

SAN
MATEO
COUNTY

RESOURCE
CONSERVATION
DISTRICT

625 Miramontes St., Ste. 103
Half Moon Bay, CA 94019-1942
(650) 712-7765 * Fax 726-0494

RESOLUTION NO. 2003-03

Adoption of a Audit Selection Process

Whereas, the San Mateo County Resource Conservation District, a Special District organized under Division 9 of the California Public Resources Code with an original petition granted on July 1, 1939, and

Whereas, the San Mateo County Resource Conservation District is defined in Section 3501 of the Government Code as a public agency, and

Whereas, the San Mateo County Resource Conservation District as a public agency performs an annual audit of its books, accounts and financial records as required by Section 26909 of the Government Code, and

Whereas, the San Mateo County Resource District Board of Directors adopted Resolution 2003-02, on January 14, 2003, under Section 26909 of the Government Code, that allows a special district to replace the annual audit with a biennial audit covering a two year period, and

Whereas, the San Mateo County Resource Conservation District Board of Directors is desirous of adopting a policy on selection of an auditor,

NOW THEREFORE BE IT RESOLVED, that the San Mateo County Resource Conservation District Board of Directors hereby adopts the following two policy guidelines for district audits:

1. The San Mateo County Resource Conservation District Auditor will be selected through a Request For Proposal (RFP) process, and
2. If the Audit company selected maintains the District contract for more than three consecutive years, then the Audit company will rotate the accountant(s) performing the District audit within the Audit company.

ADOPTED by the Board of Directors of the San Mateo County Resource Conservation District at a regular meeting on March 6, 2003.



President, SMC RCD

MARCH 6, 2003
Date

*Partnering to Implement Conservation Practices and Promote Environmental Stewardship
on Public and Private Lands Since 1939*

www.sanmateorcd.org

info@sanmateorcd.org



C. G. UHLENBERG LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

ROBERT E. BARSANTI, C.P.A. PEGGY H. CHEN, C.P.A. JEFFREY J. IRA, C.P.A. KATHERINE CHAO, C.P.A. JULIET LIN, C.P.A.

January 16, 2002

Board of Directors
San Mateo County Resource
Conservation District

We have completed our accounting work on the District's financial statements for the year ended June 30, 2001.

We have printed out a Balance Sheet and Income Statement as of June 30, 2001 from your computer for the District as well and one for just the special grant funds. These can be printed out each month and included in the Board Packet.

Your in house accountant can provide this information. While working at the District we were able to complete the books and resolve various issues. In addition we have been providing training and guidance to your staff. However, we noted that the accounting is currently being performed on a laptop computer. This computer presented a number of problems with software compatibility and crashed a number of times. We strongly recommend that the District purchase a desktop computer for the accounting and upgrade all the software. When we started our engagement the District's books were last posted in February 2001 and the entries were not complete or accurate as of that date.

In order for the District to receive monthly financial information, the amount of accounting hours per month will need to be increased. This position needs to be more than the 15 hours allocated by the Board.

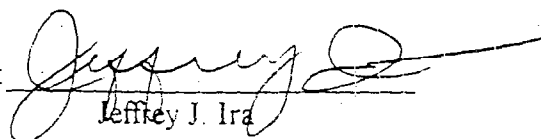
During our review of the EPA contract, we noted that the District is charging labor at \$55. We believe that this amount needs to be reviewed to ensure it is in compliance with the provisions allocable under OBM 87.

We wish to thank the District staff for their help and cooperation. If you have any questions, please give me a call.

Very truly yours,

C. G. UHLENBERG LLP

By:


Jeffrey J. Ira

10:42 AM

01/14/02

Accrual Basis

San mateo County Resource Conservation District
Balance Sheet
As of June 30, 2001

	<u>Jun 30, 01</u>
ASSETS	
Current Assets	
Checking/Savings	
Cash - County	37,207.80
Total Checking/Savings	<u>37,207.80</u>
Total Current Assets	37,207.80
Other Assets	
Security Deposit	1,300.00
Total Other Assets	<u>1,300.00</u>
TOTAL ASSETS	<u>38,507.80</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
A/P - Hrsebdg	1,969.86
A/P - Work Shop	1,686.79
Total Accounts Payable	3,656.65
Other Current Liabilities	
Employee Pension Benefit Pay.	550.00
Payroll Tax Payable	1,897.36
Total Other Current Liabilities	<u>2,447.36</u>
Total Current Liabilities	6,104.01
Total Liabilities	6,104.01
Equity	
FB - Reserved	17,392.85
Net Income	15,010.94
Total Equity	<u>32,403.79</u>
TOTAL LIABILITIES & EQUITY	<u>38,507.80</u>

10:41 AM

01/14/02

Accrual Basis

San Mateo County Resource Conservation District

Profit & Loss

July 2000 through June 2001

	<u>Jul '00 - Jun 01</u>
Ordinary Income/Expense	
Income	
Revenue - Property Tax	34,128.91
Total Income	<u>34,128.91</u>
Expense	
Admin Exp	498.00
Advertisement	1,708.35
Auto Expense	713.00
Conferences	0.00
Employee Pension Benefit	2,400.00
ERLB Exp	1,666.00
Insurance	3,387.64
Insurance - Workmen Comp	940.06
Meals & Entertainment	14.59
Memberships & Dues	1,796.00
Office Expense	1,140.60
Office Supplies	1,067.07
Outside Service	1,581.50
Payroll Expenses	63,955.30
Payroll Tax Exp.	6,022.61
Postage & Delivery	895.31
Professional & Legal fees	11,462.24
Rental Expense	14,861.00
Repair & Maintainance	2,865.75
Supplies	197.70
Telephone	2,076.30
Training	251.00
Utilities	348.33
Total Expense	<u>119,848.35</u>
Net Ordinary Income	-85,719.44
Other Income/Expense	
Other Income	
Interest Income	876.08
Misc. Income	2,169.81
Outside Ser Inc. - Hsebdg	3,983.72
Outside Ser. Inc - F & G	13,921.50
Outside Ser. Inc. - EPA	4,950.00
Outside Ser. Inc. - Pilar	45,236.25
Outside Ser. Inc. - RWQCB	3,810.12
Outside Ser. Inc. - W/S	17,033.90
Waterman Project	8,749.00
Total Other Income	<u>100,730.38</u>
Net Other Income	<u>100,730.38</u>
Net Income	<u><u>15,010.94</u></u>

10:53 AM

01/14/02

Accrual Basis

SMCRCD2
Balance Sheet
As of June 30, 2001

	<u>Jun 30, 01</u>
ASSETS	
Current Assets	
Checking/Savings	
Cash - Pilarcitos Petty	3,234.45
Cash - Pilarcitos 1	38,735.26
EPA - Cash	3.06
Total Checking/Savings	<u>41,972.77</u>
Accounts Receivable	
Wrkshp - A/R - Dist.	1,686.79
Total Accounts Receivable	<u>1,686.79</u>
Other Current Assets	
HSEBDG A/R - Dist.	1,969.86
Loan to County	3,500.00
Total Other Current Assets	<u>5,469.86</u>
Total Current Assets	<u><u>49,129.42</u></u>
TOTAL ASSETS	<u><u>49,129.42</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Deferred Revenue	39,378.65
HSEBDG .. Def Rev	1,969.86
Pilar A/P - DISTRICT	334.38
Total Other Current Liabilities	<u>41,682.89</u>
Total Current Liabilities	<u>41,682.89</u>
Total Liabilities	<u>41,682.89</u>
Equity	
FB - Reserved	6,421.58
Net Income	1,024.95
Total Equity	<u>7,446.53</u>
TOTAL LIABILITIES & EQUITY	<u><u>49,129.42</u></u>

10:49 AM

01/14/02

Accrual Basis

SMCRCD2
Profit & Loss
July 2000 through June 2001

	<u>Jul '00 - Jun 01</u>
Ordinary Income/Expense	
Income	
EPA - Grant Income	4,949.00
F&G - Grant Income	15,297.50
HSEBDG - Grant Income	3,983.72
Pilar - Grant Income	78,371.50
RWQCB - Grant Income	5,144.62
Wrkshp - Grant Revenue	15,593.08
Wrkshp - Participation Fee	1,150.00
Total Income	<u>124,489.42</u>
Expense	
EPA - Outside Service - Dist.	4,950.00
F&G - Outside Service -Dist.	13,921.50
F&G - Supp & Ser. Exp	1,376.00
HSEBSG - Outside Service - Dist	3,983.72
Outside Service - Other	32,506.47
Pilar - Bank Charges	80.00
Pilar - Meals	90.42
Pilar - Supplies & Service	450.88
Pilar Outside Ser.- District	45,236.25
Pilar. Outside Ser - Other	87.50
RWQCB - Outside Service	5,144.62
Wrkshp - Meals	300.33
Wrkshp - O/S	15,205.16
Wrkshp - Supplies & Service	1,237.57
Total Expense	<u>124,570.40</u>
Net Ordinary Income	-80.98
Other Income/Expense	
Other Income	
EPA - Int. Rev	4.06
Pilar - Interest Revenue	1,095.08
Wrkshp - Interest Revenue	6.79
Total Other Income	<u>1,105.93</u>
Net Other Income	<u>1,105.93</u>
Net Income	<u><u>1,024.95</u></u>



C. G. UHLENBERG LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

ROBERT E. BARSANTI, C.P.A. PEGGY H. CHEN, C.P.A. JEFFREY J. IRA, C.P.A. KATHERINE CHAO, C.P.A. JULIE T. LIN, C.P.A.

December 20, 2001

San Mateo County Resource Conservation District
625 Miramontes Street Ste 206
Half Moon Bay, CA 94019

Re: State Controller's Report

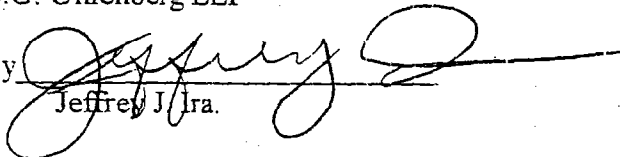
Dear Sir or Madam:

We have prepared and submitted the 2000-01 "Special Districts Financial Transactions Report" for the San Mateo County Resource Conservation District. Enclosed, please find a copy of the report, and "Supplement to the Annual Report of Special Districts" for your records. If you should have any questions or concerns please feel free to contact our office.

Best regards,

C.G. Uhlenberg LLP

By



Jeffrey J. Ira.

Enclosures

JJI/rk

SPECIAL DISTRICTS FINANCIAL TRANSACTIONS REPORT COVER PAGE

San Mateo County Resource Conservation District

Fiscal Year: 2001

ID Number: 12364104500

Submitted by:

[Signature]
Signature

Auditor
Title

JEFFREY TRA
Name (Please Print)

12/28/01
Date

Per Government Code section 53891, this report is due within 90 days after the end of the fiscal year. If filed in electronic format, the report is due within 110 days after the end of the fiscal year.

Per Government Code section 26909, a copy of the independent audit is to be filed with the Controller within 12 months after the close of the fiscal year.

To file electronically:

1. Complete all forms as necessary.
2. Transmit the completed output file using a File Transfer Protocol (FTP) program or via diskette.
3. Sign this cover page and mail to either address.

To file a paper report:

1. Complete all forms as necessary.
2. Sign this cover page, and mail completed report to either address below.

Report will not be considered filed until receipt of this signed cover page.

- Division of Account + Reporting

Mailing Address:

State Controller's Office
Division of Accounting and Reporting
Local Government Reporting Section
P. O. Box 942850
Sacramento, CA 94250

Express Mailing Address:

State Controller's Office
Division of Accounting and Reporting
Local Government Reporting Section
3301 C Street, Suite 700
Sacramento, CA 95816

Special

File Copy

323-2372

Greg McCowb

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Pula

Supplement to the Annual Report of Special Districts

CLIENT COPY

Special District ID Number:	12364104500
Name of District:	EAN MATED COUNTY RESOURCE CONSERVATION DISTRICT
Address:	785 MAIN STREET, SUITE C
City, State, Zip:	HALK MOON BLVD 94019

The U. S. Bureau of the Census requests the following information about the fiscal activities of your government for the 2000-2001 fiscal year. Governments furnishing this information will no longer receive U. S. Bureau of the Census Form F-29 or F-32, Survey of Local Government Finances. If you have any questions, please contact:

U. S. Bureau of the Census
 Jeffrey Little
 1-800-242-4523

A. Personnel Expenditures

Report your government's total expenditures for salaries and wages during the year, including amounts paid on force account construction projects.

200	\$ 63,995
-----	-----------

B. Cash and Investments Held at the End of the Fiscal Year

Report separately for each of the three types of funds listed below, the total cash on hand and on deposit and investments in Federal government, Federal agency, State and local government and non-governmental securities. Report all investments at par value. Include in the sinking fund total any mortgages and notes receivable held as offsets to housing and industrial financing loans. Exclude accounts receivable, value of real property and non-security assets.

1. Sinking funds - Reserve held for redemption of long term debt.	W01	\$ 0
2. Bond funds - Unexpended proceeds from the sale of bond issues held pending disbursement.	W31	\$ 0
3. All other funds - Exclude employee retirement funds.	W61	\$ 79,180

**San Mateo County Resource Conservation District
Special Districts Financial Transactions Report**

CLIENT COPY

General Information

Fiscal Year: 2001

Mailing Address			
Street 1	785 Main Street, Suite C	<input type="checkbox"/> Is Address Changed?	
Street 2			
City	Half Moon Bay	State	CA Zip 94019
Email			

Members of the Governing Body				
	First Name	Middle Initial	Last Name	Title
Member	Louie		Figone	Pres
Member	Jim		Rourke	Director
Member	Barbara		Kossy	Director
Member	Jack		Olsen	Director
Member	Julia		Bott	Director
Member	John		Wade	Director
Member	Toni		Danzig	Director
Member	Chuck		Gust	Director
Member				

Other Officials				
	First Name	Middle Initial	Last Name	Title
	County		Council	Attorney
	San Mateo		County	Fiscal Officer

Report Prepared By				
	First Name	Middle Initial	Last Name	Phone No
	Jeffrey		Ira	(650) 365-2323

Independent Auditor				
	First Name	Middle Initial	Last Name	Phone No
	Jeffrey		Ira	(650) 365-2323

**San Mateo County Resource Conservation District
Special Districts Financial Transactions Report - Non-Enterprise Activity**

Revenues, Expenditures, Sources and Uses

CLIENT COPY

Fiscal Year	2001	General and Special Revenue Funds	Debt Service Funds	Capital Projects Funds
		A	B	C
Non-Enterprise Activity		Flood Control and Water Conservation		
Taxes and Assessments				
Current Secured and Unsecured (1%)		33,813		
Voter Approved Taxes				
Property Assessments				
Special Assessments (Mello/Roos, Mark/Roos)				
Prior Year Taxes and Assessments				
Penalties and Cost on Delinquent Taxes and Assessments				
Licenses, Permits, and Franchises				
Fines, Forfeits, and Penalties				
Revenue From Use of Money and Property				
Interest Income		876		1,105
Rents, Concessions and Royalties				
Federal				
Aid for Construction				
Other Federal				
State				
Aid for Construction				
State Water Project				
Homeowners Property Tax Relief		316		
Timber Yield				
Other State				107,746
Other Governmental Agencies -				
Redevelopment Pass-Through				
Other				16,743
Charges for Current Services		97,684		
Contributions From Property Owners				
Self Insurance Only				
Member Contributions				
Claim Adjustments				
Other Revenues		2,170		
Total Revenues		\$134,859	\$0	\$125,594
Expenditures				
Salaries and Wages		63,955		
Employee Benefits		8,423		
Services and Supplies		47,470		
Self Insurance Only - Claims Paid				

**San Mateo County Resource Conservation District
Special Districts Financial Transactions Report - Non-Enterprise Activity**

Revenues, Expenditures, Sources and Uses

Fiscal Year	2001	General and Special Revenue Funds	Debt Service Funds	Capital Projects Funds
	A	B	C	
Contributions to Outside Agencies				
Debt Service				
Retirement of Long-Term Debt				
Interest on Long-Term Debt				
Interest on Short-Term Notes and Warrants				
Fixed Assets				
Other Expenditures				124,570
Total Expenditures	\$119,848	\$0	\$124,570	
Revenues Over (Under) Expenditures	\$15,011	\$0	\$1,024	
Financing Sources and Uses				
Proceeds of Long-Term Debt				
Proceeds of Refunding Debt				
Payments to Refunded Debt Escrow Agent				
Inception of Lease Purchase Agreements				
Other Financing Sources				
Other Financing Uses				
Operating Transfers In (Intra-District)				
Operating Transfers Out (Intra-District)				
Total Other Financing Sources (Uses)	\$0	\$0	\$0	
Revenues/Sources Over (Under) Expenditures/Uses	\$15,011	\$0	\$1,024	
Fund Equity, Beginning of Period	\$17,393		\$6,422	
Prior Period Adjustments				
Residual Equity Transfers				
Other				
Fund Equity, End of Period	\$32,404	\$0	\$7,446	

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**San Mateo County Resource Conservation District
Special Districts Financial Transactions Report
Consolidation of Fund Equities and Transfers
Consolidation of Fund Equities and Transfers**

CLIENT COPY

Fiscal Year	2001	General and Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds
Consolidation of Fund Equities					
Non-Enterprise Activities		\$32,404	\$0	\$7,446	
Enterprise Fund Equities					
Airport					\$0
Electric					\$0
Harbor and Port					\$0
Hospital					\$0
Waste Disposal					\$0
Water					\$0
Total Ending Fund Equities		\$32,404	\$0	\$7,446	\$0

	Transfers In A	Transfers Out B	Net C
Consolidation of Transfers In and Transfer Out			
General and Special Revenue Funds	\$0	\$0	
Debt Service Funds	\$0	\$0	
Capital Projects Funds	\$0	\$0	
Enterprise Activities			
Airport	\$0	\$0	
Electric	\$0	\$0	
Harbor and Port	\$0	\$0	
Waste Disposal	\$0	\$0	
Water	\$0	\$0	
Total	\$0	\$0	\$0

**San Mateo County Resource Conservation District
Special Districts Financial Transactions Report - Consolidated Balance Sheet**

Fiscal Year	2001	Assets					General Fixed Assets	General Long-Term Debt	Total Memorandum Only
		General and Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds				
Assets									
Cash and Cash Equivalents	37,207		41,973					\$79,180	
Taxes Receivable								\$0	
Interest Receivable								\$0	
Accounts Receivable			1,687					\$1,687	
Loans, Notes, and Contracts Receivable								\$0	
Due from Other Funds								\$0	
Inventory of Materials and Supplies								\$0	
Other Current Assets									
Lease Payments Receivable									
Unearned Finance Charges									
Investments								\$0	
Restricted Assets									
Deferred Charges									
Unamortized Discount on Long-Term Debt									
Other Assets	1,301		5,469					\$6,770	
Fixed Assets									
Land								\$0	
Buildings and Improvements								\$0	
Equipment								\$0	
Construction in Progress								\$0	
Total Fixed Assets					\$0	\$0		\$0	
Accumulated Depreciation								\$0	
Net Fixed Assets					\$0	\$0		\$0	
Other Debits									
Amount Available in Debt Service Funds									
Amount to be Provided									
Total Assets	\$38,508	\$0	\$49,129	\$0	\$0	\$0	\$0	\$87,637	

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**San Mateo County Resource Conservation District
Special Districts Financial Transactions Report - Consolidated Balance Sheet**

Liabilities and Equity

Fiscal Year	2001	General and Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds	General Fixed Assets	General Long-Term Debt	Total Memorandum Only
Liabilities and Equity								
Accounts/Warrants Payable		3,657						\$3,657
Loans and Notes Payable								\$0
Interest Payable - Matured/Accrued								\$0
Other Current Liabilities		2,447		41,683				\$44,130
Compensated Absences Payable								\$0
Due to Other Governments								\$0
Due to Other Funds								\$0
Long-Term Debt								
General Obligation Bonds								\$0
Revenue Bonds								\$0
Certificates of Participation								\$0
Special Assessment								\$0
Federal								\$0
State								\$0
Time Warrants								\$0
Other Long-Term Indebtedness								\$0
Unamortized Premium on Long-Term Debt								\$0
Advances for Construction								\$0
Deferred Revenue								\$0
All Other Non-Current Liabilities								\$0
Total Liabilities		\$6,104	\$0	\$41,683	\$0		\$0	\$47,787
Fund Equity								
Contributed Capital								\$0
Investments in General Fixed Assets								\$0
Retained Earnings								
Reserved								\$0
Unreserved								\$0
Fund Balances								
Reserved				7,446				\$7,446
Unreserved Designated		17,393						\$17,393
Unreserved Undesignated		15,011						\$15,011
Total Fund Equity		\$32,404	\$0	\$7,446	\$0			\$39,850
Total Liabilities and Fund Equity		\$38,508	\$0	\$49,129	\$0		\$0	\$87,637

PREPARED BY
 DATE

07

SAN MATEO COUNTY RESOURCE
CONSERVATION DISTRICT

FINANCIAL STATEMENTS
JUNE 30, 2000

* * *

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT

General Purpose Financial Statements
for the Fiscal Year Ended June 30, 2000

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Combined Balance Sheet - All Fund Types and Account Group.....	2
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	3
General Fund - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	4
Notes to General Purpose Financial Statements	5 - 8



C. G. UHLENBERG LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

ROBERT E. BARSANTI, C.P.A. PEGGY H. CHEN, C.P.A. JEFFREY J. IRA, C.P.A. KATHERINE CHAO, C.P.A.

INDEPENDENT AUDITOR'S REPORT

San Mateo County Resource Conservation District
Board of Directors
Half Moon Bay, California

We have audited the accompanying balance sheet of the San Mateo County Resource Conservation District (the District) as of June 30, 2000, and the related statements of income, retained earnings and cash flows for the fiscal year then ended. These financial statements are the responsibility of the San Mateo County Resource Conservation District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, except for the effects of the matters discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the San Mateo County Resource Conservation District as of June 30, 2000, and the results of its operations and cash flows for the fiscal year then ended in conformity with generally accepted accounting principles.

C. G. Uhlenberg LLP

November 27, 2000
Redwood City, California

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUP
JUNE 30, 2000**

	<u>GOVERNMENTAL FUNDS</u>		<u>ACCOUNT GROUP</u> <u>GENERAL</u>	<u>TOTALS</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>FIXED ASSETS</u>	<u>(MEMORANDUM ONLY)</u>
ASSETS				
Cash and investments	\$ 17,393	\$ 117,026	\$ -	\$ 134,419
Due from other funds	-	-	-	-
Fixed assets	-	-	10,865	10,865
	<hr/>			
TOTAL ASSETS	\$ 17,393	\$ 117,026	\$ 10,865	\$ 145,284
<hr/>				
LIABILITIES AND FUND EQUITY				
Liabilities:				
Deferred revenue	\$ -	\$ 110,604	\$ -	\$ 110,604
<hr/>				
Fund Equity:				
Investment in fixed assets	-	-	10,865	10,865
<hr/>				
Fund Balances:				
Reserved for other	17,393	6,422	-	23,815
Unreserved	-	-	-	-
	<hr/>			
Total Fund Equity	17,393	6,422	-	23,815
	<hr/>			
TOTAL LIABILITIES AND FUND EQUITY	\$ 17,393	\$ 117,026	\$ 10,865	\$ 145,284
	<hr/>			

See accompanying notes and accountant's report.

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	GOVERNMENTAL FUNDS		TOTALS
	GENERAL	SPECIAL REVENUE	(MEMORANDUM ONLY)
REVENUES:			
Property taxes	\$ 23,439	\$ -	\$ 23,439
Grant revenues	98,419	391,756	490,175
Interest	531	1,887	2,418
Miscellaneous	86,557	68	86,625
Total Revenues	<u>208,946</u>	<u>393,711</u>	<u>602,657</u>
EXPENDITURES:			
Salaries and benefits	113,707	81,565	195,272
Capital outlay	-	282,065	282,065
Bank Charges	-	126	126
Election	348	-	348
Utilities	3,245	-	3,245
Office rental	15,200	-	15,200
Insurance	3,337	-	3,337
Office supplies and maintenance	4,478	-	4,478
Memberships	960	-	960
Professional fees	90,378	-	90,378
Employee reimbursement	868	-	868
Miscellaneous	3,341	-	3,341
Training	405	-	405
Total Expenditures	<u>236,267</u>	<u>363,756</u>	<u>600,023</u>
OTHER FINANCING SOURCES (USES):			
Operating transfer in	28,000	277,000	305,000
Operating transfer out	-	305,000	305,000
Total Other Financing Sources (Uses)	<u>28,000</u>	<u>(28,000)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	679	1,955	2,634
FUND BALANCES AT BEGINNING OF YEAR	<u>16,714</u>	<u>4,467</u>	<u>21,181</u>
FUND BALANCES AT END OF YEAR	<u>\$ 17,393</u>	<u>\$ 6,422</u>	<u>\$ 23,815</u>

See accompanying notes and accountant's report.

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Property taxes	\$ 22,500	\$ 23,439	\$ 939
Grant revenues	452,233	98,419	(353,814)
Interest	500	531	31
Miscellaneous	-	86,557	86,557
Total Revenues	<u>475,233</u>	<u>208,946</u>	<u>(266,287)</u>
EXPENDITURES:			
Salaries and benefits	120,647	113,707	6,940
Election	1,160	348	812
Utilities	4,110	3,245	865
Office rental	16,200	15,200	1,000
Insurance	3,500	3,337	163
Office supplies and maintenance	5,082	4,478	604
Memberships	960	960	-
Professional fees	293,574	90,378	203,196
Employee reimbursement	1,340	868	472
Miscellaneous	2,180	3,341	(1,161)
Training	2,100	405	1,695
Appropriation	4,000	-	4,000
Total Expenditures	<u>454,853</u>	<u>236,267</u>	<u>218,586</u>
OTHER FINANCING SOURCES:			
Operating transfer in	-	28,000	28,000
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES			
	<u>\$ 20,380</u>	679	<u>\$ (19,701)</u>
FUND BALANCES AT BEGINNING OF YEAR		<u>16,714</u>	
FUND BALANCES AT END OF YEAR		<u>\$ 17,393</u>	

See accompanying notes and accountant's report.

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

BACKGROUND AND ORGANIZATION

The San Mateo County Resource Conservation District (the District) was formed under the California Soil Conservation District Law popular election and approved by the San Mateo County Board of Supervisors on October 10, 1939. The function of the District is to provide a soil and water conservation program within its geographical boundaries.

SIGNIFICANT ACCOUNTING POLICIES

Accounts and Records

Custodianship of the District's general and special revenue funds are vested in the Treasurer of San Mateo County. Assessment of property and collection of tax receipts for the District is provided by the County of San Mateo. Every four weeks the San Mateo County Controller issues a computer printout of revenues, expenditures and trial balance for the period then ended. The County does not charge a fee for these services.

Fund Accounting

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

The following funds and account groups are used:

- Governmental funds

General Fund - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - The special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- Account group

General Fixed Assets Account Group - The general fixed assets account group is used to account for the fixed assets of the District.

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

2. Significant Accounting Policies (Continued)

Basis of Accounting

The District's records are maintained on a modified accrual basis of accounting as required by the State Controller's "Uniform Accounting Systems for California Special Districts." Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Expenditures are recorded when the related fund liability is incurred.

Budget

The Board of Directors for the General Fund legally adopts a budget. The activities of the other funds are not budgeted. Encumbrances are not utilized. The budgetary basis of accounting is consistent with GAAP.

Total Columns on Combined Statements

Total columns in the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. They do not present consolidated financial information. Interfund eliminations have not been made in the aggregation of these data.

3. CASH AND INVESTMENTS

A. Cash and investments at June 30, 2000, consisted of:

	<u>Carrying Value</u>	<u>Market Value</u>
Cash in First National Bank	\$ 117,026	\$ 117,026
Cash in county treasury	<u>17,393</u>	<u>17,393</u>
Total	<u>\$ 134,419</u>	<u>\$ 134,419</u>

The bank balances at June 30, 2000 with First National Bank were \$113,555, \$3,663, and \$1,678 for the Pilarcitos Project, Pilarcitos Petty Cash, and Workshop accounts respectively. All these accounts were insured for \$100,000 (Category 1). Category one is insured or collateralized with securities held by the entity or by its agent in the entity's name. The differences between the bank balance and the carrying amount are due to reconciling items such as deposits in transit and outstanding checks.

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

The Treasurer invests the cash under policy guidelines established by the County. Credit risk information regarding the cash and investments is held by the Treasurer and is included in the Comprehensive Annual Financial Report of the County of San Mateo.

B. Marketing Investments to Fair Value (GASB 31)

In fiscal year 1997-1998, the district adopted Government Accounting Standards Board Statement 31, which requires that District's investments be carried at fair value instead of cost. Under GASB 31, the District must adjust the carrying value of its investments to reflect their fair value at each fiscal year end, and it must include the effects of these adjustments in income for that fiscal year.

GASB 31 applies to all the District's investments, even if they are held to maturity and redeemed at full face value. Since the District's policy is to hold all investments to maturity, the fair value adjustments required by GASB 31 result in accounting gains or losses (called "recognized" gains or losses) which do not reflect actual sales of the investments (called "realized" gains or losses). Thus, recognized gains or losses on an investment purchased at par will now reflect changes in its fair value at each succeeding fiscal year end, but these recognized gains or losses will net to zero if the investment is held to maturity. Recognized gains or losses are reported as investment income. By following the requirements of GASB 31, the District is reporting the amount of resources which would actually have been available if it had been required to liquidate all its investments at any fiscal year end.

4. FIXED ASSETS

Fixed assets are valued at cost. A summary of change in general fixed assets is presented below:

	<u>Balance at</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2000</u>
Office equipment	\$10,865	\$ -	\$ -	\$10,865

5. FUND EQUITY

The portion of the fund balance that has been reserved (Reserved for other) refers to those amounts to be expended for future equipment purchases.

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT

NON-FUND BALANCE PURPOSE FINANCIAL STATEMENTS

6. **GRANT REVENUE**

The San Mateo County Resource Conservation District entered into Pilarcitos Watershed Monitoring and Education Project.

The purpose of the Pilarcitos Watershed Monitoring and Education Project is to provide a low cost method for achieving monitoring data necessary for restoration and maintenance of the watershed and to improve knowledge and awareness of the Pilarcitos Creek watershed restoration effort by involving high school students from the Cabrillo School District in the monitoring effort. Cash receipts during the fiscal year amounted to \$273,427. Grant revenue during the fiscal year, based on the modified accrual basis of accounting amounted to \$391,756.

The District's proposal has been approved to present a series of 10 workshops supporting restoring watersheds in coastal San Mateo County and preventing future damage in the wake of the winter 1998 storms. Emergency Watershed Protection Program will provide the funding as a pilot project. The grant amount is \$32,600. During the fiscal year, the District received \$18,675.

7. **EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

There was no excess of expenditures over appropriations as of June 30, 2000.

8. **PENDING LITIGATION**

There was one matter of pending litigation at June 30, 2000. At this time the San Mateo County Resource Conservation District is unable to predict the likelihood of the outcome.