

**MAINTENANCE DISTRICT 08 – NORTH FORK
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2016**

**MAINTENANCE DISTRICT 08 – NORTH FORK
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

JUNE 30, 2016

TABLE OF CONTENTS

	<u>Page</u>
REPORT OF INDEPENDENT AUDITORS	1
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	3
Statement of Revenues, Expenses, and Changes in Net Position	4
Statement of Cash Flows	5
Notes to the Basic Financial Statements	6
SUPPLEMENTARY INFORMATION	
Combining Statement of Net Position	13
Combining Statement of Revenues, Expenses, and Changes in Net Position	14
Combining Statement of Cash Flows	15

Report of Independent Auditors

To the Board of Supervisors
Madera County

Report on the Financial Statements

We have audited the accompanying financial statements of the Maintenance District 08 – North Fork (District), a component unit of the County of Madera, California as of and for the year then ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District’s 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 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 and the California Code of Regulations, Title 2, Section 1131.2, State Controller’s *Minimum Audit Requirements* for California Special Districts. 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 District’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 District’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 Maintenance District 08 – North Fork as of June 30, 2016, and the changes in its financial position and 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 financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 13-15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Fresno, California
December 4, 2017

BASIC FINANCIAL STATEMENTS

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**MAINTENANCE DISTRICT 08 – NORTH FORK
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF NET POSITION
JUNE 30, 2016**

ASSETS

Current Assets:

Cash and investments	\$	375,193
Cash and investments - restricted		338,995
Accounts receivable		91,273
Interest receivable		1,793
Taxes receivable		63
Total Current Assets		807,317

Non-Current Assets:

Capital assets:

Land		704,791
Land under roads		102,268
Depreciable assets		2,713,054
Accumulated depreciation		(1,786,833)
Total Non-Current Assets		1,733,280

Total Assets		2,540,597
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LIABILITIES

Current Liabilities:

Accounts payable		7,595
Interest payable		2,077
Deposits from others		450
Due to County of Madera		30,167
Unearned revenue		706
Long-term debt, current portion		10,633
Total Current Liabilities		51,628

Non-Current Liabilities:

Long-term debt, long term portion		90,375
Total Non-Current Liabilities		90,375

Total Liabilities		142,003
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NET POSITION

Net Investment in capital assets		1,632,272
Restricted for debt service		338,995
Unrestricted		427,327

Total Net Position	\$	2,398,594
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The notes to the basic financial statements are an integral part of this statement.

**MAINTENANCE DISTRICT 08 – NORTH FORK
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016**

Operating Revenues:	
Charges for services	\$ 242,182
Total Operating Revenues	<u>242,182</u>
Operating Expenses:	
Services and supplies	28,905
Maintenance	90,659
Insurance	5,471
Utilities	27,588
Depreciation	<u>36,748</u>
Total Operating Expenses	<u>189,371</u>
Operating Income (Loss)	<u>52,811</u>
Non-Operating Revenue (Expenses):	
Taxes	15,896
Investment income	4,782
Intergovernmental	125
Interest and fiscal charges	<u>(4,636)</u>
Total Non-Operating Revenue (Expenses)	<u>16,167</u>
Income (Loss) Before Contributions	68,978
Capital contributions	<u>10,410</u>
Change in Net Position	79,388
Net Position, Beginning of Year	<u>2,319,206</u>
Net Position, End of Year	<u>\$ 2,398,594</u>

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

**MAINTENANCE DISTRICT 08 – NORTH FORK
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016**

Cash flows from operating activities:	
Cash receipts from customers and users	\$ 216,154
Cash paid to suppliers	<u>(147,663)</u>
Net cash provided (used) by operating activities	<u>68,491</u>
Cash flows from noncapital financing activities:	
Taxes	15,863
Operating grants	125
Interest paid on noncapital debt	<u>(4,797)</u>
Net cash provided (used) by noncapital financing activities	<u>11,191</u>
Cash flows from capital and related financing activities:	
Capital grants	10,410
Principal paid on capital debt	<u>(10,263)</u>
Net cash provided (used) by capital and related financing activities	<u>147</u>
Cash flows from investing activities:	
Interest on investments	<u>3,970</u>
Net cash provided (used) by investing activities	<u>3,970</u>
Net increase (decrease) in cash and cash equivalents	83,799
Cash and cash equivalents, beginning of the year	<u>630,389</u>
Cash and cash equivalents, end of the year	<u>\$ 714,188</u>

Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities

Operating income (loss)	\$ 52,811
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	36,748
Changes in operating assets and liabilities:	
Decrease/(Increase) in accounts receivable	(25,141)
Increase/(Decrease) in accounts payable	(5,690)
Increase/(Decrease) in due to County of Madera	10,650
Increase/(Decrease) in unearned revenues	<u>(887)</u>
Net cash provided (used) by operating activities	<u>\$ 68,491</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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**MAINTENANCE DISTRICT 08 – NORTH FORK
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the **MD 08 - North Fork** (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

Maintenance District 08, Zone of Benefit A, is located in Madera County Supervisorial District 5 in the town of North Fork. The District was formed on February 1, 1966 by Resolution No. 66-35 and provides water and sewer service to residential and commercial properties. The water system provides service to 116.26 improved units and 33.7 standby units. The wastewater plant provides sewer service to 150.96 improved units and 44 standby units. The funding for the water and sewer system operations comes from charges for water and sewer services. In addition to the charges for water and sewer services, the District also receives property taxes to cover sewer operating expenses of the District.

Maintenance District 08, Zone of Benefit B, provides road maintenance for 7 parcels served by 0.36 miles of paved roads with curb and gutter and is located in Madera County Supervisory District 5 in the town of North Fork and accessed north from County Road 225. MD 08 B was formed on June 27, 1995 by resolution 95-163 and is approximately 7 acres in size. A direct assessment of \$100 per parcel, per year was set for road maintenance.

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

Proprietary fund financial statements include a Statement of Net Position and a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. The principal operating revenues of the District are charges for services. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. Operating expenses for the District include the costs of sales and services, administrative expenses, and depreciation on capital assets. All other expenses are reported as non-operating expenses.

C. 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.

**MAINTENANCE DISTRICT 08 – NORTH FORK
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Receivables

Receivables consist of fees charged for water and sewer services, property taxes, and interest from the County of Madera. Management believes its receivables to be fully collectible, and accordingly, no allowance for doubtful accounts is required.

E. Property Taxes

Secured and unsecured property taxes are levied in July each year. Property taxes become a lien against the property as of January 1 of each year. Secured property taxes are payable in two installments which are due November 1 and February 1. Unsecured property taxes are due on August 31. All property taxes receivable are due from property owners within the District.

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (such as roads and similar items), are reported in the Statement of Net Position. Capital assets 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>
Infrastructure	20-50 years
Water and Sewer Systems	15-65 years
Structures and Improvements	30-50 years
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.

G. Net Position

Net position is classified in the following three components:

- 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.
- Unrestricted – This category represents all other net position of the District, that do not meet the definition of “net investment in capital assets” or “restricted net position.”

When both restricted and unrestricted resources are available for use, unrestricted resources are used only after the restricted resources are depleted.

**MAINTENANCE DISTRICT 08 – NORTH FORK
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Use of 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.

NOTE 2: CASH AND INVESTMENTS

Cash and investments at June 30, 2016 are classified in the financial statements as follows:

Cash and investments – unrestricted	\$375,193
Cash and investments – restricted	\$338,995

The District's cash and investments consisted of the following as of June 30, 2016:

Deposits held with County of Madera Investment Pool	\$714,188
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Risk Disclosure

Required disclosures for the District's deposit and investment risks for the cash held in the County of Madera Treasury at June 30, 2016, were as follows:

Credit risk	Not rated
Custodial risk	Not applicable
Concentration of credit risk	Not applicable
Interest rate risk	Refer to County of Madera's financial statements

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

Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

The District's cash investments in the County of Madera Investment Pool are carried at fair value. County of Madera invests in numerous types of investments ranging all levels in the fair value hierarchy. Accordingly, County of Madera Investment Pool is not an investment type that can be categorized in any particular level in the fair value hierarchy.

**MAINTENANCE DISTRICT 08 – NORTH FORK
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2016, was as follows:

	Total			Balance June 30, 2016
	Balance July 1, 2015	Additions	Deletions	
Capital assets, not being depreciated:				
Land	\$ 704,791	\$ -	\$ -	\$ 704,791
Land under roads	102,268	-	-	102,268
Construction in progress	<u>111,693</u>	<u>3,652</u>	<u>(115,345)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>918,752</u>	<u>3,652</u>	<u>(115,345)</u>	<u>807,059</u>
Capital assets, being depreciated:				
Infrastructure	25,567	-	-	25,567
Water and sewer systems	2,681,282	-	-	2,681,282
Equipment	<u>6,205</u>	<u>-</u>	<u>-</u>	<u>6,205</u>
Total capital assets, being depreciated	<u>2,713,054</u>	<u>-</u>	<u>-</u>	<u>2,713,054</u>
Less accumulated depreciation for:				
Infrastructure	(25,567)	-	-	(25,567)
Water and sewer systems	(1,724,466)	(36,127)	-	(1,760,593)
Equipment	<u>(52)</u>	<u>(621)</u>	<u>-</u>	<u>(673)</u>
Total accumulated depreciation	<u>(1,750,085)</u>	<u>(36,748)</u>	<u>-</u>	<u>(1,786,833)</u>
Total capital assets being depreciated, net	<u>962,969</u>	<u>(36,748)</u>	<u>-</u>	<u>926,221</u>
Total capital assets, net	<u>\$ 1,881,721</u>	<u>\$ (33,096)</u>	<u>\$ (115,345)</u>	<u>\$ 1,733,280</u>

Depreciation expense of \$36,748 was charged to the District.

**MAINTENANCE DISTRICT 08 – NORTH FORK
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3: CAPITAL ASSETS (Continued)

	Water			
	Balance July 1, 2015	Additions	Deletions	
Capital assets, not being depreciated:				
Land	\$ 40,985	\$ -	\$ -	\$ 40,985
Construction in progress	111,693	3,652	(115,345)	-
Total capital assets, not being depreciated	<u>152,678</u>	<u>3,652</u>	<u>(115,345)</u>	<u>40,985</u>
Capital assets, being depreciated:				
Water systems	434,232	-	-	434,232
Total capital assets, being depreciated	<u>434,232</u>	<u>-</u>	<u>-</u>	<u>434,232</u>
Less accumulated depreciation for:				
Water systems	(262,652)	(8,977)	-	(271,629)
Total accumulated depreciation	<u>(262,652)</u>	<u>(8,977)</u>	<u>-</u>	<u>(271,629)</u>
Total capital assets being depreciated, net	<u>171,580</u>	<u>(8,977)</u>	<u>-</u>	<u>162,603</u>
Total capital assets, net	<u>\$ 324,258</u>	<u>\$ (5,325)</u>	<u>\$ (115,345)</u>	<u>\$ 203,588</u>

Depreciation expense of \$8,977 was charged to the water service function of the District.

	Sewer			
	Balance July 1, 2015	Additions	Deletions	
Capital assets, not being depreciated:				
Land	\$ 662,726	\$ -	\$ -	\$ 662,726
Total capital assets, not being depreciated	<u>662,726</u>	<u>-</u>	<u>-</u>	<u>662,726</u>
Capital assets, being depreciated:				
Sewer systems	2,247,050	-	-	2,247,050
Equipment	6,205	-	-	6,205
Total capital assets, being depreciated	<u>2,253,255</u>	<u>-</u>	<u>-</u>	<u>2,253,255</u>
Less accumulated depreciation for:				
Sewer systems	(1,461,814)	(27,150)	-	(1,488,964)
Equipment	(52)	(621)	-	(673)
Total accumulated depreciation	<u>(1,461,866)</u>	<u>(27,771)</u>	<u>-</u>	<u>(1,489,637)</u>
Total capital assets being depreciated, net	<u>791,389</u>	<u>(27,771)</u>	<u>-</u>	<u>763,618</u>
Total capital assets, net	<u>\$ 1,454,115</u>	<u>\$ (27,771)</u>	<u>\$ -</u>	<u>\$ 1,426,344</u>

Depreciation expense of \$27,771 was charged to the sewer service function of the District.

**MAINTENANCE DISTRICT 08 – NORTH FORK
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3: CAPITAL ASSETS (Continued)

	Roads			
	Balance			Balance
	July 1, 2015	Additions	Deletions	June 30, 2016
Capital assets, not being depreciated:				
Land	\$ 1,080	\$ -	\$ -	\$ 1,080
Land under roads	<u>102,268</u>	<u>-</u>	<u>-</u>	<u>102,268</u>
Total capital assets, not being depreciated	<u>103,348</u>	<u>-</u>	<u>-</u>	<u>103,348</u>
Capital assets, being depreciated:				
Infrastructure	<u>25,567</u>	<u>-</u>	<u>-</u>	<u>25,567</u>
Total capital assets, being depreciated	<u>25,567</u>	<u>-</u>	<u>-</u>	<u>25,567</u>
Less accumulated depreciation for:				
Infrastructure	<u>(25,567)</u>	<u>-</u>	<u>-</u>	<u>(25,567)</u>
Total accumulated depreciation	<u>(25,567)</u>	<u>-</u>	<u>-</u>	<u>(25,567)</u>
Total capital assets being depreciated, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, net	<u>\$ 103,348</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,348</u>

NOTE 4: RELATED PARTY TRANSACTIONS

The District's property taxes are levied and collected through County of Madera Assessor and Treasurer-Tax Collector departments. The District contracts with the County of Madera to provide certain road maintenance services. The District's accounting and clerical functions are performed by County personnel. County of Madera charges the District for administrative costs incurred.

The amount due to the County of Madera as of June 30, 2016 is \$30,167.

NOTE 5: LONG-TERM LIABILITIES

The following is a summary of long-term liabilities transactions for the year ended June 30, 2016:

	Balance	Additions	Deletions	Balance	Due Within One Year
	July 1, 2015			June 30, 2016	
Revenue Bonds	\$ 81,200	\$ -	\$ (4,600)	\$ 76,600	\$ 4,800
State Clean Water Loan Payable	<u>30,071</u>	<u>-</u>	<u>(5,663)</u>	<u>24,408</u>	<u>5,833</u>
Total	<u>\$ 111,271</u>	<u>\$ -</u>	<u>\$ (10,263)</u>	<u>\$ 101,008</u>	<u>\$ 10,633</u>

**MAINTENANCE DISTRICT 08 – NORTH FORK
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5: LONG-TERM LIABILITIES (Continued)

Maintenance District 08A Revenue Bonds

The District issued MD 08A Special Tax Bonds on March 15, 1988 to expand the waste water treatment plant. The original issue amount was \$147,100. The bonds mature in year 2028. The interest rate is 5%. Annual principal installments range from \$4,600 to \$7,900. The District has pledged a portion of special assessments revenue to repay the MD 08A Revenue Bonds. The outstanding principal balance at June 30, 2016 is \$76,600

State Clean Water Loan Payable

On October 1, 1994 the District borrowed \$114,450 from the State of California Department of Water Resources for the North Fork water system project. The term of this loan is 25 years at a stated interest rate of 2.965%. Payments are due semi-annually on April 1st and October 1st of each year. The repayment period commenced on October 1, 1995. As of June 30, 2016 the outstanding balance on this loan is \$24,408.

As of June 30, 2016, annual debt service requirements of the District to maturity are as follows:

Year ending June 30,	Revenue Bonds		State Clean Water Loan Payable	
	Principal	Interest	Principal	Interest
2017	\$ 4,800	\$ 3,830	\$ 5,833	\$ 681
2018	5,100	3,590	6,007	507
2019	5,300	3,335	6,187	327
2020	5,600	3,070	6,381	143
2021	5,900	2,790	-	-
2022-2026	49,900	10,485	-	-
	<u>\$ 76,600</u>	<u>\$ 27,100</u>	<u>\$ 24,408</u>	<u>\$ 1,658</u>

NOTE 6: 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 Comprehensive Annual Financial Report.

SUPPLEMENTARY INFORMATION

**MAINTENANCE DISTRICT 08 – NORTH FORK
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**COMBINING STATEMENT OF NET POSITION
JUNE 30, 2016**

	Water	Sewer	Roads	Total
ASSETS				
Current Assets:				
Cash and investments	\$ 58,814	\$ 303,245	\$ 13,134	\$ 375,193
Cash and investments - restricted	326,697	12,298	-	338,995
Accounts receivable	27,382	63,891	-	91,273
Interest receivable	1,040	722	31	1,793
Taxes receivable	-	63	-	63
Total Current Assets	413,933	380,219	13,165	807,317
Non-Current Assets:				
Capital assets:				
Land	40,985	662,726	1,080	704,791
Land under roads	-	-	102,268	102,268
Depreciable assets	434,232	2,253,255	25,567	2,713,054
Accumulated depreciation	(271,629)	(1,489,637)	(25,567)	(1,786,833)
Total Non-Current Assets	203,588	1,426,344	103,348	1,733,280
Total Assets	617,521	1,806,563	116,513	2,540,597
LIABILITIES				
Current Liabilities:				
Accounts payable	4,599	2,996	-	7,595
Interest payable	205	1,872	-	2,077
Deposits from others	450	-	-	450
Due to County of Madera	6,097	24,070	-	30,167
Unearned revenue	212	494	-	706
Long-term debt, current portion	5,833	4,800	-	10,633
Total Current Liabilities	17,396	34,232	-	51,628
Non-Current Liabilities:				
Long-term debt, long term portion	18,575	71,800	-	90,375
Total Non-Current Liabilities	18,575	71,800	-	90,375
Total Liabilities	35,971	106,032	-	142,003
NET POSITION				
Net Investment in capital assets	179,180	1,349,744	103,348	1,632,272
Restricted for debt service	326,697	12,298	-	338,995
Unrestricted	75,673	338,489	13,165	427,327
Total Net Position	\$ 581,550	\$ 1,700,531	\$ 116,513	\$ 2,398,594

**MAINTENANCE DISTRICT 08 – NORTH FORK
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Water</u>	<u>Sewer</u>	<u>Roads</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ 75,015	\$ 166,867	\$ 300	\$ 242,182
Total Operating Revenues	<u>75,015</u>	<u>166,867</u>	<u>300</u>	<u>242,182</u>
Operating Expenses:				
Services and supplies	8,252	20,653	-	28,905
Maintenance	25,952	64,707	-	90,659
Insurance	2,728	2,728	15	5,471
Utilities	6,104	21,484	-	27,588
Depreciation	8,977	27,771	-	36,748
Total Operating Expenses	<u>52,013</u>	<u>137,343</u>	<u>15</u>	<u>189,371</u>
Operating Income (Loss)	<u>23,002</u>	<u>29,524</u>	<u>285</u>	<u>52,811</u>
Non-Operating Revenue (Expenses):				
Taxes	-	15,896	-	15,896
Investment income	2,190	2,505	87	4,782
Intergovernmental	-	125	-	125
Interest and fiscal charges	(804)	(3,832)	-	(4,636)
Total Non-Operating Revenue (Expenses)	<u>1,386</u>	<u>14,694</u>	<u>87</u>	<u>16,167</u>
Income (Loss) Before Contributions	24,388	44,218	372	68,978
Capital contributions	<u>10,410</u>	<u>-</u>	<u>-</u>	<u>10,410</u>
Change in Net Position	34,798	44,218	372	79,388
Net Position, Beginning of Year	<u>546,752</u>	<u>1,656,313</u>	<u>116,141</u>	<u>2,319,206</u>
Net Position, End of Year	<u>\$ 581,550</u>	<u>\$ 1,700,531</u>	<u>\$ 116,513</u>	<u>\$ 2,398,594</u>

**MAINTENANCE DISTRICT 08 – NORTH FORK
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Water</u>	<u>Sewer</u>	<u>Roads</u>	<u>Total</u>
Cash flows from operating activities:				
Cash receipts from customers and users	\$ 67,207	\$ 148,647	\$ 300	\$ 216,154
Cash paid to suppliers	(42,672)	(104,976)	(15)	(147,663)
Net cash provided (used) by operating activities	<u>24,535</u>	<u>43,671</u>	<u>285</u>	<u>68,491</u>
Cash flows from noncapital financing activities:				
Taxes	-	15,863	-	15,863
Operating grants	-	125	-	125
Interest paid on noncapital debt	(852)	(3,945)	-	(4,797)
Net cash provided (used) by noncapital financing activities	<u>(852)</u>	<u>12,043</u>	<u>-</u>	<u>11,191</u>
Cash flows from capital and related financing activities:				
Capital grants	10,410	-	-	10,410
Principal paid on capital debt	(5,663)	(4,600)	-	(10,263)
Net cash provided (used) by capital and related financing activities	<u>4,747</u>	<u>(4,600)</u>	<u>-</u>	<u>147</u>
Cash flows from investing activities:				
Interest on investments	1,919	1,975	76	3,970
Net cash provided (used) by investing activities	<u>1,919</u>	<u>1,975</u>	<u>76</u>	<u>3,970</u>
Net increase (decrease) in cash and cash equivalents	30,349	53,089	361	83,799
Cash and cash equivalents, beginning of the year	<u>355,162</u>	<u>262,454</u>	<u>12,773</u>	<u>630,389</u>
Cash and cash equivalents, end of the year	<u>\$ 385,511</u>	<u>\$ 315,543</u>	<u>\$ 13,134</u>	<u>\$ 714,188</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ 23,002	\$ 29,524	\$ 285	\$ 52,811
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	8,977	27,771	-	36,748
Changes in operating assets and liabilities:				
Decrease/(Increase) in accounts receivable	(7,542)	(17,599)	-	(25,141)
Increase/(Decrease) in accounts payable	(1,636)	(4,054)	-	(5,690)
Increase/(Decrease) in due to County of Madera	2,000	8,650	-	10,650
Increase/(Decrease) in unearned revenues	(266)	(621)	-	(887)
Net cash provided (used) by operating activities	<u>\$ 24,535</u>	<u>\$ 43,671</u>	<u>\$ 285</u>	<u>\$ 68,491</u>