

**SLOUGHHOUSE
RESOURCE CONSERVATION
DISTRICT**

**FINANCIAL STATEMENTS
and
INDEPENDENT AUDITOR'S REPORT
For the Years Ended
June 30, 2022 and 2021**

SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT

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Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Sloughhouse Resource Conservation District
Elk Grove, CA

Opinion

We have audited the accompanying financial statements for the years ended June 30, 2022, and 2021 and the related notes to the financial statements, which collectively comprise the Sloughhouse Resource Conservation District's, basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Sloughhouse Resource Conservation District, as of June 30, 2022 and 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 District*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Sloughhouse Resource Conservation District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sloughhouse Resource Conservation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Sloughhouse Resource Conservation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sloughhouse Resource Conservation District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-7 and budgetary comparison information on pages 18-19 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.


Blomberg & Griffin A.C.
Stockton, CA
January 18, 2023

SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022 and 2021

The following is a discussion of Sloughhouse Resource Conservation District's (the District) financial performance providing an overview of the activities for the fiscal years ended June 30, 2022 and 2021. Readers are encouraged to consider the information presented here in conjunction with the District's financial statements, which follow this section.

The following summarizes the District's financial highlights for the years ended June 30, 2022 and 2021:

- In total, government-wide net position was \$565,688 and \$574,522.
- General revenues accounted for \$340,384 and \$129,872 or 100 percent for both years.
- Total government-wide assets were \$584,025 and \$576,837. Cash and cash equivalents were \$581,715 and \$574,939 net capital and other assets totaled \$2,310 and \$1,898.
- Total program expenses were \$349,218 and \$160,124.

Overview of Financial Statements

This annual report consists of three parts: management's 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.

The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the government-wide statements.

The fund financial statements are composed of:

- Governmental fund statements, which tell how basic services were financed in the short-term, as well as what remained for future spending.

The Statement of Net Position and the Statement of Activities

The statement of net position and statement of activities report information about the District as a whole and its activities. These statements include all assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022 and 2021

Overview of Financial Statements (Continued)

The Statement of Net Position and the Statement of Activities (Continued)

These two statements report the District's net position and changes in them. Net position is the difference between assets and liabilities, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To assess the overall health of the District, you need to consider additional non-financial factors including the condition of the District's buildings and other facilities.

Reporting the District's Most Significant Funds

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 record specific sources of funding and spending on particular programs:

- Some funds are required by law and covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that certain revenues have been properly used.

Governmental Funds

Most of the District's basic services are reported in governmental funds which generally focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using modified accrual accounting, which measures cash, and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statement, we provide additional information of the governmental fund statements that explain the relationship (or differences) between them.

**SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022 and 2021**

District Financial Statements

The statement of net position includes all the District's assets and liabilities and provides information about the nature and amount of investments in resources and the obligation to creditors. This statement provides the basis for evaluating the capital structure and assessing the liquidity and the financial flexibility of the District.

A summary of the District's Statement of Net Position and Statement of Activities are presented as follows:

<u>Condensed Statement of Net Position</u>			
	June 30, 2022	June 30, 2021	Percentage Change
Current and Other Assets	\$ 584,025	\$ 576,837	1.25%
Capital Assets - Net	-	-	0.00%
Total Assets	584,025	576,837	1.25%
Liabilities	18,337	2,315	692.10%
Net Position			
Invested in Capital Assets	-	-	0.00%
Restricted	38,630	38,630	0.00%
Unrestricted	527,058	535,892	-1.65%
Total Liabilities and Net Position	\$ 584,025	\$ 576,837	1.25%
	June 30, 2021	June 30, 2020	Percentage Change
Current and Other Assets	\$ 576,837	\$ 605,811	-4.78%
Capital Assets	-	-	0.00%
Total Assets	576,837	605,811	-4.78%
Liabilities	2,315	1,037	123.24%
Net Position			
Invested in Capital Assets	-	-	0.00%
Restricted	38,630	38,630	0.00%
Unrestricted	535,892	566,144	-5.34%
Total Liabilities and Net Position	\$ 576,837	\$ 605,811	-4.78%

**SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022 and 2021**

District Financial Statements (Continued)

Condensed Statement of Activities

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Revenues	\$ 340,384	\$ 129,872	\$ 210,512	162.09%
Expenses	<u>(349,218)</u>	<u>(160,124)</u>	<u>(189,094)</u>	<u>118.09%</u>
Increase (Decrease) in Net Position	(8,834)	(30,252)	21,418	-70.80%
Net Position - Beginning of Year	<u>574,522</u>	<u>604,774</u>	<u>(30,252)</u>	<u>-5.00%</u>
Net Position - End of Year	<u><u>\$ 565,688</u></u>	<u><u>\$ 574,522</u></u>	<u><u>\$ (8,834)</u></u>	<u><u>-1.54%</u></u>
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Revenues	\$ 129,872	\$ 122,372	\$ 7,500	6.13%
Expenses	<u>(160,124)</u>	<u>(161,354)</u>	<u>1,230</u>	<u>-0.76%</u>
Increase (Decrease) in Net Position	(30,252)	(38,982)	8,730	-22.39%
Net Position - Beginning of Year	<u>604,774</u>	<u>643,756</u>	<u>(38,982)</u>	<u>-6.06%</u>
Net Position - End of Year	<u><u>\$ 574,522</u></u>	<u><u>\$ 604,774</u></u>	<u><u>\$ (30,252)</u></u>	<u><u>-5.00%</u></u>

During the fiscal year ended June 30, 2022, the District's revenues increased by 162.09% primarily due to charges for services. During the fiscal year ended June 30, 2021, the District's revenues increased by 6.13% due to increase in tax revenue.

**SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022 and 2021**

Discussion of Operations:

The District's revenues are generated primarily by taxes. The District receives taxes levied from the County of Sacramento. The District is involved in many projects such as conserving soil, conserving water quality, land use of the Sloughhouse area. The primary purpose is to provide technical assistance and guidance on natural resource and agricultural issues in the District.

Capital Debt:

At June 30, 2022 and 2021, the District had no bonds outstanding. The District has no expected need for future capital debt.

Economic Factors:

For the fiscal years ended June 30, 2022 and 2021, the District shows an increase (decrease) in net position of \$(8,834) and \$(30,252). Net position increased (decreased) by (1.54%) and (5.00%) in the fiscal years ended June 30, 2022 and 2021.

Contacting the District's Financial Management:

This financial report is designed to provide an overview of the District's finances and demonstrate the District's commitment to public accountability for the monies it receives. If you have any questions about the report or would like to request additional information, please contact Sloughhouse Resource Conservation District 8698 Elk Grove Blvd. Suite 1-207, Elk Grove, CA 95624.

SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT
Statement of Net Position and Governmental Funds Balance Sheet
June 30, 2022

ASSETS	General Fund	Adjustments	(1)	Statement of Net Position
Current Assets				
Cash	\$ 581,715	\$ -		581,715
Interest Receivable	1,934	-		1,934
Prepaid Insurance	376	-		376
Total Current Assets	584,025	-		584,025
Non-Current Assets				
Land	-	-		-
Equipment	-	6,319		6,319
Accumulated Depreciation	-	(6,319)		(6,319)
Total Non-Current Assets	-	-		-
Total Assets	\$ 584,025	\$ -		\$ 584,025
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 17,967	\$ -		\$ 17,967
Other Payables	370	-		370
Total Current Liabilities	18,337	-		18,337
FUND BALANCE				
Nonspendable	376	(376)		-
Committed	38,630	(38,630)		-
Unassigned	526,682	(526,682)		-
Total Fund Balance	565,688	(565,688)		-
NET POSITION				
Invested in Capital Assets, net of related debt		-		-
Restricted		38,630		38,630
Unrestricted		527,058		527,058
Total Net Position		\$ 565,688		565,688
Total Liabilities and Fund Balance/Net Position	\$ 584,025			\$ 584,025

(1) When capital assets (land, building and improvements) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets in the District as a whole.

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

SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT
Statement of Net Position and Governmental Funds Balance Sheet
June 30, 2021

ASSETS	<u>Balance Sheet</u>	<u>Adjustments</u> (1)	<u>Statement of Net Position</u>
Current Assets			
Cash	\$ 574,939	\$ -	\$ 574,939
Interest Receivable	1,527	-	1,527
Prepaid Insurance	371	-	371
	<u>576,837</u>	<u>-</u>	<u>576,837</u>
Non-Current Assets			
Equipment	-	6,319	6,319
Accumulated Depreciation	-	(6,319)	(6,319)
	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Assets	<u>576,837</u>	<u>-</u>	<u>576,837</u>
Total Assets	<u>\$ 576,837</u>	<u>\$ -</u>	<u>\$ 576,837</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,945	\$ -	\$ 1,945
Other Payables	370	-	370
	<u>2,315</u>	<u>-</u>	<u>2,315</u>
Total Current Liabilities	<u>2,315</u>	<u>-</u>	<u>2,315</u>
FUND BALANCES			
Nonspendable	371	(371)	-
Committed	38,630	(38,630)	-
Unassigned	535,521	(535,521)	-
	<u>574,522</u>	<u>(574,522)</u>	<u>-</u>
Total Fund Balances	<u>574,522</u>	<u>(574,522)</u>	<u>-</u>
NET POSITION			
Invested in Capital Assets, net of related debt		-	-
Restricted		38,630	38,630
Unrestricted		535,892	535,892
		<u>574,522</u>	<u>574,522</u>
Total Net Position		<u>\$ 574,522</u>	<u>574,522</u>
Total Liabilities and Fund Balances/Net Position	<u>\$ 576,837</u>		<u>\$ 576,837</u>

(1) When capital assets (land, building and improvements) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets in the District as a whole.

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

SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT

Statement of Activities and Governmental Funds Revenue,

Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2022

REVENUES	General Fund	Adjustments	Statement of Net Position
Taxes Levied	\$ 152,157	\$ -	\$ 152,157
Charges for Services	\$ 149,413		149,413
Interest	3,489	-	3,489
Miscellaneous	35,325	-	35,325
Total Revenues	340,384	-	340,384
EXPENDITURES			
General Government			
Office Supplies	20,554	-	20,554
Conference	946	-	946
Dues & Subscriptions	471	-	471
Assessment Collection Service	1,493	-	1,493
Insurance	2,249	-	2,249
Training	983	-	983
Professional Fees	21,801	-	21,801
Other Operating Expenses Services	11,124	-	11,124
Personnel Service	83,768	-	83,768
Accounting Services	5,950	-	5,950
Miscellaneous	93,519	-	93,519
Legal Services	89,478	-	89,478
GS Mail/Postage	16,882	-	16,882
Total Expenditures	349,218	-	349,218
NON-OPERATING REVENUES			
Sale of Assets Revenue	-	-	-
Excess of Expenditures over Revenues	(8,834)	8,834	-
Change in Net Position	-	(8,834)	(8,834)
Net Position - Beginning of Year	574,522	-	574,522
Net Position - End of Year	\$ 565,688	\$ -	\$ 565,688

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

SLOUHOUSE RESOURCE CONSERVATION DISTRICT

Statement of Activities and Governmental Funds Revenue,

Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2021

REVENUES	General Fund	Adjustments	Statement of Net Position
Taxes Levied	\$ 124,445	\$ -	\$ 124,445
Miscellaneous	\$ 1,600	-	1,600
Interest	3,827	-	3,827
Total Revenues	<u>129,872</u>	<u>-</u>	<u>129,872</u>
EXPENDITURES			
General Government			
Office Supplies	3,841	-	3,841
Conference	4,374	-	4,374
Dues & Subscriptions	845	-	845
Assessment Collection Service	1,424	-	1,424
Insurance	2,223	-	2,223
Training	-	-	-
Personnel Seviles	65,262	-	65,262
Other Operating Expenses Services	8,503	-	8,503
Legal Services	66,899	-	66,899
Benefit Admin Services	5,490	-	5,490
Other Operating Expenses Supplies	-	-	-
GS Mail/Postage	1,263	-	1,263
Total Expenditures	<u>160,124</u>	<u>-</u>	<u>160,124</u>
NON-OPERATING REVENUES			
Sale of Assets Revenue			
Excess of Revenues over Expenditures	(30,252)	30,252	-
Change in Net Position	-	(30,252)	(30,252)
Net Position - Beginning of Year	<u>604,774</u>	<u>-</u>	<u>604,774</u>
Net Position - End of Year	<u>\$ 574,522</u>	<u>\$ -</u>	<u>\$ 574,522</u>

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

SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT

Notes to the Financial Statements

June 30, 2022 and 2021

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity. The Sloughhouse Resource Conservation District was established in April 1956 to address the soil and water conservation and land use problems of the Sloughhouse area. The primary purpose is to provide technical assistance and guidance on natural resource and agricultural issues in the District.

Basis of Presentation

Government-wide financial statements - statement of net position and statement of activities - display information about Sloughhouse Resource Conservation District. These statements include the financial activities of the primary government. The middle column of these financial statements reconciles the two other columns and is due to the original cost of the land which was expensed in the year of purchase by the fund, but capitalized for GAAP financial statements.

The government-wide statements are prepared using the economic resources measurement focus. This is the approach used in the preparation of the proprietary fund financial statements.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or active program of Sloughhouse Resource Conservation District's governmental activities. Direct expenses are those that are specifically associated with a service or program and are therefore clearly identified to a particular function. Program revenues include grants that are restricted to meeting the operations of a particular program. Revenues which are not classified as program revenues are presented as general revenues of Sloughhouse Resource Conservation District. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or function is self-financing or draws from the general revenues of Sloughhouse Resource Conservation District.

Basis of Accounting

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental fund financial statements use the modified accrual basis of accounting. The modified revenues are recognized in the accounting period in which they become both measurable and available to financial expenditures of the current fiscal period. "Measurable" means the amount of the transaction that can be determined.

SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT

Notes to the Financial Statements

June 30, 2022 and 2021

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

“Available” is defined as collectible within the current period or soon enough thereafter to pay liabilities for the current period. Sloughhouse Resource Conservation District defines “available” as collectible within the current period or within ninety days after fiscal year end, depending on the revenue source. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received, or services rendered).

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 disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Capital Assets

Capital assets, recorded at historical cost or estimated historical cost if actual historical cost is not available, are reported in the governmental activities’ column of the government-wide financial statements. Contributed fixed assets are valued at their estimated fair market value. Capital assets include land, buildings, building improvements, and equipment.

The cost of normal maintenance and repairs which do not add to the value of the asset or materially extend asset’s lives are not capitalized. Depreciation is recorded in the government-wide financial statements on the straight-line basis over the useful life of the assets as follows:

<u>Assets</u>	<u>Useful Life</u>
Buildings	30 years
Building Improvements	10-20 years
Site Improvements	10-20 years
Equipment and Machinery	5-20 years

Note 2 BUDGETARY INFORMATION

Under Section 53065 of the California Government Code, District, whose governing body is the County Board of Supervisors, or for which the County Fiscal Officers are ex-officio officers of the District, are not subject to the budget provisions of Government Code Section 29000-29143.

SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT

Notes to the Financial Statements

June 30, 2022 and 2021

Note 3 CASH

Sloughhouse Resource Conservation District’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of less than one year from the date of acquisition. The cash balance as of June 30, 2022, was \$581,715. The cash balance as of June 30, 2021, was \$574,939.

Note 4 ADJUSTMENTS BETWEEN GOVERNMENT FUND STATEMENTS AND STATEMENT OF NET POSITION AND ACTIVITIES

The adjustment consists of assets capitalized in the government-wide financial statements but expensed in the governmental funds.

Note 5 CAPITAL ASSETS

Capital assets are those purchased or acquired with an original cost of \$5,000 or more and are reported at historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other cash outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Depreciation, if any, on all assets is provided on a straight-line basis.

As of June 30, 2022, and 2021 Sloughhouse Resource Conservation District’s capital assets are as follows:

	Beginning Balance	Asset Additions/ Deletions	Accumulated Depreciation	Ending Balance
<u>June 30, 2022</u>				
Equipment	6,319	-	-	6,319
Accumulated Depreciation	(6,319)	-	-	(6,319)
Total Capital Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>June 30, 2021</u>				
Equipment	6,319	-	-	6,319
Accumulated Depreciation	(6,319)	-	-	(6,319)
Total Capital Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT

Notes to the Financial Statements

June 30, 2022 and 2021

Note 6 RISK MANAGEMENT

Sloughhouse Resource Conservation District is exposed to various risks of loss related to torts, thefts of, damages to, and destruction of assets; errors and omissions; and natural disasters. The Sloughhouse Resource Conservation District board purchases commercial insurance for general liability.

Note 7 CONCENTRATION OF RISK

Sloughhouse Resource Conservation District receives substantially all of its revenues from taxes levied.

Note 8 COMMITMENTS AND CONTINGENCIES

Sloughhouse Resource Conservation District has received state, federal, and local funds for specific purposes that are subject to review and audit by grantor agencies. Although such audits could generate expenditure disallowance under terms of the grants and contracts, it is management's opinion that any required reimbursement would not be material. In addition, continued operation of the District is dependent on the level of funding from federal, state, and local agencies.

Note 9 FUND BALANCE

The District has adopted the provisions of GASB Statement No. 54 Fund Balance and Governmental Fund Type Definitions. GASB 54 establishes Fund Balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Governmental Fund statements conform to this new classification. The Fund Financial Statements consist of Non-spendable, Restricted, Committed, Assigned, and Unassigned amounts as described below:

Non-Spendable: Items that cannot be spent because they are not in spendable form, such as prepaid items or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan fund.

Restricted: Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments, as well as restrictions imposed by law through constitutional provision or enabling legislation.

SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT

Notes to the Financial Statements

June 30, 2022 and 2021

Note 9 FUND BALANCE (Continued)

Committed: Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making (normally the governing body) and that remain binding unless removed in the same manner. As of June 30, 2022, the District committed fund balance was \$38,630. As of June 30, 2021, the District committed fund balance was \$38,630.

Assigned: Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose.

Unassigned: This category is for any balances that have no restrictions placed upon them.

The District established the following policies relating to its fund balance classifications.

1. Committed Fund Balances

- *Highest Level of Decision-Making Authority* – the Board of Directors of the District are acknowledged as the highest level of decision-making authority in terms of establishing fund balance classifications and creating committed fund balances.
- *Formal Action Required* – the Board shall have the authority to establish, modify, or rescind committed fund balances by Resolution, where appropriate, passed by a majority vote.
- *Timing* – the Board will take formal action to commit any resources as soon as possible upon determining its desire to take such action, but no later than June 30 of the fiscal year in which it applies in order for the action to be valid for the presentation of the annual report.

2. Assigned Fund Balances

- *Approval Authority* – the Board has not delegated the authority to assign fund balance amounts.

3. Expenditure of Funds – Order of Expenditure

- *Restricted and Unrestricted Funds* – when expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District shall consider that restricted funds shall be spent first until such funds are exhausted, at which time committed, assigned, or unassigned funds will be used.

SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT

Notes to the Financial Statements

June 30, 2022 and 2021

Note 9 FUND BALANCE (Continued)

- *Committed, Assigned, or Unassigned Funds* – when an expenditure is incurred where there are no restricted funds available, and for which committed and assigned fund balances are available, the District shall exhaust unassigned funds first unless the board determines the use of available assigned or committed fund balances is appropriate.

Note 10 OPERATING LEASE REVENUE

The District sold the rental property in early 2014 and no longer receives rental income.

Note 11 SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 18, 2023, the date these financial statements were available for release

SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT

Budget Comparison Schedule

For the Year Ended June 30, 2022

	<u>Final/ Original Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES			
Taxes Levied	\$ 107,600	\$ 152,157	\$ 44,557
Charges for Services	-	\$ 149,413	\$ 149,413
Interest	4,000	3,489	(511)
Miscellaneous	<u>154,874</u>	<u>35,325</u>	<u>(119,549)</u>
Total Revenues	<u>266,474</u>	<u>340,384</u>	<u>73,910</u>
EXPENDITURES			
Accounting Services	3,000	5,950	(2,950)
Office Supplies	3,000	20,554	(17,554)
Conference	4,000	946	3,054
Dues & Subscriptions	946	471	475
Assessment Collection Services	1,250	1,493	(243)
GS Mail Postage Charges	500	16,882	(16,382)
Insurance	2,500	2,249	251
Training	2,000	983	1,017
Professional Fees	10,000	21,801	(11,801)
Personnel Services	103,000	83,768	19,232
Legal Services	40,000	89,478	(49,478)
Other Operating Expenses Services	18,000	11,124	6,876
Miscellaneous	<u>193,530</u>	<u>93,519</u>	<u>100,011</u>
Total Expenditures	<u>381,726</u>	<u>349,218</u>	<u>32,508</u>
Excess of Revenues Over Expenditures	<u>\$ (115,252)</u>	(8,834)	<u>\$ 106,418</u>
Fund Balance - Beginning of Year		<u>574,522</u>	
Fund Balance - End of Year		<u>\$ 565,688</u>	

SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT

Budget Comparison Schedule
For the Year Ended June 30, 2021

	<u>Final/ Original Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES			
Taxes Levied	\$ 97,150	\$ 124,445	\$ 27,295
Interest	4,000	3,827	(173)
Miscellaneous Revenue	-	1,600	1,600
Total	<u>101,150</u>	<u>129,872</u>	<u>28,722</u>
EXPENDITURES			
Accounting Services	9,000	-	9,000
Office Supplies	3,000	3,841	(841)
Conference	4,000	4,374	(374)
Dues & Subscription	845	845	-
Assessment Collection Service	1,250	1,424	(174)
Gs Mail Postage Charge	500	1,263	(763)
Insurance	2,250	2,223	27
Training	2,000	-	2,000
Professional Fees	15,000	-	15,000
Other Operating Expenses Services	18,000	8,503	9,497
Legal Services	45,000	66,899	(21,899)
Benefits Admin Service	-	5,490	(5,490)
Personnel Services	67,080	65,262	1,818
Miscellaneous	2,000	-	2,000
Total Expenditures	<u>169,925</u>	<u>160,124</u>	<u>9,801</u>
Excess of Revenues Over Expenditures	<u>\$ (68,775)</u>	<u>(30,252)</u>	<u>\$ 38,523</u>
Fund Balance - Beginning of Year		<u>604,774</u>	
Fund Balance - End of Year		<u>\$ 574,522</u>	