

***Alpine Village-Sequoia Crest
Community Service District***
Audited Financial Statements
June 30, 2023

Board of Directors/Administration

<u>Member</u>	<u>Position</u>
Chuck Roudebush	President
Gerald Jackson	Vice President
Keith McIver	Member
Timothy Logan	Member
Steve Saso	Member
Ann Campbell	Secretary/General Manager

Alpine Village-Sequoia Crest Community Service District
Audited Financial Statements
Springville, California
June 30, 2023

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ADAIR & EVANS

an Accountancy Corporation

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Alpine Village-Sequoia Crest Community Service District

We have audited the accompanying basic financial statements of Alpine Village-Sequoia Crest Community Service District (the District), which comprise the statements of financial position as of June 30, 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents. The financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based upon our audit.

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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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. 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 amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Alpine Village-Sequoia Crest Community Service District, as of and for the years then ended June 30, 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Management has included the required budgetary comparison information this supplementary information contained in Schedule I as listed in the table of contents are presented for purposes of additional analysis. Although not a part of the basic financial statements it is required by the Governmental Accounting Standards Board. The budgetary comparison has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information contained in Schedules II through III as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. These activity summaries have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Adair & Evans

Tulare, California
November 10, 2023

Alpine Village-Sequoia Crest Community Service District

Governmental Funds Balance Sheet / Statement of Net Position

June 30, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	\$ 215,763	\$ 0	\$ 215,763
Total assets	<u>215,763</u>	<u>0</u>	<u>215,763</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>
Total assets and deferred outflows of resources	<u>\$ 215,763</u>	<u>\$ 0</u>	<u>\$ 215,763</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

LIABILITIES			
Accounts payable	\$ 2,952	\$ 0	\$ 2,952
Total liabilities	<u>2,952</u>	<u>0</u>	<u>2,952</u>
DEFERRED INFLOWS OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES / NET POSITION			
Unassigned	212,811	0	212,811
Total fund balances	<u>212,811</u>	<u>0</u>	<u>212,811</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 215,763</u>		
Net Position			
Unrestricted		<u>212,811</u>	<u>212,811</u>
Total net position		<u>\$ 212,811</u>	<u>\$ 212,811</u>
Total liabilities, deferred inflows and net position			<u>215,763</u>

Alpine Village-Sequoia Crest Community Service DistrictStatement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances / Statement of Activities
For the year ended June 30, 2023

	General Fund	Adjustments	Statement of Activities
REVENUES			
Property taxes, including penalties and interest	\$ 12,376	\$ 0	\$ 12,376
Fees and services	17,582	0	17,582
Interest	4,890	0	4,890
Total revenues	34,848	0	34,848
EXPENDITURES			
Professional and special fees	40,033	0	40,033
Insurance	5,534	0	5,534
Membership	215	0	215
Office expense	202	0	202
County admin fee	319	0	319
Miscellaneous	31	0	31
Total expenditures	46,334	0	46,334
DEFICIENCY OF REVENUES OVER EXPENDITURES	(11,486)	0	(11,486)
Change in net position		(11,486)	(11,486)
Fund balances / Net position, beginning of year	224,297	0	224,297
Fund balances / Net position, end of year	\$ 212,811	\$ 0	\$ 212,811

Alpine Village-Sequoia Crest Community Service District

Notes to the Audited Financial Statements

June 30, 2023

NOTE 1 – Summary of Significant Accounting Policies

Nature of Activities – Alpine Village-Sequoia Crest Community Service District (the District) operates as a special district of the State of California. It is located in the southeastern portion of the Central Valley. The District was organized to provide snow removal to residents of the mountain communities of Alpine Village and Sequoia Crest, County of Tulare, and State of California, by contracting with Tulare County Resource Management Agency. The District is governed by a board of directors.

Reporting Entity – The District's basic financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39. Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB statements.

Government-Wide and Fund Financial Statements – The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District's nonfiduciary activities with all interfund activities removed. Governmental activities are snow removal supported primarily by property assessments and property taxes. The District has no business type activities that rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function.

Fund Accounting – The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District's operations are accounted for by a governmental general fund. Classification of Fund Balance includes the following items:

Nonspendable - resources that are not in spendable form or required to be maintained.

Restricted - resources are subject to externally enforceable legal restrictions; these restrictions are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed - resources are constrained to specific purposes by formal action of the Board of Directors such as an ordinance or resolution, which are considered equally binding. The constraint remains binding unless removed in the same formal manner by the Board. Board action to commit fund balance must occur within the fiscal reporting period while the amount committed may be determined subsequently.

Assigned - amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. Upon action by the Board, the General Manager is authorized to assign amounts to be used for specific purposes.

Alpine Village-Sequoia Crest Community Service District

Notes to the Audited Financial Statements

June 30, 2023

NOTE 1 – Summary of Significant Accounting Policies (continued)

Fund Accounting – (continued)

Unassigned - any residual positive net resources of the General Fund in excess of those portions of fund balance classified in one of the other four categories of fund balance.

Basis of Accounting – The District maintains its accounts on an accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the related liabilities are incurred, regardless of the timing of related cash flows. The District has adopted Governmental Accounting Standards Board (GASB) Statement number 63, *Financial Reporting on Deferred Outflow of Resources, Deferred Inflow of Resources, and Net Position*. The objective of this statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial positions.

Operating and Non-Operating Revenues – The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Principal operating revenues of the District are charges to customers for snow removal. Operating expenses for the District include supplies and other services and insurance premiums. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgetary Procedures – The District operates under a budget prepared and approved annually by the Board of Directors. The budget is prepared on a detailed line-item basis. Revenues are budgeted by source, and expenses are budgeted by use (services and supplies, other charges, and contingencies). Once approved, the Board of Directors may amend the adopted budget when unexpected modifications are required in estimated revenues and expenses.

Cash & Cash Equivalents – The District maintains its funds in the Tulare County investment pool.

Net Position – Governmental Accounting Standard Board Statement (GASBS) No. 63, requires the classification of net position into three components – invested in capital assets, net of related debt; restricted, and unrestricted. These classifications are defined as follows:

Invested in capital assets, net of related debt – This component of net position consists of capital assets, net of accumulated depreciation reduced by the outstanding debt balances, net of unamortized debt expenses, unspent debt proceeds, and deferred inflows of resources related to the acquisition, construction, or improvement of the capital assets.

Restricted – Resources are subject to externally enforceable legal restrictions; these restrictions are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unassigned – Any residual positive net resources of the General Fund in excess of those portions of fund balance classified in one of the other two categories of fund balance.

Alpine Village-Sequoia Crest Community Service District

Notes to the Audited Financial Statements

June 30, 2023

NOTE 1 – Summary of Significant Accounting Policies (continued)

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenue, and expenses as of and for the periods presented. Actual results could differ from those estimates.

Property Taxes – Secured property taxes attach an enforceable lien on property as of January 1. Taxes are levied from July 1 through June 30. Taxes are payable in two installments; November 1 and February 1 and are collected December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County of Tulare bills and collects property taxes and remits them to the District in installments during the year.

Income Tax Status – The District is a special district and considered a government agency for income tax purposes and therefore is not subject to income tax.

Contingent Liabilities – There were no significant contingent liabilities at the end of the fiscal year.

Risk Management – The District has purchased commercial insurance policies for various risks of loss related to torts, theft, damage or destruction of assets and wrongful acts. Payments of premiums for these policies are recorded as an expense of the District. Insurance settlements have not exceeded insurance coverage in any of the past three years. There are no significant reductions in coverage compared to the prior year.

Subsequent Events – Subsequent events have been evaluated through November 10, 2023, which is the date the financial statements were available to be issued.

NOTE 2 – Cash & Cash Equivalents

Cash & cash equivalents were classified as follows at June 30, 2023:

	General Fund
Cash in Tulare County Treasury	\$ 215,763
Total cash & cash equivalents	<u>\$ 215,763</u>

Cash & cash equivalents were classified as follows at June 30, 2023:

	General Fund
Unrestricted	\$ 215,763
Total cash & cash equivalents	<u>\$ 215,763</u>

SUPPLEMENTARY INFORMATION

Alpine Village-Sequoia Crest Community Service DistrictSupplementary Information
For the year ended June 30, 2023**SCHEDULE I - Budgetary Comparison Schedule**

	General Fund		Variance- Favorable (Unfavorable)
	Budget GAAP Basis	Actual GAAP Basis	
REVENUES			
Property taxes, including penalties and interest	\$ 10,200	\$ 12,376	\$ 2,176
Fees and services	18,724	17,582	(1,142)
Use of money, interest	1,800	4,890	3,090
Total revenues	30,724	34,848	4,124
EXPENDITURES			
Professional and special fees	46,324	40,033	6,291
Insurance	2,900	5,534	(2,634)
Membership	200	215	(15)
Office expense	200	202	(2)
County admin fee	600	319	281
Miscellaneous	500	31	469
Contingencies	4,600	0	4,600
Total expenditures	55,324	46,334	8,990
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	(24,600)	(11,486)	\$ 13,114
Net change in position	\$ (24,600)	(11,486)	
Fund balance, beginning of year		224,297	
Fund balance, June 30		\$ 212,811	

See independent auditors' report

Alpine Village-Sequoia Crest Community Service District

Supplementary Information
For the year ended June 30, 2023

SCHEDULE II - Property Tax Revenues

Current secured taxes	\$ 11,312
Current unsecured taxes	738
Prior year's taxes	259
Homeowners' property tax relief	<u>67</u>
Total property tax revenues	<u>\$ 12,376</u>

SCHEDULE III - Services and Fees Revenues

Snow Removal Assessments	<u>\$ 17,582</u>
Total fees and services revenue	<u>\$ 17,582</u>