

**NEVADA COUNTY
RESOURCE CONSERVATION DISTRICT**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
for the year ended June 30, 2017**

ROBERT W. JOHNSON
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Nevada County Resource Conservation District
Grass Valley, California

Report on the Financial Statements

We have audited the accompanying financial statements of Nevada County Resource Conservation District, as of and for the year ended June 30, 2017, as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 and the State Controller's Minimum Audit Requirements for California Special Districts. 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nevada County Resource Conservation District as of June 30, 2017, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State Regulations governing Special Districts.

Other-Matters

Required Supplementary Information

The Management's Discussion and Analysis is not a required part of the financial statements but is supplemental information required by the Government Auditing Standards Board. Management has elected to omit the Management's Discussion and Analysis.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Robert W. Johnson, An Accounting Corporation

Citrus Heights, California
September 5, 2017

NEVADA COUNTY RESOURCE CONSERVATION DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
June 30, 2017

ASSETS AND DEFERRED OUTFLOWS	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash (Note 3)	\$ 560,656	\$ -	\$ 560,656
Accounts receivable	-	-	-
Capital assets (Note 4)	-	38,541	38,541
Less, accumulated depreciation	-	(9,989)	(9,989)
Deferred outflows (Note 5)	<u>-</u>	<u>36,781</u>	<u>36,781</u>
Total assets and deferred outflows	<u>\$ 560,656</u>	<u>\$ 65,333</u>	<u>\$ 625,989</u>
LIABILITIES AND DEFERRED INFLOWS			
Accounts payable	\$ 2,721	\$ -	\$ 2,721
Accrued payroll taxes	2,973	-	2,973
Accrued vacation	2,991	-	2,991
Net pension liability (Note 5)	-	37,761	37,761
Deferred inflows (Note 5)	<u>-</u>	<u>7,523</u>	<u>7,523</u>
Total liabilities and deferred inflows	<u>8,685</u>	<u>45,284</u>	<u>53,969</u>
FUND BALANCE/NET POSITION			
Fund balances (Note 7):			
Restricted	-	-	-
Committed	200,000	(200,000)	-
Unassigned	<u>351,971</u>	<u>(351,971)</u>	<u>-</u>
Total fund balances	<u>551,971</u>	<u>(551,971)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 560,656</u>		
Net position (Note 7):			
Net investment in capital assets		28,552	28,552
Unrestricted		<u>543,468</u>	<u>543,468</u>
		<u>\$ 572,020</u>	<u>\$ 572,020</u>

See notes to financial statements

NEVADA COUNTY RESOURCE CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
for the year ended June 30, 2017

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Program expenditures/expenses:			
Conservation services	\$ 247,566	\$(24,705)	\$ 222,861
Administrative	8,447	-	8,447
Capital outlay	-	-	-
Depreciation	<u>-</u>	<u>4,184</u>	<u>4,184</u>
Total program expenditures/expenses	<u>256,013</u>	<u>(20,521)</u>	<u>235,492</u>
Program revenues:			
Operating grants	-	-	-
Charges for services	<u>6,092</u>	<u>-</u>	<u>6,092</u>
Total program revenues	<u>6,092</u>	<u>-</u>	<u>6,092</u>
General revenues:			
Property taxes	233,433	-	233,433
Contributions	305	-	305
Interest income	<u>5,954</u>	<u>-</u>	<u>5,954</u>
Total general revenues	<u>239,692</u>	<u>-</u>	<u>239,692</u>
Excess of revenues over (expenditures)/ changes in net position	(10,229)	20,521	10,292
Beginning fund balances/ Net position	<u>562,200</u>	<u>(472)</u>	<u>561,728</u>
Ending fund balances/net position	<u>\$ 551,971</u>	<u>\$ 20,049</u>	<u>\$ 572,020</u>

See notes to financial statements

NEVADA COUNTY RESOURCE CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
for the year ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable) Variance</u>
Revenues:			
Property taxes	\$ 217,712	\$ 233,433	\$ 15,721
Merchandise sales	3,000	3,089	89
Interest income	4,000	5,954	1,954
Wildlife Project	1,000	305	(695)
Seminar income	500	980	480
Other income	<u>1,500</u>	<u>2,023</u>	<u>523</u>
Total revenues	<u>227,712</u>	<u>245,784</u>	<u>18,072</u>
Expenditures:			
Salaries	102,000	113,785	(11,785)
Payroll taxes	8,500	9,240	(740)
Group insurance	27,000	26,805	195
WC	1,200	841	359
CAL PERS	11,650	13,213	(1,563)
Miscellaneous	-	32	(32)
Supplies	200	117	83
Educational materials	1,000	163	837
Communications	1,600	1,527	73
Insurance and bonds	3,000	3,379	(379)
Maintenance equipment	500	89	411
Memberships	1,000	891	109
Office expenses	3,500	3,117	383
Professional services	15,000	13,830	1,170
Project expenses	100,000	35,931	64,069
Public and legal	200	-	200
Special events	10,000	11,839	(1,839)
Travel/training	500	-	500
Travel/conference	1,000	-	1,000
Travel general expense	1,000	609	391
Taxes and assessments	4,500	5,330	(830)
Wildlife project	1,000	486	514
Workshop expenses	3,300	9,295	(5,995)
Office equipment/maintenance	1,500	2,130	(630)
Merchandise costs	1,000	1,659	(659)

(continued)

See notes to financial statements

NEVADA COUNTY RESOURCE CONSERVATION DISTRICT
 STATEMENT OF REVENUES AND EXPENDITURES, continued
 BUDGET AND ACTUAL
 for the year ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	Favorable/ (Unfavorable) <u>Variance</u>
Advertising	\$ 3,500	\$ 1,705	\$ 1,795
Donation/contribution	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>303,650</u>	<u>256,013</u>	<u>47,637</u>
Excess of revenues (expenditures)	<u>\$ (75,938)</u>	<u>\$ (10,229)</u>	<u>\$ 65,709</u>

See notes to financial statements

NEVADA COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

1. Organization:

Nevada County Resource Conservation District (the "District") was established, pursuant to Division 9 of the California Public Resources Code. Since 1944, the District has worked with willing landowners, government agencies and other organizations to facilitate the conservation and restoration of Nevada County's and western Sierra County's natural resources. The District's vision is to educate and assist landowners and land managers to establish a balance between rural environment, a biologically diverse landscape, and a healthy economy for the community. The District's financial and administrative functions are governed by a five member Board of Directors appointed by the Nevada County Board of Supervisors.

The following in-kind materials and services are provided by the USDA/NRCS to the RCD:

- Office space
- Utilities
- Office equipment – copier, printers, fax and telephone
- Office supplies

2. Summary of Significant Accounting Policies:

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing GAAP for state and local government organizations. The District's significant accounting policies are described below.

Measurement Focus and Basis of Accounting

The District reports a *General Fund* that is used to account for all financial resources except those required or designated by the Board of Directors to be accounted for in another fund.

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 flow takes 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. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

NEVADA COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies (continued):

Measurement Focus and Basis of Accounting, continued

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. The District considers revenues to be available if they are collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues that are accrued include property taxes, interest income, and charges for current services. Revenues that are not accrued include permits and fines, forfeitures, and penalties, if applicable. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital assets are reported as expenditures in governmental funds. Proceeds of general long-term and capital assets are reported as other financing sources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Capital Assets

Capital assets are recorded at historical cost if purchased or constructed. Amortization of assets acquired under capital lease is included in depreciation. Equipment and building are depreciated using the straight-line method over their estimated useful lives, which range from three to forty years.

Budgets

In accordance with the provisions of Sections 13901 through 13906 of the California Health & Safety Code and other statutory provisions, commonly known as the Budget Act, the District prepares and legally adopts a final balanced budget for each fiscal year.

Compensated Absences

Vested or accumulated vacation that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability. Sick pay is not vested.

NEVADA COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies (continued):

Cash

The District maintains a cash balance with the Treasurer of Nevada County in an interest-bearing pooled investment account. All cash invested is within the State statutes.

Property Taxes

The District receives property taxes from Nevada County. Property taxes receivable are recorded in the fiscal year for which the tax is levied based on the assessed value as of September 1 of the preceding fiscal year. They become a lien on the first day of the year they are levied. Secured property tax is levied on September 1 and due in two installments, on November 1 and March 1. They become delinquent on December 10 and April 10, respectively. Unsecured property taxes are due on July 1, and become delinquent on August 31. The District elected to receive the property taxes from the County under the Teeter Bill Program. Under this Program, the District receives 100% of the levied property taxes in periodic payments, with the County assuming responsibility for delinquencies.

Use of Estimates

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

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) plans (Plans) and additions 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.

NEVADA COUNTY RESOURCE CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued

3. Cash:

The District had the following cash balances at June 30, 2017:

Petty cash		\$ 200
Checking		100
Cash with County – general	\$ 360,356	
– operating reserve	<u>200,000</u>	
		<u>560,356</u>
		<u>\$ 560,656</u>

4. Capital Assets:

Changes in capital assets for the year ended June 30, 2017 are as follows:

	Balance, beginning <u>of year</u>	<u>Additions</u>	<u>Disposals</u>	Balance, end of <u>year</u>
Vehicles & equipment	\$ <u>38,541</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>38,541</u>

NEVADA COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

5. Defined Benefit Retirement Plan:

Plan Description

The District contributes to the California Public Employees Retirement System (CalPERS), a cost sharing multiple-employer defined benefit pension plan. The District participates in the miscellaneous 2.5% at 55 risk pool. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public employers within the State of California. CalPERS require agencies with less than 100 active members in the plan to participate in the risk pool. All District permanent employees are eligible to participate in the System. Benefits vest after five years of service. A menu of benefits provision as well as other requirements is established by State Statutes within the Public Employees Retirement Law. The plan selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through District resolution. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, 95814.

Funding Policy

The Plan's provisions in effect at June 30, 2017 are summarized as follows:

Benefit formula	2.5% at 55
Benefit vesting schedule	5 years
Benefit payments	monthly for life
Retirement age	55+
Required employee contribution rates	8.0%
Required employer contribution rates	10.070%

NEVADA COUNTY RESOURCE CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued

5. Defined Benefit Retirement Plan, continued:

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 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.

For the year ended June 30, 2017, the contributions recognized as part of pension expense were as follows:

	<u>Miscellaneous</u>
Contributions – employer	\$ 12,563
Contributions – employee	\$ 9,039

A. *Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:*

As of June 30, 2017, the District reported net pension liability as follows:

Net pension liability	\$ <u>37,761</u>
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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 each of the Plans is measured as of June 30, 2016, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The District’s proportion 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.

NEVADA COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

5. Defined Benefit Retirement Plan, continued:

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumption	\$ -	\$ 3,818
Differences between expected and actual experiences	404	92
Net differences between projected and actual earnings on pension plan investment	19,873	3,613
Difference between actual and proportionate share	3,941	-
Pension contributions subsequent to measurement date	<u>12,563</u>	<u>-</u>
	<u>\$ 36,781</u>	<u>\$ 7,523</u>

\$12,563 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 ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2017	\$ 3,918
2018	3,918
2019	3,888
2020	4,971
2021	<u>-</u>
	<u>\$ 16,695</u>

NEVADA COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

5. Defined Benefit Retirement Plan, continued:

Actuarial Assumptions – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation date	June 30, 2015
Measurement date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount rate	7.5%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3%-14.2%
Investment Rate of Return	7.5%

Discount Rate – The discount rate used to measure the total pension liability was 7.5% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

NEVADA COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

5. Defined Benefit Retirement Plan, continued:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of 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 returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	<u>2.0%</u>	-0.55%	-1.05%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

NEVADA COUNTY RESOURCE CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued

5. Defined Benefit Retirement Plan, continued:

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.65%
Net Pension Liability	\$ 58,831
Current Discount Rate	7.65%
Net Pension Liability	\$ 37,761
1% Increase	8.65%
Net Pension Liability	\$ 20,348

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

6. Risk of Loss

Nevada County Resource Conservation District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; and injuries to employees. During the 2017 fiscal year, the District purchased certain commercial insurance coverages to provide for these risks.

NEVADA COUNTY RESOURCE CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued

7. Equity:

General fund:

Total fund balances consist of:

Restricted		\$ -
Committed for operating reserve:		200,000
Unassigned:		<u>351,971</u>
		<u>\$ 551,971</u>

Statement of net position:

Total net position consist of:

Net investment in capital assets		\$ 28,552
Restricted		-
Unrestricted:		
Board designated:	\$ 200,000	
Undesignated:	<u>343,468</u>	<u>543,468</u>
		<u>\$ 572,020</u>

8. Subsequent Events:

Management has evaluated subsequent events through September 5, 2017, the date these June 30, 2017 financial statements were available to be issued.

SUPPLEMENTAL DATA

NEVADA COUNTY RESOURCE CONSERVATION DISTRICT
PRINCIPAL OFFICIALS

Board of Directors:

Susan Hoek	President
David Barhydt	Vice-President
Jim Drew	Director
Robert Ingram	Director
Patti Kiehl	Director

Operations:

Janet Blake	Executive Director
Sabrina Nicholson	Administrative Assistant

NEVADA COUNTY RESOURCE CONSERVATION DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET
 PENSION LIABILITY
 As of June 30, 2017
 Last 10 years (1)

	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability	.00109%	.00113%
Proportionate share of the net pension liability	\$ 37,761	\$ 30,922
Covered – employee payroll	\$ 112,991	\$ 107,779
Proportionate Share of the net pension liability as percentage of covered-employee payroll	33.419%	28.690%
Plan's fiduciary net position	\$ 159,483	\$ 143,937
Plan fiduciary net position as a percentage of the total pension liability	80.86%	82.32%

Notes to Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.

Changes in assumptions: None

(1) Fiscal year 2016 was the 1st year of implementation, therefore only two years are shown.

NEVADA COUNTY RESOURCE CONSERVATION DISTRICT
SCHEDULE OF CONTRIBUTIONS FOR PENSIONS

As of June 30, 2017

Last 10 years (1)

	<u>2016</u>
Contractually required contribution (actuarially determined)	\$ 37,429
Contributions in relation to the actuarially determined contributions	<u>(45,983)</u>
Contribution deficiency (excess)	<u>\$ (8,554)</u>
Covered – employee payroll	\$107,779
Contributions as a percentage of covered employee payroll	42.66%
Notes to Schedule:	
Valuation date:	6/30/2014

Methods and assumptions used to determine contribution rates:

Amortization method	Entry Age Normal Cost Method
Remaining amortization period	15 years
Asset valuation method	Market Value
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.5% Net of Pension Plan Investment and Admin. Expenses

(1) Fiscal year 2016 was the 1st year of implementation, therefore only one year is shown. Schedule of Contributions for pensions was not available for year end June 30, 2017.

NEVADA COUNTY RESOURCE CONSERVATION DISTRICT
 SCHEDULE OF CASH FLOWS
 for the year ending June 30, 2017

Cash flows from operating activities:

Change in net position (net income)		\$ 10,292
Adjustments to reconcile change in net position to net cash provided to operating activities		
Depreciation	\$ 4,184	
(Increase) decrease in:		
Accounts receivable	-	
Deferred outflows	(24,642)	
(Decrease) increase in:		
Accounts payable and accrued liabilities	(2,097)	
Deferred inflows	(6,902)	
Net pension liability	<u>6,839</u>	
		<u>(22,618)</u>
Net cash provided to operating activities		(12,326)
Cash flows from investing activities:		
Purchase of equipment		-
Cash flows from financing activities:		<u>-</u>
Net decrease in cash		(12,326)
Cash at beginning of year		<u>572,982</u>
Cash at end of year		<u>\$ 560,656</u>