

**Maintenance District 06 – Lake Shore Park
(A Component Unit of the County of Madera, California)**

**Financial Statements and Independent Auditor’s Report
For the Years Ended June 30, 2015, 2014 and 2013**



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**MD06 – Lake Shore Park
(A Component Unit of the County of Madera, California)**

Annual Financial Report
For the Years Ended June 30, 2015, 2014 and 2013

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INDEPENDENT AUDITOR'S REPORT

The Board of Supervisors and Grand Jury
Madera County
Madera, California

Report on the Financial Statements

We have audited the accompanying financial statements of Maintenance District 06 – Lake Shore Park (District), a component unit of the County of Madera, California, as of and for the year ended June 30, 2015, 2014 and 2013 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2015, 2014 and 2013, and the 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.

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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining segment financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining segment financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining segment financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Roseville, California
March 24, 2017

MAINTENANCE DISTRICT 06 - LAKE SHORE PARK
(a Component Unit of the County of Madera)

Statements of Net Position
June 30, 2015, 2014 and 2013

	<u>2015</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Current assets:			
Cash and investments	\$ 434,884	\$ 404,826	\$ 615,330
Accounts receivable	3,768	949	1,573
Interest receivable	677	819	682
Taxes receivable	49	4	--
Due from other governments	237,888	158,274	--
Due from County of Madera	--	2,349	2,105
Total current assets	<u>677,266</u>	<u>567,221</u>	<u>619,690</u>
Non-current assets:			
Land	6,742	6,742	6,742
Construction in progress	775,802	457,158	87,355
Depreciable assets	147,368	147,368	147,368
Accumulated depreciation	(92,256)	(86,224)	(80,192)
Total non-current assets	<u>837,656</u>	<u>525,044</u>	<u>161,273</u>
Total assets	<u>1,514,922</u>	<u>1,092,265</u>	<u>780,963</u>
LIABILITIES			
Current liabilities:			
Accounts payable	114,248	24,864	18,633
Due to County of Madera	5,455	2,405	3,256
Deposits from others	600	--	--
Unearned revenues	447	74	16
Total liabilities	<u>120,750</u>	<u>27,343</u>	<u>21,905</u>
NET POSITION			
Net investment in capital assets	837,656	525,044	161,273
Unrestricted	556,516	539,878	597,785
Total Net Position	<u>\$ 1,394,172</u>	<u>\$ 1,064,922</u>	<u>\$ 759,058</u>

The accompanying notes are an integral part of these financial statements

MAINTENANCE DISTRICT 06 - LAKE SHORE PARK
(a Component Unit of the County of Madera)

Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2015, 2014 and 2013

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Operating revenues:			
Charges for services	\$ 69,119	\$ 71,087	\$ 64,926
Other revenues	150	--	--
Total operating revenues	<u>69,269</u>	<u>71,087</u>	<u>64,926</u>
Operating Expenses:			
Services and supplies	69,049	71,938	84,868
Depreciation	6,032	6,032	5,827
Total operating expenses	<u>75,081</u>	<u>77,970</u>	<u>90,695</u>
Operating Income (Loss)	<u>(5,812)</u>	<u>(6,883)</u>	<u>(25,769)</u>
Non-operating revenues (expenses)			
Taxes	91,798	84,229	78,011
Investment income	3,011	2,718	2,316
Intergovernmental revenue	2,019	970	962
Total non-operating revenues (expenses)	<u>96,828</u>	<u>87,917</u>	<u>81,289</u>
Change in Net Position Before Capital Contributions	91,016	81,034	55,520
Capital Contributions	<u>238,234</u>	<u>224,830</u>	<u>33,444</u>
Change in Net Position	329,250	305,864	88,964
Net position - beginning	<u>1,064,922</u>	<u>759,058</u>	<u>670,094</u>
Net position - ending	<u>\$ 1,394,172</u>	<u>\$ 1,064,922</u>	<u>\$ 759,058</u>

The accompanying notes are an integral part of these financial statements

MAINTENANCE DISTRICT 06 - LAKE SHORE PARK
(a Component Unit of the County of Madera)

Statements of Cash Flows
For the Years Ended June 30, 2015, 2014 and 2013

	<u>2015</u>	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 69,727	\$ 71,525	\$ 68,871
Payments to suppliers and service providers	(67,386)	(66,558)	(74,305)
Net cash provided (used by) operating activities	<u>2,341</u>	<u>4,967</u>	<u>(5,434)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants	2,019	970	1,586
Taxes	91,798	84,225	77,387
Net cash provided (used by) noncapital financing activities	<u>93,817</u>	<u>85,195</u>	<u>78,973</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital grants	158,620	66,556	33,444
Acquisition and construction of capital assets	(227,873)	(369,803)	(93,523)
Net cash provided (used by) capital and related financing activities	<u>(69,253)</u>	<u>(303,247)</u>	<u>(60,079)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earnings	3,153	2,581	3,168
Net cash provided (used by) investing activities	<u>3,153</u>	<u>2,581</u>	<u>3,168</u>
Net increase (decrease) in cash and cash equivalents	30,058	(210,504)	16,628
Cash and cash equivalents July 1	<u>404,826</u>	<u>615,330</u>	<u>598,702</u>
Cash and cash equivalents June 30	<u>\$ 434,884</u>	<u>\$ 404,826</u>	<u>\$ 615,330</u>

The accompanying notes are an integral part of these financial statements

MAINTENANCE DISTRICT 06 - LAKE SHORE PARK
(a Component Unit of the County of Madera)

Statements of Cash Flows - continued
For the Years Ended June 30, 2015, 2014 and 2013

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ (5,812)	\$ (6,883)	\$ (25,769)
Adjustments to reconcile operating income (loss) to net cash provided (used for) operating activities:			
Depreciation	6,032	6,032	5,827
(Increase) decrease in accounts receivable	(515)	380	4,321
Decrease (increase) in unearned revenue	373	58	(376)
Decrease (increase) in accounts payable	2,263	5,380	10,563
Net cash provided (used by) operating activities	<u>\$ 2,341</u>	<u>\$ 4,967</u>	<u>\$ (5,434)</u>

The accompanying notes are an integral part of these financial statements

**MD 06 Lake Shore Park
(A Component Unit of the County of Madera, California)**

Notes to Basic Financial Statements
For the Years Ended June 30, 2015, 2014 and 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the MD 06 Lake Shore Park (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The District provides water service to 46 improved units and 5 standby units. The District provides sewer service to 41 improved and 5 standby units. The District provides road maintenance for approximately 40 parcels with 0.35 miles of paved roads. The District is located along Bass Lake's northeast shore and is accessed from County Road 274 in Madera County.

The Board of Supervisors is the governing body of the District. The District is considered a blended component unit of the County of Madera and is reported as an enterprise fund in the County of Madera financial statements. The financial statements included in this report are intended to present the financial position and results of operations of only the District. They are not intended to present the financial position or results of operations of the County of Madera taken as a whole.

B. Basis of Presentation and Method of Accounting

The District accounts for its activities as a single enterprise fund, and the financial statements are accounted for on a flow of economic resources measurement focus, using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the related liability is incurred, regardless of the timing of related cash flows.

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the District are charges for services. Operating expenses for the District include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements and donations. In accordance with GASB No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased, and its equity in the County Treasurer's investment pool, to be cash equivalents.

D. Receivables

Receivables consist mostly of fees charged for water services. Accounts receivable represents amounts billed directly by the District. Management believes its receivables to be fully collectible, and accordingly, no allowance for doubtful accounts is required.

**MD 06 Lake Shore Park
(A Component Unit of the County of Madera, California)**

Notes to Basic Financial Statements
For the Years Ended June 30, 2015, 2014 and 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Capital Assets

Capital assets, including public domain (infrastructure assets such as water, sewer, and similar items) are defined by the District as assets with a cost of more than \$5,000 for machinery and equipment and \$10,000 for the other categories of capital assets with an estimated useful life of more than one year. Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated assets are valued at their estimated fair market value on the date donated.

Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

<u>Depreciable Asset</u>	<u>Estimated Life</u>
Water and Sewer Systems	15-65 years
Buildings and Improvements	30-50 years
Machinery and Equipment	3-20 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities, or extend useful lives are capitalized. Interest accrued during capital assets construction, if any, is capitalized as part of the asset cost.

F. Interfund Transactions

Interfund transactions are reflected as loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenses in the reimbursing fund and reductions to expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between segments are netted when reporting at the District-wide level.

G. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**MD 06 Lake Shore Park
(A Component Unit of the County of Madera, California)**

Notes to Basic Financial Statements
For the Years Ended June 30, 2015, 2014 and 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Net Position

The District's financial statements utilize a net position presentation. Net position comprise the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net position is classified in the following three components: net investments 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 – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. For the District, this category represents restrictions for debt service and construction projects.
- Unrestricted – This category represents the net position of the District, not restricted for any project or other purpose.

When both restricted and unrestricted net position is available, unrestricted resources are used only after the restricted resources are depleted.

NOTE 2: CASH AND INVESTMENTS

Cash and investments shown in the statement of net position represent the District's share of the County of Madera's cash and investment pool. Interest earnings from this pool are transferred to the District on a quarterly basis based on the District's average daily balance. The County has an investment committee, which performs regulatory oversight for its pool as required by California Government Code Section 27134.

Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County of Madera's basic financial statements and may be obtained by contacting the County Auditor-Controller's Office at 200 W. 4th Street – Madera, CA 93637.

The District's cash and investments consisted of the following:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Cash and investments - unrestricted	\$ 434,884	\$ 404,826	\$ 615,330

**MD 06 Lake Shore Park
(A Component Unit of the County of Madera, California)**

Notes to Basic Financial Statements
For the Years Ended June 30, 2015, 2014 and 2013

NOTE 2: CASH AND INVESTMENTS (continued)

Required disclosures for the District's deposit and investment risks for the cash held in the County Treasury at June 30, 2015, 2014 and 2013 were as follows:

<u>Depreciable Asset</u>	<u>Estimated Life</u>
Water and Sewer Systems	15-65 years
Buildings and Improvements	30-50 years
Machinery and Equipment	3-20 years

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Additions	Retirements /Adjustments	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	\$ 6,742	\$ --	\$ --	\$ 6,742
Construction-in-progress	457,158	318,644	--	775,802
Total capital assets, not being depreciated	463,900	318,644	--	782,544
Capital assets, being depreciated:				
Infrastructure (depreciable)	122,494	--	--	122,494
Equipment	24,874	--	--	24,874
Total capital assets, being depreciated	147,368	--	--	147,368
Less accumulated depreciation:				
Infrastructure (depreciable)	(81,694)	(3,735)	--	(85,429)
Equipment	(4,530)	(2,297)	--	(6,827)
Total accumulated depreciation	(86,224)	(6,032)	--	(92,256)
Total capital assets, being depreciated	61,144	(6,032)	--	55,112
Total capital assets	\$ 525,044	\$ 312,612	\$ --	\$ 837,656

MD 06 Lake Shore Park
(A Component Unit of the County of Madera, California)

Notes to Basic Financial Statements
For the Years Ended June 30, 2015, 2014 and 2013

NOTE 3: CAPITAL ASSETS (continued)

Capital assets activity for the year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 6,742	\$ --	\$ --	\$ 6,742
Construction-in-progress	87,355	369,803	--	457,158
Total capital assets, not being depreciated	<u>94,097</u>	<u>369,803</u>	<u>--</u>	<u>463,900</u>
Capital assets, being depreciated:				
Infrastructure (depreciable)	122,494	--	--	122,494
Equipment	24,874	--	--	24,874
Total capital assets, being depreciated	<u>147,368</u>	<u>--</u>	<u>--</u>	<u>147,368</u>
Less accumulated depreciation:				
Infrastructure (depreciable)	(77,959)	(3,735)	--	(81,694)
Equipment	(2,233)	(2,297)	--	(4,530)
Total accumulated depreciation	<u>(80,192)</u>	<u>(6,032)</u>	<u>--</u>	<u>(86,224)</u>
Total capital assets, being depreciated	<u>67,176</u>	<u>(6,032)</u>	<u>--</u>	<u>61,144</u>
Total capital assets	<u>\$ 161,273</u>	<u>\$ 363,771</u>	<u>\$ --</u>	<u>\$ 525,044</u>

Capital assets activity for the year ended June 30, 2013, was as follows:

	Balance July 1, 2012.	Additions	Retirements	Balance June 30, 2013
Capital assets, not being depreciated:				
Land	\$ 6,742	\$ --	\$ --	\$ 6,742
Construction-in-progress	--	87,355	--	87,355
Total capital assets, not being depreciated	<u>6,742</u>	<u>87,355</u>	<u>--</u>	<u>94,097</u>
Capital assets, being depreciated:				
Infrastructure (depreciable)	122,494	--	--	122,494
Equipment	24,874	--	--	24,874
Total capital assets, being depreciated	<u>147,368</u>	<u>--</u>	<u>--</u>	<u>147,368</u>
Less accumulated depreciation:				
Infrastructure (depreciable)	(74,365)	(3,594)	--	(77,959)
Equipment	--	(2,233)	--	(2,233)
Total accumulated depreciation	<u>(74,365)</u>	<u>(5,827)</u>	<u>--</u>	<u>(80,192)</u>
Total capital assets, being depreciated	<u>73,003</u>	<u>(5,827)</u>	<u>--</u>	<u>67,176</u>
Total capital assets	<u>\$ 79,745</u>	<u>\$ 81,528</u>	<u>\$ --</u>	<u>\$ 161,273</u>

**MD 06 Lake Shore Park
(A Component Unit of the County of Madera, California)**

Notes to Basic Financial Statements
For the Years Ended June 30, 2015, 2014 and 2013

NOTE 4: DUE TO/FROM COUNTY OF MADERA

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. The following are due from and due to balances between the District and other funds of the County of Madera:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Due from County of Madera	\$ --	\$ 2,349	\$ 2,105
Due to County of Madera	5,455	2,405	3,256

NOTE 5: INSURANCE AND RISK OF LOSS

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and natural disasters. Because the District does not have employees, it is not exposed to injuries to employees. The District's officers are officials of the County, and therefore coverage for general liability and errors and omissions is provided under the County's program. This program is self-insured to a level of \$100,000, after which excess coverage is obtained through participation in the CSAC Excess Insurance Authority (EIA). Disclosure of complete information on risk management can be found in the County of Madera financial statements.

SUPPLEMENTARY INFORMATION

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MAINTENANCE DISTRICT 06 - LAKE SHORE PARK
(a Component Unit of the County of Madera)

Combining Statement of Net Position
June 30, 2015

	<u>Water</u>	<u>Sewer</u>	<u>Streets and Lights</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and investments	\$ --	\$ 434,884	\$ --	\$ 434,884
Accounts receivable	1,432	2,336	--	3,768
Interest receivable	--	677	--	677
Taxes receivable	19	30	--	49
Due from other governments	237,888	--	--	237,888
Due from water division	--	79,833	--	79,833
Total current assets	<u>239,339</u>	<u>517,760</u>	<u>--</u>	<u>757,099</u>
Non-current assets:				
Land	--	2,850	3,892	6,742
Construction in progress	775,802	--	--	775,802
Depreciable assets	80,163	65,310	1,895	147,368
Accumulated depreciation	<u>(55,193)</u>	<u>(35,168)</u>	<u>(1,895)</u>	<u>(92,256)</u>
Total non-current assets	<u>800,772</u>	<u>32,992</u>	<u>3,892</u>	<u>837,656</u>
 Total assets	 <u>1,040,111</u>	 <u>550,752</u>	 <u>3,892</u>	 <u>1,594,755</u>
LIABILITIES				
Current liabilities:				
Accounts payable	114,248	--	--	114,248
Due to County of Madera	2,073	3,382	--	5,455
Due to sewer division	79,833	--	--	79,833
Deposits from others	228	372	--	600
Unearned revenues	<u>170</u>	<u>277</u>	<u>--</u>	<u>447</u>
Total liabilities	<u>196,552</u>	<u>4,031</u>	<u>--</u>	<u>200,583</u>
NET POSITION				
Net investment in capital assets	800,772	32,992	3,892	837,656
Unrestricted	<u>42,787</u>	<u>513,729</u>	<u>--</u>	<u>556,516</u>
Total Net Position	<u>\$ 843,559</u>	<u>\$ 546,721</u>	<u>\$ 3,892</u>	<u>\$ 1,394,172</u>

MAINTENANCE DISTRICT 06 - LAKE SHORE PARK
(a Component Unit of the County of Madera)

Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2015

	<u>Water</u>	<u>Sewer</u>	<u>Streets and Lights</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 25,500	\$ 43,619	\$ --	\$ 69,119
Other revenues	75	75	--	150
Total operating revenues	<u>25,575</u>	<u>43,694</u>	<u>--</u>	<u>69,269</u>
Operating Expenses:				
Services and supplies	30,074	38,975	--	69,049
Depreciation	3,996	2,036	--	6,032
Total operating expenses	<u>34,070</u>	<u>41,011</u>	<u>--</u>	<u>75,081</u>
Operating Income (Loss)	<u>(8,495)</u>	<u>2,683</u>	<u>--</u>	<u>(5,812)</u>
Non-operating revenues (expenses)				
Taxes	34,596	57,202		91,798
Investment income	1,188	1,823	--	3,011
Intergovernmental revenue	1,429	590	--	2,019
Total non-operating revenues (expenses)	<u>37,213</u>	<u>59,615</u>	<u>--</u>	<u>96,828</u>
Change in Net Position Before Capital Contributions	28,718	62,298	--	91,016
Capital Contributions	<u>238,234</u>	<u>--</u>	<u>--</u>	<u>238,234</u>
Change in Net Position	266,952	62,298	--	329,250
Net position - beginning	<u>576,607</u>	<u>484,423</u>	<u>3,892</u>	<u>1,064,922</u>
Net position - ending	<u>\$ 843,559</u>	<u>\$ 546,721</u>	<u>\$ 3,892</u>	<u>\$ 1,394,172</u>

MAINTENANCE DISTRICT 06 - LAKE SHORE PARK
(a Component Unit of the County of Madera)

Combining Statement of Cash Flows
For the Year Ended June 30, 2015

	<u>Water</u>	<u>Sewer</u>	<u>Streets and Lights</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 25,752	\$ 43,975	\$ --	\$ 69,727
Payments to suppliers and service providers	(30,302)	(37,084)	--	(67,386)
Net cash provided (used by) operating activities	<u>(4,550)</u>	<u>6,891</u>	<u>--</u>	<u>2,341</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants	1,429	590	--	2,019
Inter-division loans	36,590	(36,590)	--	--
Taxes	34,596	57,202	--	91,798
Net cash provided (used by) noncapital financing activities	<u>72,615</u>	<u>21,202</u>	<u>--</u>	<u>93,817</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants	158,620	--	--	158,620
Acquisition and construction of capital assets	(227,873)	--	--	(227,873)
Net cash provided (used by) capital and related financing activities	<u>(69,253)</u>	<u>--</u>	<u>--</u>	<u>(69,253)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earnings	1,188	1,965	--	3,153
Net cash provided (used by) investing activities	<u>1,188</u>	<u>1,965</u>	<u>--</u>	<u>3,153</u>
Net increase (decrease) in cash and cash equivalents	--	30,058	--	30,058
Cash and cash equivalents July 1	<u>--</u>	<u>404,826</u>	<u>--</u>	<u>404,826</u>
Cash and cash equivalents June 30	<u>\$ --</u>	<u>\$ 434,884</u>	<u>\$ --</u>	<u>\$ 434,884</u>

MAINTENANCE DISTRICT 06 - LAKE SHORE PARK
(a Component Unit of the County of Madera)

Combining Statement of Cash Flows - continued
For the Year Ended June 30, 2015

	<u>Water</u>	<u>Sewer</u>	<u>Streets and Lights</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ (8,495)	\$ 2,683	\$ -	\$ (5,812)
Adjustments to reconcile operating income (loss) to net cash provided (used for) operating activities:				
Depreciation	3,996	2,036	--	6,032
(Increase) decrease in accounts receivable	(193)	(322)		(515)
Decrease (increase) in unearned revenue	142	231		373
Decrease (increase) in accounts payable	--	2,263		2,263
Net cash provided (used by) operating activities	<u>\$ (4,550)</u>	<u>\$ 6,891</u>	<u>\$ -</u>	<u>\$ 2,341</u>

MAINTENANCE DISTRICT 06 - LAKE SHORE PARK
(a Component Unit of the County of Madera)

Combining Statement of Net Position
June 30, 2014

	<u>Water</u>	<u>Sewer</u>	<u>Streets and Lights</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and investments	\$ --	\$ 404,826	\$ --	\$ 404,826
Accounts receivable	361	588	--	949
Other receivables	158,278	819	--	159,097
Due from County of Madera	893	1,456	--	2,349
Due from water division	--	43,243	--	43,243
Total current assets	<u>159,532</u>	<u>450,932</u>	<u>--</u>	<u>610,464</u>
Non-current assets:				
Land	--	2,850	3,892	6,742
Construction in progress	457,158	--	--	457,158
Depreciable assets	80,163	65,310	1,895	147,368
Accumulated depreciation	(51,197)	(33,132)	(1,895)	(86,224)
Total non-current assets	<u>486,124</u>	<u>35,028</u>	<u>3,892</u>	<u>525,044</u>
Total assets	<u>645,656</u>	<u>485,960</u>	<u>3,892</u>	<u>1,135,508</u>
LIABILITIES				
Current liabilities:				
Accounts payable	24,864	--	--	24,864
Due to County of Madera	914	1,491	--	2,405
Due to sewer division	43,243	--	--	43,243
Unearned revenues	28	46	--	74
Total liabilities	<u>69,049</u>	<u>1,537</u>	<u>--</u>	<u>70,586</u>
NET POSITION				
Net investment in capital assets	486,124	35,028	3,892	525,044
Unrestricted	90,483	449,395	--	539,878
Total Net Position	<u>\$ 576,607</u>	<u>\$ 484,423</u>	<u>\$ 3,892</u>	<u>\$ 1,064,922</u>

MAINTENANCE DISTRICT 06 - LAKE SHORE PARK
(a Component Unit of the County of Madera)

Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2014

	<u>Water</u>	<u>Sewer</u>	<u>Streets and Lights</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 26,675	\$ 44,412	\$ --	\$ 71,087
Total operating revenues	<u>26,675</u>	<u>44,412</u>	<u>--</u>	<u>71,087</u>
Operating Expenses:				
Services and supplies	22,053	49,159	726	71,938
Depreciation	3,996	2,036	--	6,032
Total operating expenses	<u>26,049</u>	<u>51,195</u>	<u>726</u>	<u>77,970</u>
Operating Income (Loss)	<u>626</u>	<u>(6,783)</u>	<u>(726)</u>	<u>(6,883)</u>
Non-operating revenues (expenses)				
Taxes	30,994	52,509	726	84,229
Investment income	1,139	1,579	--	2,718
Intergovernmental revenue	365	605	--	970
Total non-operating revenues (expenses)	<u>32,498</u>	<u>54,693</u>	<u>726</u>	<u>87,917</u>
Change in Net Position Before Capital Contributions	33,124	47,910	--	81,034
Capital Contributions	<u>224,830</u>	<u>--</u>	<u>--</u>	<u>224,830</u>
Change in Net Position	257,954	47,910	--	305,864
Net position - beginning	<u>318,653</u>	<u>436,513</u>	<u>3,892</u>	<u>759,058</u>
Net position - ending	<u>\$ 576,607</u>	<u>\$ 484,423</u>	<u>\$ 3,892</u>	<u>\$ 1,064,922</u>

MAINTENANCE DISTRICT 06 - LAKE SHORE PARK
(a Component Unit of the County of Madera)

Combining Statement of Cash Flows
For the Year Ended June 30, 2014

	<u>Water</u>	<u>Sewer</u>	<u>Streets and Lights</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 26,841	\$ 44,684	\$ --	\$ 71,525
Payments to suppliers and service providers	(11,866)	(53,966)	(726)	(66,558)
Net cash provided (used by) operating activities	<u>14,975</u>	<u>(9,282)</u>	<u>(726)</u>	<u>4,967</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants	365	605	--	970
Inter-division loans	43,243	(43,243)	--	--
Taxes	30,990	52,509	726	84,225
Net cash provided (used by) noncapital financing activities	<u>74,598</u>	<u>9,871</u>	<u>726</u>	<u>85,195</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants	66,556	--	--	66,556
Acquisition and construction of capital assets	(369,803)	--	--	(369,803)
Net cash provided (used by) capital and related financing activities	<u>(303,247)</u>	<u>--</u>	<u>--</u>	<u>(303,247)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earnings	1,397	1,184	--	2,581
Net cash provided (used by) investing activities	<u>1,397</u>	<u>1,184</u>	<u>--</u>	<u>2,581</u>
Net increase (decrease) in cash and cash equivalents	(212,277)	1,773	--	(210,504)
Cash and cash equivalents July 1	<u>212,277</u>	<u>403,053</u>	<u>--</u>	<u>615,330</u>
Cash and cash equivalents June 30	<u>\$ --</u>	<u>\$ 404,826</u>	<u>\$ --</u>	<u>\$ 404,826</u>

MAINTENANCE DISTRICT 06 - LAKE SHORE PARK
(a Component Unit of the County of Madera)

Combining Statement of Cash Flows by - continued
For the Year Ended June 30, 2014

	<u>Water</u>	<u>Sewer</u>	<u>Streets and Lights</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ 626	\$ (6,783)	\$ (726)	\$ (6,883)
Adjustments to reconcile operating income (loss) to net cash provided (used for) operating activities:				
Depreciation	3,996	2,036	--	6,032
(Increase) decrease in accounts receivable	144	236	--	380
Decrease (increase) in unearned revenue	22	36	--	58
Decrease (increase) in accounts payable	10,187	(4,807)	--	5,380
Net cash provided (used by) operating activities	<u>\$ 14,975</u>	<u>\$ (9,282)</u>	<u>\$ (726)</u>	<u>\$ 4,967</u>

MAINTENANCE DISTRICT 06 - LAKE SHORE PARK
(a Component Unit of the County of Madera)

Combining Statements of Net Position
June 30, 2013

	<u>Water</u>	<u>Sewer</u>	<u>Streets and Lights</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and investments	\$ 212,277	\$ 403,053	\$ --	\$ 615,330
Accounts receivable	598	975	--	1,573
Other receivables	259	423	--	682
Due from County of Madera	800	1,305		2,105
Total current assets	<u>213,934</u>	<u>405,756</u>	<u>--</u>	<u>619,690</u>
Non-current assets:				
Land	--	2,850	3,892	6,742
Construction in progress	87,355	--	--	87,355
Depreciable assets	80,163	65,310	1,895	147,368
Accumulated depreciation	(47,202)	(31,095)	(1,895)	(80,192)
Total non-current assets	<u>120,316</u>	<u>37,065</u>	<u>3,892</u>	<u>161,273</u>
Total assets	<u>334,250</u>	<u>442,821</u>	<u>3,892</u>	<u>780,963</u>
LIABILITIES				
Current liabilities:				
Accounts payable	14,354	4,279	--	18,633
Due to County of Madera	1,237	2,019	--	3,256
Unearned revenues	6	10	--	16
Total liabilities	<u>15,597</u>	<u>6,308</u>	<u>--</u>	<u>21,905</u>
NET POSITION				
Net investment in capital assets	120,316	37,065	3,892	161,273
Unrestricted	198,337	399,448	--	597,785
Total Net Position	<u>\$ 318,653</u>	<u>\$ 436,513</u>	<u>\$ 3,892</u>	<u>\$ 759,058</u>

MAINTENANCE DISTRICT 06 - LAKE SHORE PARK
(a Component Unit of the County of Madera)

Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2013

	<u>Water</u>	<u>Sewer</u>	<u>Streets and Lights</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 26,046	\$ 38,880	\$ --	\$ 64,926
Total operating revenues	<u>26,046</u>	<u>38,880</u>	<u>--</u>	<u>64,926</u>
Operating Expenses:				
Services and supplies	25,449	58,795	624	84,868
Depreciation	3,790	2,037	--	5,827
Total operating expenses	<u>29,239</u>	<u>60,832</u>	<u>624</u>	<u>90,695</u>
Operating Income (Loss)	<u>(3,193)</u>	<u>(21,952)</u>	<u>(624)</u>	<u>(25,769)</u>
Non-operating revenues (expenses)				
Taxes	29,378	48,009	624	78,011
Investment income	1,402	914	--	2,316
Intergovernmental revenue	362	600	--	962
Total non-operating revenues (expenses)	<u>31,142</u>	<u>49,523</u>	<u>624</u>	<u>81,289</u>
Change in Net Position Before Capital Contributions	27,949	27,571	--	55,520
Capital Contributions	<u>33,444</u>	<u>--</u>	<u>--</u>	<u>33,444</u>
Change in Net Position	61,393	27,571	--	88,964
Net position - beginning	<u>257,260</u>	<u>408,942</u>	<u>3,892</u>	<u>670,094</u>
Net position - ending	<u>\$ 318,653</u>	<u>\$ 436,513</u>	<u>\$ 3,892</u>	<u>\$ 759,058</u>

MAINTENANCE DISTRICT 06 - LAKE SHORE PARK
(a Component Unit of the County of Madera)

Combining Statements of Cash Flows
For the Year Ended June 30, 2013

	<u>Water</u>	<u>Sewer</u>	<u>Streets and Lights</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 27,545	\$ 41,326	\$ --	\$ 68,871
Payments to suppliers and service providers	<u>(14,162)</u>	<u>(59,519)</u>	<u>(624)</u>	<u>(74,305)</u>
Net cash provided (used by) operating activities	<u>13,383</u>	<u>(18,193)</u>	<u>(624)</u>	<u>(5,434)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants	362	600	624	1,586
Taxes	<u>29,378</u>	<u>48,009</u>	<u>--</u>	<u>77,387</u>
Net cash provided (used by) noncapital financing activities	<u>29,740</u>	<u>48,609</u>	<u>624</u>	<u>78,973</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants	33,444	--	--	33,444
Acquisition and construction of capital assets	<u>(93,523)</u>	<u>--</u>	<u>--</u>	<u>(93,523)</u>
Net cash provided (used by) capital and related financing activities	<u>(60,079)</u>	<u>--</u>	<u>--</u>	<u>(60,079)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earnings	<u>1,726</u>	<u>1,442</u>	<u>--</u>	<u>3,168</u>
Net cash provided (used by) investing activities	<u>1,726</u>	<u>1,442</u>	<u>--</u>	<u>3,168</u>
Net increase (decrease) in cash and cash equivalents	(15,230)	31,858	--	16,628
Cash and cash equivalents July 1	<u>227,507</u>	<u>371,195</u>	<u>--</u>	<u>598,702</u>
Cash and cash equivalents June 30	<u><u>\$ 212,277</u></u>	<u><u>\$ 403,053</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 615,330</u></u>

MAINTENANCE DISTRICT 06 - LAKE SHORE PARK
(a Component Unit of the County of Madera)

Combining Statement of Cash Flows - continued
For the Year Ended June 30, 2013

	<u>Water</u>	<u>Sewer</u>	<u>Streets and Lights</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ (3,193)	\$ (21,952)	\$ (624)	\$ (25,769)
Adjustments to reconcile operating income (loss) to net cash provided (used for) operating activities:				
Depreciation	3,790	2,037	--	5,827
(Increase) decrease in accounts receivable	1,642	2,679	--	4,321
Decrease (increase) in unearned revenue	(143)	(233)	--	(376)
Decrease (increase) in accounts payable	11,287	(724)	--	10,563
Net cash provided (used by) operating activities	<u>\$ 13,383</u>	<u>\$ (18,193)</u>	<u>\$ (624)</u>	<u>\$ (5,434)</u>

OTHER REPORTS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Supervisors and Grand Jury
Madera County
Madera, California

We have audited the accompanying financial statements of the Maintenance District 06 – Lake Shore Park (District), a component unit of the County of Madera, California, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 24, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Board of Supervisors and Grand Jury
Madera County

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Roseville, California
March 24, 2017