

**AMSTERDAM WATER DISTRICT**

**INDEPENDENT AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

## **TABLE OF CONTENTS**

---

	<b><u>Page</u></b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1 – 2
<b>BASIC FINANCIAL STATEMENTS:</b>	
Statement of Net Position	3
Statement of Revenues, Expenses and Changes in Net Position	4
Statement of Cash Flows	5
Notes to Financial Statements	6 – 8

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Amsterdam Water District  
Merced, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the Amsterdam Water District (District), which comprise the statement of net position as of December 31, 2020, and the related statement of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic 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 controls 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 basic 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 of 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.

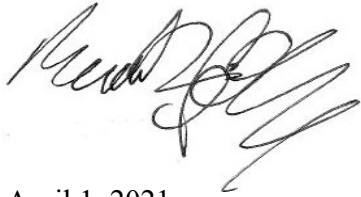
## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Amsterdam Water District as of December 31, 2020, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

Management has omitted the 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.

A handwritten signature in black ink, appearing to be 'Mark J. ...', is written over a faint, illegible printed name.

April 1, 2021

# AMSTERDAM WATER DISTRICT

## STATEMENT OF NET POSITION DECEMBER 31, 2020

---

### ASSETS

#### Current assets

Cash and investments	\$	<u>36,978</u>
Total current assets		<u>36,978</u>

Total assets	\$	<u><u>36,978</u></u>
--------------	----	----------------------

### LIABILITIES

#### Current liabilities

Accounts payable	\$	<u>8,169</u>
Total current liabilities		<u>8,169</u>

### NET POSITION

Unrestricted		<u>28,809</u>
Total net position	\$	<u><u>28,809</u></u>

# AMSTERDAM WATER DISTRICT

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2020

---

### Operating Revenues

Assesments	\$ 148,279
Total operating revenues	<u>148,279</u>

### Operating Expenses

Management fee	67,956
Engineering fees	36,898
Legal and accounting	13,832
Office	311
Flood water rights application fee	47,274
Insurance	816
Website Develop/Hosting	1,216
Total operating expenses	<u>168,303</u>

Operating income/(loss) (20,024)

### Change in Net Position

(20,024)

### Net Position

Beginning of year	<u>48,833</u>
End of year	<u>\$ 28,809</u>

# AMSTERDAM WATER DISTRICT

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020

---

### Operating Activities

Receipts from landowners	\$ 148,279
Payments to suppliers for goods and services	<u>(165,986)</u>
Net cash provided by (used in) operating activities	<u>(17,707)</u>

**Net Increase (Decrease) in Cash** (17,707)

### Cash and Investments

Beginning of year	<u>54,685</u>
End of year	<u><u>\$ 36,978</u></u>

### Cash Flows from Operating Activities

Operating income (loss)	\$ (20,024)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Increase (Decrease) in accounts payable and accrued expenses	<u>2,317</u>

**Net Cash Provided by (Used in) Operating Activities** \$ (17,707)

# AMSTERDAM WATER DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

---

### Note 1 – Summary of Significant Accounting Policies

The financial statements of the Amsterdam Water District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below:

#### Reporting Entity

The Amsterdam Water District was reorganized on February 26, 2019, this involves the formation of 6,662 acres, a California Water District, and the parallel detachment of 19.11 acres from the Merced Irrigation District, constituting a governmental reorganization application for the purpose of representing this territory in Sustainable Groundwater Management Act (SGMA). The governing board of the District consists of five directors elected at large by land-owners voters of the District serving four year staggered terms.

Amsterdam Water District does not have a relationship with any other related activities, organizations or functions of government which should be included in the financial reporting entity of the District as required by GASB Statement No. 14, *The Financial Reporting Entity*. In addition, the District is not a component unit of any other governmental entity.

#### Basis of Accounting and Measurement Focus

The District accounts for its operations in an enterprise fund using the economic resources measurement focus and the accrual basis of accounting. A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific government activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

An enterprise fund 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 the District's principal ongoing operations. The principle operating revenues of the District are assessment charges. Operating expenses for enterprise funds mainly include consulting fees and some administrative fees. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.



# AMSTERDAM WATER DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

---

### Note 1 – Summary of Significant Accounting Policies (Continued)

#### Financial Statement Amounts

*Cash and Investments* – Cash represents the District’s cash bank account. The District currently has no investments.

*Revenues and Expenses* – The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District’s principle ongoing operations. The principle operating revenues of the District will be financed through fees charged to the landowners on a per-acre basis for management, administrative and SGMA related costs. Operating expenses for enterprise funds include consulting and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*Net Position/Fund Equity* – The financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions on net position imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the District not restricted for any project or other purpose.

When an expense is incurred for the purposes for which there are both restricted and unrestricted net position available, it is the District’s policy to apply those expenses to restricted net position to the extent such are available and then to unrestricted net position.

# AMSTERDAM WATER DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

---

### Note 2 – Cash and Investments

Cash as of December 31, 2020 consist of the following:

#### Statement of Net Position

Cash - Deposits with financial institutions	<u>\$</u> 36,978
	<u>\$</u> 36,978

### Note 3 – Accounts Payable and Accrued Expenses

Accounts payable at December 31, 2020 consist of trade accounts payable amounting to \$8,169.

### Note 4 – Subsequent Events

The District evaluated subsequent events for recognition and disclosure through April 1, 2021, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2020 that required recognition or disclosure in such financial statements.