment to net position</b>	
Principal payments on capital lease	7,146
Depreciation expense	<u>(6,702)</u>
Net position – June 30, 2020, as restated	<b><u>\$ 132,328</u></b>

The District added principal payments on capital lease payable and depreciation expense to the statement of activities for the capital lease payable and vehicle purchased in the fiscal year ended June 30, 2020.

# GOLD RIDGE RESOURCE CONSERVATION DISTRICT

## Notes to Financial Statements

June 30, 2021

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### NOTE 10 – PRIOR PERIOD ADJUSTMENTS

#### Fund Balance:

<u>Description</u>	<u>Amount</u>
Fund balance – June 30, 2020, as stated	\$ 126,465
<b>Prior period adjustment to fund balance</b>	
Capital outlay	(35,745)
Proceeds from capital lease payable	35,745
Fund balance – June 30, 2020, as restated	<u>\$ 126,465</u>

The District reclassified its capital lease and vehicle purchase on its June 30, 2020 financials.

### NOTE 11– RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California special districts. The purpose of the SDRMA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. Further information about the SDRMA is as follows:

<b>A. Entity</b>	SDRMA
<b>B. Purpose</b>	To pool member contributions and realize the advantages of self-insurance
<b>C. Participants</b>	As of June 30, 2020 – 505 member agencies
<b>D. Governing board</b>	Seven representatives employed by members
<b>E. District payments for FY 2021:</b>	
Property/Liability policy	\$14,150
Workers' compensation policy	\$2,772
<b>F. Condensed financial information</b>	June 30, 2020
<b>Statement of net position:</b>	<b><u>June 30, 2020</u></b>
Total assets	<u>\$ 130,676,871</u>
Deferred outflows	<u>595,599</u>
Total liabilities	<u>70,083,643</u>
Deferred inflows	<u>246,193</u>
Net position	<u>\$ 60,942,634</u>
<b>Statement of revenues, expenses and changes in net position:</b>	
Total revenues	\$ 82,459,850
Total expenses	<u>(77,881,779)</u>
Change in net position	4,578,071
Beginning – net position	<u>56,364,563</u>
Ending – net position	<u>\$ 60,942,634</u>
<b>G. Member agencies share of year-end financial position</b>	Not Calculated



## **GOLD RIDGE RESOURCE CONSERVATION DISTRICT**

### *Notes to Financial Statements*

*June 30, 2021*

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#### **NOTE 11 – RISK MANAGEMENT (continued)**

At June 30, 2021, the District participated in the liability and property programs of the SDRMA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$2,500,000, combined single limit at \$2,500,000 per occurrence. The District purchased additional excess coverage layers: \$10,000,000 for general, auto and public officials' liability, which increases the limits on the insurance coverage noted above.

In addition to the above, the District also has the following insurance coverage:

- Employee dishonesty coverage up to \$1,000,000 per loss includes public employee dishonesty, forgery, or alteration and theft, disappearance and destruction coverages.
- Property loss is paid at the replacement cost for property on file, if replaced within three years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$1.0 billion per occurrence, subject to a \$1,000 deductible per occurrence.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to a \$1,000 deductible per occurrence.
- Public officials' personal liability up to \$500,000 each occurrence, with an annual aggregate of \$500,000 per each elected/appointed official to which this coverage applies, subject to the terms, with a deductible of \$500 per claim.
- Workers' compensation insurance per statutory requirements and Employer's Liability Coverage up to \$5.0 million.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years. There were no reductions in insurance coverage in fiscal year 2021, 2020 and 2019. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2021, 2020 and 2019.

#### **NOTE 12 – RELATED PARTY TRANSACTIONS**

The District pays \$2,500 a month in rent to Dutton Brothers for use of the office on Sullivan Road. Joe Dutton, the District's Board President is one of the Dutton Brothers. The rent paid is substantially lower than the Dutton Brothers could receive for this space. A recent search of buildings similar in size, quality, and location posted rents between \$2,850 and \$4,000 per month.

It is the District's policy for Directors to abstain from voting on any issues involving grant projects related to properties in which they hold an interest.

## **GOLD RIDGE RESOURCE CONSERVATION DISTRICT**

*Notes to Financial Statements*

*June 30, 2021*

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### **NOTE 13 – COMMITMENTS AND CONTINGENCIES**

#### **Operating Lease for Building**

The District has an operating lease on its administration building of \$2,500 per month. The District's operating lease is on a month-to month basis.

#### **Grant Awards**

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

#### **Litigation**

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

### **NOTE 14 – SUBSEQUENT EVENTS**

The District has evaluated subsequent events through January 15, 2022, the date which the financial statements were available to be issued.

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***Required Supplementary Information***

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**GOLD RIDGE RESOURCE CONSERVATION DISTRICT**  
*Budgetary Comparison Schedule – General Fund*  
*For the Fiscal Year Ended June 30, 2021*

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Property taxes	\$ 32,000	\$ 33,956	\$ 1,956
Operating grants and contributions	1,909,081	1,531,533	(377,548)
Other revenue	<u>13,500</u>	<u>22,291</u>	<u>8,791</u>
<b>Total revenues</b>	<u>1,954,581</u>	<u>1,587,780</u>	<u>(366,801)</u>
<b>Expenditures:</b>			
Current:			
Salaries and wages	579,275	572,383	6,892
Employee benefits	103,899	112,326	(8,427)
Materials and services	1,246,710	870,972	375,738
Debt service:			
Principal payments	-	8,681	(8,681)
Interest payments	<u>11,500</u>	<u>6,434</u>	<u>5,066</u>
<b>Total expenditures</b>	<u>1,941,384</u>	<u>1,570,796</u>	<u>370,588</u>
<b>Excess of revenues over (under) expenditures</b>	<u>\$ 13,197</u>	16,984	<u>\$ 3,787</u>
<b>Fund balance:</b>			
Beginning of year		<u>126,465</u>	
End of year		<u>\$ 143,449</u>	

**GOLD RIDGE RESOURCE CONSERVATION DISTRICT**  
*Schedule of Proportionate Share of the Net Pension Liability*  
*For the Fiscal Year Ended June 30, 2021*

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**Last Ten Fiscal Years\***

**California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

<b>Measurement Date</b>	<b>District's Proportion of the Net Pension Liability</b>	<b>District's Proportionate Share of the Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</b>	<b>Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability</b>
June 30, 2014	0.001230%	\$ 76,625	\$ 367,772	20.83%	65.21%
June 30, 2015	0.000959%	65,837	424,412	15.51%	76.86%
June 30, 2016	0.000849%	73,442	582,783	12.60%	79.26%
June 30, 2017	0.000968%	96,031	516,990	18.58%	83.35%
June 30, 2018	0.000938%	90,385	614,578	14.71%	86.62%
June 30, 2019	0.001057%	108,323	634,906	17.06%	87.07%
June 30, 2020	0.001215%	132,198	515,742	25.63%	86.89%

**Notes to Schedule:**

**Benefit Changes:**

There were no changes in benefits.

**Changes in Assumptions:**

**From fiscal year June 30, 2015 and June 30, 2016:**

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

**From fiscal year June 30, 2016 to June 30, 2017:**

There were no changes in assumptions.

**From fiscal year June 30, 2017 to June 30, 2018:**

The discount rate was reduced from 7.65% to 7.15%.

**From fiscal year June 30, 2018 to June 30, 2019:**

There were no significant changes in assumptions.

**From fiscal year June 30, 2019 to June 30, 2020:**

There were no significant changes in assumptions.

**From fiscal year June 30, 2020 to June 30, 2021:**

There were no significant changes in assumptions.

\*Fiscal year 2014 was the first measurement date year of implementation; therefore, only seven years are shown.

**GOLD RIDGE RESOURCE CONSERVATION DISTRICT**

*Schedule of Pension Contributions*

*For the Fiscal Year Ended June 30, 2021*

**Last Ten Fiscal Years\***

**California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
June 30, 2015	\$ 20,875	\$ (20,875)	\$ -	\$ 424,412	4.92%
June 30, 2016	38,615	(38,615)	-	582,783	6.63%
June 30, 2017	42,801	(42,801)	-	516,990	8.28%
June 30, 2018	46,255	(46,255)	-	614,578	7.53%
June 30, 2019	53,120	(53,120)	-	634,906	8.37%
June 30, 2020	58,492	(58,492)	-	515,742	11.34%
June 30, 2021	62,506	(62,506)	-	513,732	12.17%

**Notes to Schedule:**

<b>Fiscal Year</b>	<b>Valuation Date</b>	<b>Actuarial Cost Method</b>	<b>Asset Valuation</b>	<b>Inflation</b>	<b>Investment Rate of Return</b>
June 30, 2015	June 30, 2013	Entry Age	Market Value	2.75%	7.65%
June 30, 2016	June 30, 2014	Entry Age	Market Value	2.75%	7.65%
June 30, 2017	June 30, 2015	Entry Age	Market Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Market Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Market Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Market Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Market Value	2.50%	7.15%

<b>Amortization Method</b>	Level percentage of payroll, closed
<b>Salary Increases</b>	Depending on age, service, and type of employment
<b>Investment Rate of Return</b>	Net of pension plan investment exp
<b>Retirement Age</b>	Miscellaneous – 2.0%@55 and 2.0%@62
<b>Mortality</b>	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

\*Fiscal year 2015 was the first implementation year; therefore, only seven years are shown.

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***Other Independent Auditors' Report***

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

Board of Directors  
Gold Ridge Resource Conservation District  
Sebastopol, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and general fund of Gold Ridge Resource Conservation District as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Gold Ridge Resource Conservation District's basic financial statements, and have issued our report thereon dated January 15, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Gold Ridge Resource Conservation District's internal control over financial reporting (internal control) as a basis for designing audit procedures to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Gold Ridge Resource Conservation District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Gold Ridge Resource Conservation District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Gold Ridge Resource Conservation District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Walnut Creek, California  
January 15, 2022